UNIFORM ADMINISTRATIVE PROCEDURES

FOR IOWA SCHOOL DISTRICT

AND AEA OFFICIALS

Updated through 2013 Legislation

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INTRODUCTION

This edition of the *Uniform Administrative Procedures for Iowa School District and AEA Officials* includes laws, rules, and regulations in effect as of July 1, 2013. This manual is a compilation of relevant legal and authoritative citations and references in the area of school business management in the state of Iowa. For official and legal citations and references, use the original documents and sources, which are binding on school districts and AEAs. If you discover errors in citations, please contact Su.McCurdy@iowa.gov

Key to Abbreviations:

- OAG means Opinion of the Iowa Attorney General
- IC means Iowa Code
- IAC means Iowa Administrative Code (Rules)

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CHAPTER 1

GOVERNANCE

The purpose of this chapter is to deal briefly with the major duties of those people who are ordinarily considered to be local "officials" in the sense that they are concerned with the administration and business management of the school district or of the area education agency (AEA). These include the school board members, the president of the board of directors, the district secretary, the district treasurer, and the superintendent in the case of a school district or the administrator in the case of an AEA. Specific duties in key areas are included in later chapters of this manual.

Each school district shall continue a body politic as a school corporation, unless changed as provided by law, and as such may sue and be sued, hold property, and exercise all the powers granted by law, and shall have exclusive jurisdiction in all school matters over the territory therein contained **(274.1).** An AEA is a body politic as a school corporation for the purpose of exercising powers granted under chapter 273; and may sue and be sued **(273.2(2)).**

AEAs, like local school districts, are school corporations. Some Code chapters do not define the term "school corporation" as used in that chapter, and may or may not include AEAs. Inclusion of the AEAs may depend on the context in which the term "school corporation" is used. When guidance is not given to AEAs on an issue but is given to school districts, generally AEAs would follow the guidance given for school districts.

The affairs of each school corporation shall be conducted by a board of directors **(274.7).**

The School Board

Historically, local school boards evolved from school committees set up by the New England town meetings after school problems became too complex to be handled by the town meeting itself. Since that time state constitutions, legislative acts and court decisions have consistently defined education as a state function; this represents the recognition of the principle that the education of all children is in the best interest of all the people of the state.

Thus, the school board has both local and state functions. The members are elected by the citizens of the local district. The board which they comprise has extensive local authority subject to certain broad state educational policies established by the legislature and the state department of education in the common interest of all the people of the state.

The AEA Board

Iowa's three-tiered system of education agencies dates to 1858 when county superintendents were placed between those local school districts and the Department of Education (then called the Department of Public Instruction). The county superintendent's job was to oversee all county school districts, which numbered 5,022 in 1910.

During the next 70 years following 1858, the number of districts steadily declined. In 1957 the state legislature allowed counties to jointly employ one superintendent to handle the smaller number of districts.

In 1965 the legislature approved the merger of two or more counties into joint county school systems. In the same year the area community college system was established, creating boundaries for 15 service areas in the state.

In 1974, the legislature passed Senate File 1163 which replaced county and joint county systems with 15 AEAs as of July 1, 1975. The intent of the legislature was to provide an effective, efficient, and economical means of identifying and serving children from under five years of age through grade twelve who require special education and any other children requiring special education as defined in section 256B.2; to provide for media services and other programs and services for pupils in grades kindergarten through twelve and children requiring special education as defined in section 256B.2; to provide a method of financing the programs and services; and to avoid a duplication of programs and services provided by any other school corporation in the state; and to provide services to school districts under a contract with those school districts **(273.1).**

Because the law specifically defined services to accredited public and nonpublic schools in three general areas—special education services, media services, and educational services—the AEAs evolved to contain three major divisions. Later, AEAs organized around key program and service areas when the accreditation of AEAs began July 1, 1997.

Originally, there were established throughout the state fifteen (15) AEAs each of which is governed by an AEA board of directors **(273.2(1)).** Since that time, AEAs have reorganized, and as of July 1, 2010, there are nine (9) AEAs.

Department of Education

The department of education is established to act in a policymaking and advisory capacity and to exercise general supervision over the state system of education including all of the following:

a. Public elementary and secondary schools.
b. Community colleges.
c. Area education agencies.
d. Vocational rehabilitation.
e. Educational supervision over the elementary and secondary schools under the control of an administrator of a division of the department of human services.
f. Nonpublic schools to the extent necessary for compliance with Iowa school laws **(256.1(1)).**

The department shall act as an administrative, supervisory, and consultative state agency **(256.1(5)).**

Dillon Rule

Iowa school districts and area education agencies operate under Dillon's Rule which states that school corporations possess and can exercise the following powers and no others: Those granted in express words, those necessarily implied or necessarily incident to the powers expressly granted, and those absolutely essential to the declared objects and purposes of the school corporation--not simply convenient or desired, but indispensable **(Merriam v. Moody's Executors, 25 Iowa 163, 170 (1868))**. School districts cannot do by indirect means anything they do not have direct authority to do, and laws granting powers to school districts shall be construed narrowly to limit district authority to the precise language of the authorizing statute **(Bishop v. Iowa State Board of Pub. Instr., 395 NW2d Iowa 838, 891 (1986)).** The mere absence of a prohibition against an action or activity in Code does not give a school district or area education agency authority to initiate that action or activity. It is fundamental that school districts are creatures of statute, with only those powers expressly conferred by statute or reasonably and necessarily implied incident to exercise of a power or performance of a duty expressly conferred or imposed **(Silver Lake Cons. Sch. Dist. V. Parker, 238 Iowa 984, 29 N.W. 2d 219; Ind. Sch. Dist. of Danbury v. Christiansen, 242 Iowa 963, 49 N.W. 2d 263).** Interpretation of school law and rules relating to the school laws may only be done by the Iowa Attorney General's Office and the Iowa Department of Education **(256.9(16)).** These Opinions or Rules, once given, have the effect of law on school corporations. The Department of Education has explicit authority to interpret school law **(Iowa District Court, Polk County, IASB v. IDoE, CV5557 (2005)); Affirmed by the Iowa Supreme Court (No. 51/05-1255 (2007)).** Interpretation of school law under chapter 256 is in addition to authority to promulgate rules or issue declaratory orders/rulings.

Attorney General's opinion may be requested by members of the general assembly, state officers (elected or appointed), and county attorneys. Local officials such as school board members, citizens, or governmental staff cannot directly request opinions of the Attorney General.

Unless otherwise specifically provided by the general assembly, whenever the following words are used in a statute enacted after July 1, 1971, their meaning and application shall be:
a. The word *"shall"* imposes a duty.
b. The word *"must"* states a requirement.
c. The word *"may"* confers a power. **(4.1(30)).**

Boards

The board shall make rules for its own government and that of the directors, officers, employees, teachers and pupils, and for the care of the schoolhouse, grounds, and property of the school corporation, and shall aid in the enforcement of the rules, and require the performance of duties imposed by law and the rules **(279.8).**

The board shall carry into effect any instruction from the regular election upon matters within the control of the voters, and shall elect all teachers and make all contracts necessary or proper for exercising the powers granted and performing the duties required by law **(279.12).**

The board shall establish and maintain adequate administration, school staffing, personnel assignment policies, teacher qualifications, certification requirements, facilities, equipment, grounds, graduation requirements, instructional requirements, instructional materials, maintenance procedures, and policies on extracurricular activities. In addition the

board shall provide such principals as it finds necessary to provide effective supervision and administration for each school and its faculty and student body **(280.14(1)).**

The general rule of law as set forth by the Iowa Supreme Court is that, absent an express statutory provision to the contrary, a local governmental body may not bind its successors in matters that are essentially legislative or governmental, as opposed to business or proprietary, in nature **(OAG #83-6-4(L)).**

The other duties and permitted functions of an Iowa school board or Iowa AEA board are far too extensive and varied to be enumerated here. The most important concept of a good board is that it is a policy-making body and that a member has no authority except as a part of that body. The law gives broad authority to the board as a whole, but an individual member, outside of an official meeting, has no legal power to act nor exemption from prosecution.

Elector Powers

The electors also have certain powers and can override certain board decisions. If the voters of a district at a regular election forbid the use of any schoolhouse or grounds for other than school purposes, the board shall not permit that use until the action of the voters is rescinded by the voters at an election **(297.11, 278.1"d").** In addition, the voters at the regular election shall have the power to direct a change of textbooks regularly adopted; to direct the sale, lease, or other disposition of any school property except when restricted by section 297.25; to determine additional branches to be taught; to direct the transfer of any surplus in the debt service fund, physical plant and equipment levy (PPEL) fund or other capital projects funds, or public education and recreation levy (PERL) fund to the general fund; to authorize the board to obtain roads for proper access to its schoolhouses; to authorize a change to either five or seven directors; to authorize a change in the method of conducting elections or in the number of directors as provided in sections 275.35 and 275.36; or to change the name of the school district **(278.1).** One hundred (100) or more eligible electors may also petition for a complete or partial reaudit **(11.6(4)"a"(3)).** Upon the written request of one hundred (100) eligible electors or a number of electors which equals thirty percent (30%) of the number of electors who voted in the last regular school board election, whichever number is greater, the board shall direct the county commissioner of elections to provide in the notice of the regular election for submission of any proposition authorized by law to the voters **(278.2).**

Nothing in 278.1 shall be construed to prevent the sale, lease, exchange, gift, or grant and acceptance of any interest in real or other property of the corporation to the extent authorized in section 297.22 **(278.1"b").** The power vested in the electors by section 278.1 shall not affect or limit the power granted to the board in subsection 297.7(2), and the authority granted in said subsection shall be construed as independent of the power vested in the electors by section 278.1 **(278.3).**

Whenever a petition signed by one hundred (100) eligible electors residing in the school district or a number of eligible electors residing in the school district equal to at least ten percent (10%) of the number of voters in the last preceding regular school election, whichever is greater, is filed with the secretary sixty (60) days or more before the regular election, asking that the question of providing free textbooks for the use of pupils in the school district's attendance centers be submitted to the voters at the next regular election, the secretary shall cause notice of such proposition to be given in the notice of such election **(301.24).** If, at such election, a majority of the legal voters present and voting by ballot thereon shall authorize the board of directors of said school district to loan textbooks to the pupils free of charge, then the board shall procure such books as shall be needed, in the manner provided by law for the purchase of textbooks, and loan them to the pupils **(301.25).** The electors may, at any election called as provided in section 301.24, direct the board to discontinue the loaning of textbooks to pupils **(301.27).**

If the board does not provide for an election and adopts a resolution to participate in the instructional support program, the district shall participate in the instructional support program unless within twenty-eight (28) days following the action of the board, the secretary of the board receives a petition containing the required number of signatures, asking that the question to approve or disapprove the action of the board in adopting the instructional support program be submitted to the voters of the school district. The petition must be signed by eligible electors equal in number to not less than one hundred (100) or thirty percent (30%) of the number of voters at the last preceding regular school election, whichever is greater. The board shall either rescind its action or direct the county commission of elections to submit the question to the registered voters of the school district at an election. If a majority of those voting on the question at the election favors disapproval of the action of the board, the district shall not participate in the instructional support program. If a majority of those voting on the question favors approval of the action, the board shall certify the results of the election to the department of management and the district shall participate in the program **(257.18(2)"a").**

No action shall be brought questioning the legality of the organization, reorganization, enlargement, or change in the boundaries of any school corporation in this state unless brought within six (6) months after the date of the filing of the written description in the office of the county auditor or county auditors. When the period of limitations has passed, it

shall be conclusively presumed that all acts and proceedings taken with reference to the organization, reorganization, enlargement or change in boundaries were legally taken for every purpose whatsoever and that a de jure school corporation exists **(274.5).**

Number of Directors

By Iowa statute the number of directors in school districts shall be as follows:

1. Seven directors
   - (a) in any school district including all or part of a city of 15,000 or more population **(277.23).**
   - (b) in any school district in which the voters have authorized seven directors at an election **(275.35, 277.23).**
   - (c) in any school district in which the board as provided in section 275.23A(2) has authorized seven directors by resolution following a federal decennial census **(277.23).**
2. Five directors
   - (a) in all other school districts **(277.23).**

A majority of the board of any school corporation shall constitute a quorum for the transaction of business, but a lesser number may adjourn from time to time **(279.4).**

Term of Office

The affairs of each school corporation shall be conducted by a board of directors, the members of which in all community or independent school districts shall be chosen for a term of four years except as otherwise provided by law **(274.7, 39.24).**

The board shall appoint a temporary president or secretary, in the absence of the regular officers **(279.5).**

Board members are typically elected "at large" in Iowa school districts. A provision in the law allows some choice in newly-formed school districts as to election "at large," or by one of the methods involving "director districts," or by a combination of the two methods. Further provisions allow any existing school district or any school district hereafter created or enlarged to change its method of election and change the number of directors to five or to seven by petition and vote of the electors **(275.35, 277.23, 278.1"g" and "h", 275.12).**

Following each federal decennial census the school board shall determine whether the existing director district boundaries meet the standards in subsection 275.23A(1) according to the most recent federal decennial census. If necessary, the board of directors shall redraw the director district boundaries **(275.23A(2)).**

At the first election in newly organized districts the directors shall be elected as follows:

1. In districts having three directors, two directors shall be elected for two years, and one for four years.
2. In districts having five directors, three shall be elected for two years, and two for four years.
3. In districts having seven directors, four shall be elected for two years, and three for four years **(277.25).**

School board members for a newly-organized school district appointed to the new board pursuant to Iowa Code section 275.41 who are subsequently defeated for reelection to the board of the old districts remain members of the board of directors of the newly-organized district **(OAG #93-4-5(L)).**

Except when otherwise provided, every officer elected or appointed for a fixed term shall hold office until a successor is elected and qualified, unless the officer resigns, or is removed or suspended, as provided by law **(69.1A).** A member of the board shall, at the time of election or appointment, be an eligible elector of the corporation or subdistrict **(277.27).** Each director elected at a regular district or director district election shall qualify by taking the oath of office on or before the time set for the organization meeting of the board and the election and qualification entered of record by the secretary. The oath may be administered by any qualified member of the board or the secretary of the board. If the oath of office is taken elsewhere than in the presence of the board in session it may be administered by any officer listed in sections 63A.1 and 63A.2. The oath shall be properly verified by the administering officer and filed with the secretary of the board **(277.28).**

Board members may take the oath of office orally from some person authorized to give the oath. It is not necessary to sign or subscribe to a written oath **(OAG #32-4-28).**

The oath may not be taken before a foreign notary **(OAG #66-3-31).**

The board of directors of each school corporation shall meet and organize at the first regular meeting after the canvass for the regular school election at some suitable place to be designated by the secretary. Notice of the place and hour of the meeting shall be given by the secretary to each member and member-elect of the board. Such organization shall be effected by the election of a president from the members of the board to serve for one [1] year, who shall be entitled to vote as a member **(279.1).**

Vacancies

Any of the following shall constitute a vacancy:

(a) Failure to elect at the proper election or to appoint within the time fixed by law.
(b) Failure of the officer elected or appointed to qualify within the time prescribed by law.
(c) The incumbent ceasing for any reason to be a resident of the district or removing residence from the subdistrict.
(d) Resignation or death of the incumbent or of the officer-elect.
(e) Removal of incumbent from, or forfeiture of, the office.
(f) Decision of a competent tribunal declaring the office vacant.
(g) Conviction of incumbent of a felony or of any public offense involving the violation of the incumbent's oath of office **(277.29).**

Each school officer or member of the board upon the termination of the officer or member's term of office shall immediately surrender to the successor all books, papers, and moneys pertaining or belonging to the office, taking a receipt therefor **(277.31).**

Vacancies occurring among the officers or members of a school board shall be filled by the board by appointment. A person so appointed to fill a vacancy in an elective office shall hold office until a successor is elected and qualified, unless the person so appointed resigns or is removed or suspended. Any person so appointed shall qualify within ten (10) days thereafter. **(279.6, 69.1A).**

A vacancy shall be filled at the next regular school election if a member of a school board resigns from the board not later than 45 days before the election and the notice of resignation specifies an effective date at the beginning of the next term of office for elective school officials. The president of the board shall declare the office vacant as of the date of the next organizational meeting. Nomination papers shall be received for the unexpired term of the resigning members. The person elected at the next regular school election to fill the vacancy shall take office at the same time and place as the other elected school board members **(279.6).**

If a vacancy or vacancies occur among the elective officers or members of a school board and the remaining members of the board have not filled the vacancy within thirty (30) days after the vacancy becomes known by the secretary or the board, or when the board is reduced below a quorum, the secretary of the board, or if there is no secretary, the AEA administrator, shall call a special election in the district, subdistrict, or subdistricts, as the case may be, to fill the vacancy or vacancies. If the secretary fails for more than three (3) days to call an election, the administrator shall call it. An appointment by the board to fill any vacancy in an elective office on or after the day notice has been given for a special election to fill such vacancy as provided herein shall be null and void. In the case of a special election as provided in this section to fill a vacancy occurring among the elective officers or members of a school board before the expiration of a full term, the person so elected shall qualify within ten (10) days thereafter in the manner required by section 277.28 and shall hold the office for the residue of the unexpired term and until a successor is elected, or appointed, and qualified. Nomination petitions shall be filed in the manner provided in section 277.4, except that the petitions shall be filed not less than twenty-five (25) days before the date set for the election **(279.7).** When vacancies are to be filled by election, the provisions of section 69.12 shall control **(277.30).**

A board member may remain on the board if the member changes residence from one county to another providing the member remains in the same school district and was elected "at large" by the entire district **(OAG #58-5-1(L)).**

A vacancy is created when a board member moves from one director district to another director district in the same corporation **(OAG #69-4-6(L)).**

A director who moves from the district and later returns is not entitled to finish the term **(1912 Op. Att'y Gen. 739 (#12-7-13)).**

Compensation

Notwithstanding any contrary provision of the Code, a member of the board shall not receive compensation directly from the board unless the compensation is for part-time or temporary employment and does not exceed the limitation set forth in section 279.7A **(277.27).**

No member of the board, other than the secretary and treasurer, shall receive compensation for official services. The board shall fix the compensation to be paid the secretary. The board may pay the treasurer a reasonable compensation **(279.32).**

A member of the board of directors of a school corporation shall not have an interest, direct or indirect, in a contract for the purchase of goods, including materials and profits, and the performance of services for the director's school corporation. A contract entered into in violation of this section is void. This section does not apply to contracts for the purchase of goods or services, which benefit a director, or to compensation for part-time or temporary employment which benefits a director, if the benefit to the director does not exceed two thousand five hundred dollars ($2500) in a fiscal year, and contracts made by a board, upon competitive bid in writing, publicly invited and opened **(279.7A).**

Contracts in which a board member has any interest are void as contrary to public policy **(Kagy v. Independent School District, 117-694; Town of Hartley v. Floete Lumber Company, 185-861).**

All contracts for transportation service and for drivers of school-owned and operated buses shall be made with someone outside the board except where no other transportation service is available, a board member may transport the member's own children **(285.5(7)).**

A school district director, officer, or teacher shall not act as agent for school textbooks or school supplies, including sports apparel or equipment, in any transaction with a director, officer, or other staff member of the school district during such term of office or employment. An area education agency director, officer, or teacher shall not act as an agent for school textbooks or school supplies, including sports apparel or equipment, in any transaction with a director, officer, or other staff member of the area education agency or any school district located within the area education agency during such time of office or employment. A school district or area education agency director, officer, or teacher who acts as agent or dealer in school textbooks or school supplies during the person's term of office or employment in violation of this section shall be deemed guilty of a serious misdemeanor **(301.28).**

Actual and necessary expenses, including travel, incurred by the board or individual members thereof in the performance of official duties may be paid or reimbursed **(279.32).** Board members who serve on conference boards as representatives of the school board may seek mileage reimbursement, to the extent provided by statute, from their respective governmental entities for travel between their homes and conference board meetings **(OAG #00-8-3(L)).**

School board members may be reimbursed for actual and necessary expenses including expenses incurred in attending national school board conventions in distant states **(OAG #77-12-5).**

Legal Advice

The county attorney shall cooperate with the auditor of state to secure correction of a financial irregularity as provided in section 11.53 **(331.756(11)).** If an audit or examination discloses any irregularity in the collection or disbursement of public funds, in the abatement of taxes, or other findings the auditor believes represent significant noncompliance, a copy of the report shall be filed with the county attorney, and it shall be the county attorney's duty to cooperate with the state auditor, and, in proper cases, with the attorney general, to secure the correction of the irregularity **(11.53).**

It shall be the duty of the department of education to interpret the school laws and rules relating to the school laws **(256.9(16)).**

It shall be the duty of the attorney general to give an opinion in writing, when requested, upon all questions of law submitted by the general assembly or by either house thereof, or by any state officer, elective or appointive. Questions submitted by state officers must be of a public nature and relate to the duties of such officer **(13.2(1)"e").**

A school corporation may employ an attorney to represent the school corporation as necessary for the proper conduct of the legal affairs of the school corporation **(279.37).**

Attorneys to defend individual directors for acts in their official capacity may be paid from district funds **(1936 Op. Att'y Gen. 273; 1940 Op. Att'y Gen. 26 (#39-1-18)).**

Authority of Law, Rules, Opinions and Departmental Regulations

Iowa school districts and AEAs operate under Dillon's Rule, by state constitution, which states that they possess and can exercise the following powers and no others: Those granted in express words, those necessarily implied or necessarily incident to the powers expressly granted, and those absolutely essential to the declared objects and purposes of the school corporation--not simply convenient or desired, but indispensable. Interpretation of school law may be done by the Iowa Attorney General's Office and the Iowa Department of Education. These Opinions and Rules, once given, have the effect of law on LEAs.

Under Iowa Code section 256.9(16), the director of the Department of Education shall interpret the school laws and rules relating to school laws and under Iowa Code section 256.9(17), the director of the Department shall hear and decide appeals arising from the school laws not otherwise specifically granted to the state board. As such, the Department of Education has explicit authority to interpret school law and this Court gives appropriate deference to the Department of Education's interpretation **(Iowa District Court, Polk County, IASB v. IDoE, CV5557 (2005)). Affirmed by the Iowa Supreme Court (No. 51/05-1255 (2007)).**

It is well established that where the language of a statute is plain and unambiguous and its meaning clear and unmistakable, there is no room for construction, and we may not search for its meaning beyond the statute itself **(OAG #84-5-1(L)).**

An administrative rule, violation of which is a crime, may incorporate federal standards by reference, provided these standards are explicit and readily ascertainable **(OAG #87-10-2(L)).**

An attorney general's opinion establishes the substantive interpretation of a Code section until it is overruled, revised, withdrawn upon consideration or upset by court decision **(OAG #87-1-5).**

A footnote in **OAG #92-11-3** indicates that an opinion based on a Code section which is repealed but replaced with a section having much the same language would continue to apply.

Care should be taken when reviewing older opinions of the attorney general (OAG) that terminology must be viewed as it was defined at the time that the opinion was issued. Some terms have been reused with a different meaning and that OAG cannot be interpreted based on the new definition. For example, the term "General Fund" has taken on new meaning. Districts were required to convert to GAAP basis of accounting and reporting beginning with July 1, 1996. The entire chapter of Code, 298A, was developed in the 94 Acts to establish funds in compliance with GAAP, and was effective July 1, 1995. Terminology for those funds was based on GAAP as promulgated by GASB. The General Fund was established in the 94 Acts because that was the title of that governmental fund as defined by the GASB. Prior to the enactment and effective date of chapter 298A, school districts in Iowa had only two actual funds per Iowa Code: General Fund and Schoolhouse Fund. The basic difference between the two funds, was that Schoolhouse Fund was for capital expenditures, and General Fund was for everything else. Inside of the old Schoolhouse Fund, there were sub-funds called 67.5 center schoolhouse fund (the predecessor to voter approved PPEL), Playground levy fund (now PERL), Debt Service Levy Fund, capital projects funds (bond issues), and site fund (the predecessor to regular PPEL). Inside of the General Fund, there were sub-funds called Tort Liability Fund, Unemployment Fund, Early Retirement Fund (those three combined into Management Fund), Student Activity Fund, School Nutrition Fund, Trust Funds, Agency Funds, and Operating Fund (now called General Fund). Obviously, this reuse of the term "General Fund" with a new meaning is confusing. OAGs issued before July 1, 1995, will use the term "operating fund" if they mean what is called "general fund" today. OAGs issued before July 1, 1995, that used the term "general fund" are referring to the overall fund that was non-capital in nature and included a variety of non-capital sub-funds.

Joint Exercise of Power

The purpose of Iowa Code chapter 28E [joint exercise of governmental powers] is to permit state and local governments in Iowa to make efficient use of their powers by enabling them to provide joint services and facilities with other agencies and to cooperate in other ways of mutual advantage **(28E.1).**

"Public agency" shall mean any political subdivision of this state; any agency of the state government or of the United States; and any political subdivision of another state **(28E.2).**

"Private agency" shall mean an individual and any form of business organization authorized under the laws of this or any other state **(28E.2).**

Any power or powers, privileges or authority exercised or capable of exercise by a public agency of this state may be exercised and enjoyed jointly with any other public agency of this state having such power or powers, privilege or authority, and jointly with any public agency of any other state or of the United States to the extent that laws of such

other state or of the United States permit such joint exercise or enjoyment. Any agency of the state government when acting jointly with any public agency may exercise and enjoy all of the powers, privileges and authority conferred by chapter 28E upon a public agency **(28E.3).**

Any public agency of this state may enter into an agreement with one or more public or private agencies for joint or cooperative action pursuant to the provisions of chapter 28E including the creation of a separate entity to carry out the purpose of the agreement. Appropriate action by ordinance, resolution, or otherwise pursuant to law of the governing bodies involved shall be necessary before any such agreement may enter into force **(28E.4).**

Any contract or agreement authorized by chapter 28E shall not be limited as to period of existence, except as may be limited by the agreement or contract itself **(28E.14).**

Any such agreements under chapter 28E shall specify the following:

1. Its duration.
2. The precise organization, composition and nature of any separate legal or administrative entity created thereby together with the powers delegated thereto, provided such entity may be legally created.
3. Its purpose or purposes.
4. The manner of financing the joint or cooperative undertaking and of establishing and maintaining a budget therefor.
5. The permissible method or methods to be employed in accomplishing the partial or complete termination of the agreement and for disposing of property upon such partial or complete termination.
6. Any other necessary and proper matters **(28E.5).**

If the agreement does not establish a separate legal entity to conduct the joint or cooperative undertaking, the agreement shall also include:

a. Provision for an administrator or a joint board responsible for administering the joint or cooperative undertaking. In the case of a joint board, public agencies party to the agreement shall be represented.
b. The manner of acquiring, holding, and disposing of real and personal property used in the joint or cooperative undertaking **(28E.6(1)).**

No agreement made pursuant to chapter 28E shall relieve any public agency of any obligation or responsibility imposed upon it by law except that to the extent of actual and timely performance thereof by a joint board or other legal or administrative entity created by an agreement made hereunder, said performance may be offered in satisfaction of the obligation or responsibility **(28E.7).**

Before entry into force, an agreement made pursuant to chapter 28E shall be filed, in an electronic format, with the secretary of state in a manner specified by the secretary of state **(28E.8(1)"a").**

If an agreement entered into pursuant to chapter 28E is between or among one or more public agencies of this state and one or more public agencies of another state or of the United States said agreement shall have the status of an interstate compact. Such agreements shall, before entry into force, be approved by the attorney general who shall determine whether the agreement is in proper form and compatible with the laws of this state **(28E.9).**

The Department of Education, in conjunction with the state board of regents, shall explore the need for coordination between school districts, AEAs, regents institutions, and community colleges for purposes of delivery of courses, use of telecommunications, transportation, and other similar issues. Coordination may include, but is not limited to, coordination of calendars, programs, schedules, or telecommunications emissions **(256.9(41)).**

The school budget review committee (SBRC) may recommend that two [2] or more school districts jointly employ and share the services of any school personnel, or acquire and share the use of classrooms, laboratories, equipment, and facilities as specified in section 280.15 **(257.31(13), 280.15(1)).**

AEAs may cooperate and contract between themselves and with other public agencies to provide special education programs and services, media services, and educational services to schools and children residing within their respective areas **(273.3(6)).**

Whole Grade Sharing

Whole grade sharing is a procedure used by school districts whereby all or a substantial portion of the pupils in any grade in two or more school districts share an educational program for all or a substantial portion of a school day under a written agreement pursuant to section 256.13, 280.15, or 282.7, subsection 1 or 3. Whole grade sharing may either be one-way or two-way sharing. A whole grade sharing agreement shall be signed by the boards of the districts involved

in the agreement no later than February 1 of the school year preceding the school year for which the agreement is to take effect. The boards of the districts shall negotiate as part of the new or existing agreement the disposition of teacher quality funding provided under chapter 284 **(282.10).**

The boards of two or more school districts may by agreement provide for attendance of pupils residing in one district in the schools of another district for the purpose of taking courses not offered in the district of their residence. The boards may also provide by agreement that the districts will combine their enrollments for one or more grades. The boards of districts entering into such agreements may provide for sharing the costs and expenses of the courses. If the agreement provides for whole grade sharing, the costs and expenses shall be paid as provided in sections 282.10 through 282.12 **(256.13).**

If students attend classes in another school district under section 280.15 under an agreement that provides for whole grade sharing, the boards of the districts entering into these agreements shall provide for sharing the costs and expenses as provided in sections 282.10 through 282.12 **(280.15(1)).**

When a board closes its elementary school facilities for lack of pupils or by action of the board, it shall, if there is a school bus service available in the area, designate for attendance the school operating the buses, provided the board of such school is willing to receive them and the facilities and curricular offerings are adequate. The board of the district where the pupils reside may with the approval of the AEA board, subject to legal limitations and established uniform standards, designate another rural school and provide their own transportation if the transportation costs will be less than to use the established bus service **(285.4).**

The board of directors of a school district by record action may discontinue any or all of grades seven through twelve and negotiate an agreement for attendance of the pupils enrolled in those grades in the schools of one or more contiguous school districts having accredited school systems. If the board designates more than one contiguous district for attendance of its pupils, the board shall draw boundary lines within the school district for determining the school districts of attendance of the pupils. The portion of a district so designated shall be contiguous to the accredited school district designated for attendance. Only entire grades may be discontinued under this subsection and if a grade is discontinued, all higher grades in that district shall also be discontinued. The boards entering into an agreement under this section shall provide for sharing the costs and expenses as provided in sections 282.10 through 282.12. The agreement shall provide for transportation and authority and liability of the affected boards **(282.7(1)).**

For purposes of supplementary weighting pursuant to **IAC 281—97.2(7),** if all or a substantial portion of the students in any grade are shared with another one or more school districts for all or a substantial portion of a school day, the arrangement is considered to be whole grade sharing even in the absence of an agreement executed pursuant to Iowa Code sections 282.10 through 282.12.

Interstate Sharing

If an agreement entered into pursuant to chapter 28E is between or among one or more public agencies of this state and one or more public agencies of another state or of the United States said agreement shall have the status of an interstate compact. Such agreements shall, before entry into force, be approved by the attorney general who shall determine whether the agreement is in proper form and compatible with the laws of this state **(28E.9).**

An Iowa school corporation may, through its board of directors, enter into an interstate grade-sharing agreement which provides for joint exercise of control over some affairs of the Iowa school corporation. The Iowa school corporation may not, however, delegate obligations statutorily imposed upon its governing board. Guidelines for the composition of such joint board and selection of its members should be included within the agreement of the parties **(OAG #90-3-6).**

The board of directors of school districts located near the state boundaries may designate schools of equivalent standing across the state line for attendance of both elementary and high school pupils when the public school in the adjoining state is nearer than any appropriate public school in a pupil's district of residence or in Iowa. Distance shall be measured by the nearest traveled public road. Arrangements shall be subject to reciprocal agreements made between the chief state school officers of the respective states **(282.8).**

Notwithstanding sections 28E.9 and 282.8, a school district may negotiate an agreement under subsection 282.7(1) for attendance of its pupils in a school district located in a contiguous state subject to a reciprocal agreement by the two state boards in the manner provided in 282.7(3). Prior to negotiating an agreement with the school district in the contiguous state, the board of directors shall file a written request with the state board of education for a determination whether the school district in the contiguous state meets requirements substantially similar to those required for accredited or approved school districts in this state and the school district receives or has available services equivalent

to those that would be provided in this state by an AEA. The school district shall also obtain approval by the Department of Education of the sharing proposal, before the agreement becomes effective. Six (6) months before making the request for approval, the district shall request a feasibility study from the Department of Education. Such an agreement is not eligible for supplementary weighting under section 257.11 as a result of that agreement **(282.7(3)).**

Accredited Nonpublic School Sharing

Students enrolled in private schools may enroll in public schools for specified courses when the courses in which they seek enrollment are not available to them in their private schools, provided the students have satisfactorily completed prerequisite courses, if any, or have otherwise shown equivalent competence through testing. This does not deprive the boards of school districts of any of their legal powers, statutory or otherwise, and in accepting the specially enrolled students, each of the boards shall prescribe the terms of the special enrollment, including but not limited to scheduling of courses and the length of class periods **(256.12(1) and (2)).**

School districts and AEA boards shall make public school services, which shall include special education programs and services and may include health services, services for remedial education programs, guidance services, and school testing services, available to children attending nonpublic schools in the same manner and to the same extent that they are provided to public school students. Service activities shall be similar to those undertaken for public school students. Health services, special education support, and related services provided by AEAs for the purpose of identifying children with disabilities, assistance with physical and communication needs of students with physical disabilities, and services of an educational interpreter may be provided on nonpublic school premises with the permission of the lawful custodian of the property. Other special education services may be provided on nonpublic school premises at the discretion of the school district or AEA provider of the service and with the permission of the lawful custodian of the property. Students enrolled in nonpublic schools who receives these special education services shall be weighted at the level provided for in subsection 256B.9(1) **(256.12(2)).**

Sharing Personnel, Services or Facilities

Two or more public school districts may jointly employ and share the services of any school personnel, or acquire and share the use of classrooms, laboratories, equipment and facilities **(280.15(1)).**

The school budget review committee (SBRC) may recommend that two [2] or more school districts jointly employ and share the services of any school personnel, or acquire and share the use of classrooms, laboratories, equipment, and facilities as specified in section 280.15 **(257.31(13), 280.15(1)).**

The board of an AEA shall not establish programs and services which duplicate programs and services which are or may be provided by the community colleges under the provisions of chapter 260C. An AEA shall contract, whenever practicable, with other school corporations for the use of personnel, buildings, facilities, supplies, equipment, programs and services **(273.2(6)).**

AEA boards are authorized, subject to the approval of the director of the Department of Education, to enter into agreements for the joint use of personnel, buildings, facilities, supplies, and equipment with school corporations as deemed necessary to provide authorized programs and services **(273.3(8)).**

The board of any school district or AEA may employ public health nurses at periods each year and in numbers as deemed advisable. The council of any city, or the board of any school district, [or the board of any AEA], or any of them acting in cooperation, may contract with any nonprofit nurses' association for public health nursing service. The compensation and expenses shall be paid out of the general fund of the political subdivision employing nurses **(143.1).**

The board of directors of a school district may employ a superintendent of schools for a term of not to exceed three years. Boards of directors may jointly exercise the powers conferred **(279.20).**

The board of directors of any school district in the state of Iowa may enter into contract with the state board of regents for furnishing instruction to pupils of that school district and for practitioner preparation for the schools **(262.30).** The contract shall be in writing and shall extend over a period of not to exceed two years, and a copy shall be filed in the office of the administrator of the AEA **(262.32).**

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 to provide for the eligibility of its students in interscholastic activities provided by that other school district. It is not necessary that school districts that are parties to shared activities agreement must be engaged in sharing academic programming **(280.13A).**

The AEA board shall meet at least annually with the members of the boards of directors of the merged areas in which the AEA is located to discuss coordination of programs and services and other matters of mutual interest to the boards **(273.3(16)).**

The board of an AEA or a consortium of two or more AEAs shall contract with one or more licensed dietitians for the support of nutritional provisions in individual education plans (IEPs) developed in accordance with chapter 256B and to provide information to support school nutrition coordinators **(273.2(7)).**

Pending audit and allowance of claims under section 279.29, the board shall invest moneys of the corporation to the extent practicable, and the board may provide for the joint investment of moneys with one or more school corporations pursuant to a joint investment agreement. All investments of funds shall be subject to sections 12B.10 and 12B.10A and other applicable law **(279.29).**

The AEA board is authorized, subject to rules of the state board of education, to provide directly or by contractual arrangement with public or private agencies for special education programs and services, media services, and educational programs and services requested by the local boards of education as provided in chapter 273, including but not limited to contracts for the AEA to provide programs or services to the local school districts and contracts for local school districts, other educational agencies, and public and private agencies to provide programs and services to the local school districts in the AEA in lieu of the AEA providing the services. Contracts may be made with public or private agencies located outside the state if the programs and service comply with the rules of the state board. **(273.3(5)).**

AEAs may cooperate and contract between themselves and with other public agencies to provide special education programs and services, media services, and educational services to schools and children residing within their respective areas. The AEA may provide print and nonprint materials to public and private colleges and universities that have teacher education programs approved by the state board of education **(273.3(6)).**

Before proceeding to construct or purchase a facility as otherwise provided by law, a public agency shall inquire of other public agencies having facilities with the same general geographic area concerning the availability of all or part of those facilities for rent or sharing by agreement with the inquiring public agency. If there are no suitable facilities available for rent or sharing, the governing body of the public agency shall record its findings in its meeting minutes **(28E.18).**

The board of directors shall notify the cities located within the school district, the counties in which the school district may be located, and the Department of Administrative Services annually of the facilities and buildings owned by the public school corporation which are vacant and available to be leased or purchased **(297.4).**

A county, city, fire district, or school district, which has areas within its boundaries which overlap areas within the boundaries of another county, city, fire district, or school district, or whose boundaries are contiguous with another county, city, fire district, or school district, may execute an agreement pursuant to Iowa Code section 28E.41 for the joint construction or acquisition, furnishing, operation, and maintenance of a public building or buildings for their common use. Such an agreement regarding a joint public building may allow for, but is not limited to, any of the following:

a. Acquisition of a construction site and construction of a public building for common use.
b. Purchase of an existing building for joint public use, or conversion of a building previously owned and maintained by a county, city, fire district, or school district for joint public use.
c. Equipping or furnishing a new or existing building for joint public use.
d. Operation, maintenance, or improvement of a joint public building.
e. Any other aspect of joint public building construction, acquisition, furnishing, operation, or maintenance mutually agreed upon by the county, city, fire district, or school district and not otherwise prohibited by law **(28E.41(1)).**

It is the intent of the general assembly to encourage school districts to jointly issue general obligation bonds to fund separate projects proposed in each district and, by pooling their debt obligations, to realize a savings for taxpayers in each of the participating districts. Two or more school districts may enter an agreement pursuant to chapter 28E for the purpose of financing projects for which debt obligations may be or have been incurred pursuant to chapter 296 or 298 **(28E.42(1)).**

The boards of local school districts may approve cooperation and pooling of funds with other school districts to establish and provide for the general supervision of a community education program to the extent that residents of the districts have provided funding pursuant to the levy in chapter 300 **(276.10(7)).**

Public funds may not be spent to support voluntary programs provided by nonprofit private agencies. However, the services provided by such agencies may be obtained under chapter 28E agreements where joint exercise of governmental power is warranted **(OAG #76-9-2).**

A school district may not assume the sole responsibility for maintenance of a playground constructed by a city for public use **(OAG #65-5-3).**

The boards in the respective district, the boundaries of which have been changed through concurrent action, complete in all respects except for the passage of time prior to the effective date of the change, and when the right of appeal of the change has expired, may enter into joint contracts for the construction of buildings for the benefit of the corporations whose boundaries have been changed, using funds accumulated under the PPEL levy in section 298.2. The district in which the building is to be located may use any funds authorized in accordance with chapter 75 [bond issues]. This section does not permit the changed districts to expend any funds jointly which they are not entitled to expend acting individually **(274.37).**

Revenue Sharing

The sales and services tax for school infrastructure revenues shall be expended for the purposes specified in the revenue purpose statement **(423F.3(4)).** A school district shall be authorized to enter into a chapter 28E agreement to share its sales and services tax for school infrastructure revenues with one or more cities or a county whose boundaries encompass all or a part of the area of the school district. A city or cities entering into a chapter 28E agreement shall be authorized to expend its designated portion of the revenues for any valid purpose permitted in chapter 423E or authorized by the governing body of the city. A county entering into a chapter 28E agreement with a school district shall be authorized to expend its designated portion of the revenues to provide property tax relief within the boundaries of the school district located in the county. A school district is also authorized to enter into a chapter 28E agreement to share its sales and services tax for school infrastructure revenues with another school district, a community college, or an AEA which is located partially or entirely in or is contiguous to the county where the school district is located. The school district or community college shall only expend its designated portion of the revenues for infrastructure purposes. The AEA shall only expend its designed portion of the revenues for infrastructure and maintenance purposes **(423E.5(2)).**

Although a school district cannot be a direct recipient of a city or county local option sales and services tax under Iowa Code 423B, it could be a secondary recipient. A secondary recipient as defined in section 423B.9(1)"c" is a political subdivision of the state which is to receive revenues from a local option sales and services tax over a period of years pursuant to the terms of a chapter 28E agreement with one or more cities or counties. Therefore, if there is a chapter 28E contract between the school district and a city or county under which the school district is entitled to receive revenues from a city or county local option sales and services tax, the school district would be a secondary recipient for purposes of chapter 423B. A school district could use its share of the city or county local option tax proceeds for any lawful purpose which is consistent with both the chapter 28E agreement and with the uses of the city or county local option tax approved by the voters, including retiring school bonds **(OAG #97-9-2(L)).**

Interchange of Federal, State and Local Government Employees

Any department, agency, or instrumentality of the state, county, city, municipality, land-grant college, or college or university operated by the state or any local government is authorized to participate in a program of interchange of employees with departments, agencies, or instrumentalities of the federal government, another state or locality, or other agencies, municipalities, or instrumentalities of Iowa as a sending or receiving agency. The period of individual assignment or detail under an interchange program shall not exceed twenty-four (24) months, except that an employee may be assigned for an additional twenty-four month period upon the agreement of the employee and both the sending and receiving agencies. No employee shall be assigned or detailed without the employee's expressed consent or by using undue coercion to obtain consent **(28D.3).**

If funds are appropriated by the general assembly, an Iowa teacher exchange program is established to permit school districts to exchange licensed instructional personnel with other districts in order to promote the exchange and enhancement of instructional methods and materials and encourage the educational development of Iowa's teachers. Community colleges may exchange their instructional personnel only with other community colleges under this program **(279.55).**

Powers and Responsibilities

Policy Making

State Policy on Education Effectiveness

It is the policy of the state of Iowa to provide an education system that prepares the children of this state to meet and exceed the technological, informational, and communications demands of our society. The general assembly finds that the current education system must be transformed to deliver the enriched educational program that the adults of the future will need to have to compete in tomorrow's world. The general assembly further finds that the education system must strive to reach the following goals:

1. All children in Iowa must start school ready to learn.
2. Iowa's high school graduation rate must increase to at least ninety percent (90%).
3. Students graduating from Iowa's education system must demonstrate competency in challenging subject matter, and must have learned to use their minds well, so they may be prepared for responsible citizenship, further learning, and productive employment in a global economy.
4. Iowa students must be first in the world in science and mathematics achievement.
5. Every adult Iowan must be literate and possess the knowledge and skills necessary to compete in a global economy and exercise the rights and responsibilities of citizenship.
6. Every school in Iowa must be free of drugs and violence and offer a disciplined environment conducive to learning **(256.37).**

The Iowa Constitution does not contain an education clause.

School Improvement

The board of directors of each public school district shall appoint a school improvement advisory committee to make recommendations to the board. The advisory committee shall consist of members representing students, parents, teachers, administrators, and representatives from the community, which may include representatives of business, industry, labor, community agencies, higher education, or other community constituents. To the extent possible, committee membership shall have balanced representation with regard to race, gender, national origin, and disability **(280.12(1)).**

The board shall utilize the recommendations from the school improvement advisory committee to determine the following:

a. Major educational needs.
b. Student learning goals.
c. Long-range and annual improvement goals that include, but are not limited to, the state indicators that address reading, mathematics, and science achievement.
d. Desired levels of student performance.
e. Progress toward meeting the goals set out in paragraphs “b” through “d”.
f. Harassment or bullying prevention goals, programs, training, and other initiatives **(280.12(2)).**

In addition, the board shall consider recommendations from the school improvement advisory committee to infuse character education into the educational program **(280.12(3)).**

<u>Comprehensive school improvement</u>

The general accreditation standards are minimum, uniform requirements. However, school districts are encouraged to go beyond the minimum with their work toward ongoing improvement. As a means to this end, local comprehensive school improvement plans shall be specific to a school or school district and designed, at a minimum, to increase the learning, achievement, and performance of all students. As a part of ongoing improvement in its educational system, the board shall adopt a written comprehensive school improvement plan designed for continuous school, parental, and community involvement in the development and monitoring of a plan that is aligned with school or school district determined needs. The plan shall incorporate, to the extent possible, the consolidation of federal and state planning, goal setting, and reporting requirements. The plan shall contain, but is not limited to, the following components:

a. Community involvement.

(1) Local community. The school district shall involve the local community in decision-making processes as appropriate. The school district shall seek input from the local community about, but not limited to, the following elements at least once every five years:

1. Statement of philosophy, beliefs, mission, or vision;
2. Major educational needs; and
3. Student learning goals.

(2) The board shall appoint and charge a school improvement advisory committee to make recommendations to the board. Based on the committee members’ analysis of the needs assessment data, the committee shall make

recommendations to the board about the following components:

1. Major educational needs;
2. Student learning goals;
3. Long-range goals that include, but are not limited to, the state indicators that address reading, mathematics, and science achievement; and
4. Harassment or bullying prevention goals, programs, training, and other initiatives.

(3) At least annually, the school improvement advisory committee shall also make recommendations to the board with regard to, but not limited to, the following:

1. Progress achieved with the annual improvement goals for the state indicators that address reading, mathematics, and science;
2. Progress achieved with other locally determined core indicators; and
3. Annual improvement goals for the state indicators that address reading, mathematics, and science achievement.

b. Data collection, analysis, and goal setting.

(1) Policy. The board shall adopt a policy for conducting ongoing and long-range needs assessment processes. This policy shall ensure involvement of and communication with the local community regarding its expectations for adequate preparation for all students as responsible citizens and successful wage earners. The policy shall include provisions for keeping the local community regularly informed of progress on state indicators, other locally determined indicators within the comprehensive school improvement plan as required by Iowa Code section 280.12, and the methods a school district will use to inform kindergarten through grade 3 parents of their individual child's performance biannually. The policy shall describe how the school district shall provide opportunities for local community feedback on an ongoing basis.

(2) Long-range data collection and analysis. The long-range needs assessment process shall include provisions for collecting, analyzing, and reporting information derived from local, state, and national sources. The process shall include provisions for reviewing information acquired over time on the following:

1. State indicators and other locally determined indicators;
2. Locally established student learning goals; and
3. Specific data collection required by federal and state programs.

School districts shall also collect information about additional factors influencing student achievement which may include, but are not limited to, demographics, attitudes, health, and other risk factors.

(3) Long-range goals. The board, with input from its school improvement advisory committee, shall adopt long-range goals to improve student achievement in at least the areas of reading, mathematics, and science.

(4) Annual data collection and analysis. The ongoing needs assessment process shall include provisions for collecting and analyzing annual assessment data on the state indicators, other locally determined indicators, and locally established student learning goals.

(5) Annual improvement goals. The board, with input from its school improvement advisory committee, shall adopt annual improvement goals based on data from at least one district-wide assessment. The goals shall describe desired annual increase in the curriculum areas of, but not limited to, mathematics, reading, and science achievement for all students, for particular subgroups of students, or both. Annual improvement goals may be set for the early intervention program, other state indicators, locally determined indicators, locally established student learning goals, other curriculum areas, future student employability, or factors influencing student achievement.

c. Content standards and benchmarks.

(1) Policy. The board shall adopt a policy outlining its procedures for developing, implementing, and evaluating its total curriculum. The policy shall describe a process for establishing content standards, benchmarks, performance levels, and annual improvement goals aligned with needs assessment information.

(2) Content standards and benchmarks. The board shall adopt clear, rigorous, and challenging content standards and benchmarks in reading, mathematics, and science to guide the learning of students from the date of school entrance until high school graduation. Included in the local standards and benchmarks shall be the core content standards from Iowa's approved standards and assessment system under the applicable provisions of the federal Elementary and Secondary Education Act. Standards and benchmarks may be adopted for other curriculum areas defined in 281—Chapter 12, Division V. The comprehensive school improvement plan submitted to the department shall contain, at a minimum, the core content standards for reading, mathematics, and science. The educational program shall incorporate career education, multicultural and gender fair education, technology integration, global education, higher-order thinking skills, learning skills, and communication skills.

d. Determination and implementation of actions to meet the needs. The comprehensive school improvement plan shall include actions the school or school district shall take district-wide in order to accomplish its long-range and annual improvement goals as required in Iowa Code section 280.12(1)*"b."*

(1) Actions shall include, but are not limited to, addressing the improvement of curricular and instructional practices to attain the long-range goals, annual improvement goals, and the early intervention goals as described in IAC

281 subrule 12.5(18).

(2) A school district shall document consolidation of state and federal resources and requirements, as appropriate, to implement the actions in its comprehensive school improvement plan. State and federal resources shall be used, as applicable, to support implementation of the plan.

(3) A school district may have building-level action plans, aligned with its comprehensive school improvement plan. These may be included in the comprehensive school improvement plan or kept on file at the local level.

e. Evaluation of the comprehensive school improvement plan. A school district shall develop strategies to collect data and information to determine if the plan has accomplished the goals for which it was established.

f. Assessment of student progress. Each school district shall include in its comprehensive school improvement plan provisions for district-wide assessment of student progress for all students. The plan shall identify valid and reliable student assessments aligned with local content standards, which include the core content standards. These assessments are not limited to commercially developed measures. School districts receiving early intervention funding shall provide for diagnostic reading assessments for kindergarten through grade 3 students.

(1) State indicators. Using at least one district-wide assessment, a school or school district shall assess student progress on the state indicators in, but not limited to, reading, mathematics, and science. At least one district-wide assessment shall allow for, but not be limited to, the comparison of the school district's students with students from across the state and in the nation in reading, mathematics, and science. A school district shall use additional assessments to measure progress on locally determined content standards in at least reading, mathematics, and science.

(2) Performance levels. A school district shall establish at least three performance levels on at least one district-wide valid and reliable assessment in the areas of reading and mathematics for at least grades 4, 8, and 11 and science in grades 8 and 11 or use the achievement levels as established by the Iowa Testing Program to meet the intent .

g. *Assurances and support.* A school district shall provide evidence that its board has approved and supports the five-year comprehensive school improvement plan and any future revisions of that plan. This assurance includes the commitment for ongoing improvement of the educational system **(IAC 281—12.8(1)).**

A school district shall submit to the Department of Education and respective AEA, a multiyear comprehensive school improvement plan on or before September 15, 2000. Beginning July 1, 2001, a school district shall submit a revised five-year comprehensive school improvement plan by September 15 of the school year following the comprehensive site visit specified in Iowa Code section 256.11 which incorporates, when appropriate, areas of improvement noted by the school improvement visitation team. A school district may, at any time, file a revised comprehensive school improvement plan **(IAC 281—12.8(2)).**

A school district shall, at minimum, report annually to its local community about the progress on the state indicators and other locally determined indicators.

a. State indicators. A school district shall collect data on the following indicators for reporting purposes:

(1) The percentage of all fourth, eighth, and eleventh grade students achieving proficient or higher reading status using at least three achievement levels and by gender, race, socioeconomic status, students with disabilities, and other subgroups as required by state or federal law.

(2) The percentage of all fourth, eighth, and eleventh grade students achieving proficient or higher mathematics status using at least three achievement levels and for gender, race, socioeconomic status, students with disabilities, and other subgroups as required by state or federal law.

(3) The percentage of all eighth and eleventh grade students achieving proficient or higher science status using at least three achievement levels.

(4) The percentage of students considered as dropouts for grades 7 to 12 by gender, race, students with disabilities, and other subgroups as required by state or federal law.

(5) The percentage of high school seniors who intend to pursue postsecondary education/training.

(6) The percentage of high school students achieving a score or status on a measure indicating probable postsecondary success. This measure should be the measure used by the majority of students in the school district, or attendance center who plan to attend a postsecondary institution.

(7) The percentage of high school graduates who complete a core program of four years of English-language arts and three or more years each of mathematics, science, and social studies.

b. Annual progress report. Each school district shall submit an annual progress report to its local community, its respective AEA, and the department. That report shall be submitted to the department by September 15, 2000, and by September 15 every year thereafter. The report shall include, but not be limited to, the following information:

(1) Baseline data on at least one district-wide assessment for the state indicators. Every year thereafter the school district shall compare the annual data collected with the baseline data. A school district is not required to report to the community about subgroup assessment results when a subgroup contains fewer than ten students at a grade level. A school district shall report district-wide assessment results for all enrolled and tuitioned-in students.

(2) Locally determined performance levels for at least one district-wide assessment in, at a minimum, the areas of reading, mathematics, and science. Student achievement levels as defined by the Iowa Testing Program may be used to fulfill this requirement.

(3) Long-range goals to improve student achievement in the areas of, but not limited to, reading, mathematics, and science.

(4) Annual improvement goals based on at least one district-wide assessment in, at a minimum, the areas of reading, mathematics, and science. One annual improvement goal may address all areas, or individual annual improvement goals for each area may be identified. When a school or school district does not meet its annual improvement goals for one year, it shall include in its annual progress report the actions it will take to meet annual improvement goals for the next school year.

(5) Data on multiple assessments for reporting achievement for all students in the areas of reading and mathematics by September 15, 2001, and for science by September 15, 2003.

(6) Results by individual attendance centers, as appropriate, on the state indicators and any other locally determined factors or indicators. An attendance center, for reporting purposes, is a building that houses students in grade 4 or grade 8 or grade 11.

(7) Progress with the use of technology as required by Iowa Code section 295.3.

(8) School districts are encouraged to provide information on the reading proficiency of kindergarten through grade 3 students by grade level. However, all school districts receiving early intervention block grant funds shall report to the department the progress toward achieving their early intervention goals.

(9) Other reports of progress as the director of the department requires and other reporting requirements as the result of federal and state program consolidation **(IAC 281—12.8(3)).**

Strategic Planning and Rule-Making

The board shall make rules for its own government and that of the directors, officers, employees, teachers and pupils, and for the care of the schoolhouse, grounds, and property of the school corporation, and shall aid in the enforcement of the rules, and require the performance of duties imposed by law and the rules **(279.8).**

The board of each school district subject to the provisions of chapter 280 shall establish and maintain adequate administration, school staffing, personnel assignment policies, teacher qualifications, certification requirements, facilities, equipment, grounds, graduation requirements, instructional requirements, instructional materials, maintenance procedures, and policies on extracurricular activities **(280.14).**

The AEA board shall determine the policies of the AEA for providing programs and services **(273.3(1)).**

The board of directors of each public school district shall prescribe the minimum educational program and an attendance policy which shall require each child to attend school for at least 148 days, to be met by attendance for at least 37 days each school quarter, for the schools under their jurisdictions. The minimum educational program shall be the curriculum set forth in subsection 280.3(3) and section 256.11, except as otherwise provided by law. The board of directors of a public school district shall not allow discrimination in any educational program on the basis of race, color, creed, sex, marital status or place of national origin. The board of directors of each public school district shall do all of the following:

a. Adopt an implementation plan by July 1, 2010, which provides for the adoption of at least one core curriculum subject area each year as established by the state board of education for grades 9 through 12. The core curriculum established for grades 9 through 12 by the state board of education shall be fully implemented by each school district and school by July 1, 2012.
b. Adopt an implementation plan, by July 1, 2010, which provides for the full implementation of the core curriculum established for kindergarten through grade eight (8) by the state board of education by the 2014-2015 school year **(280.3(1) to (3)).**

The board of directors of each public school district shall establish and maintain attendance centers based upon the needs of the school age pupils enrolled in the school district. Kindergarten programs shall and prekindergarten programs may be provided. In addition, the board of directors may include in the educational program of any school such additional courses, subjects, or activities which it deems fit the needs of the pupils **(280.3(5)).**

The board of directors of a public school district shall set the number of days of required attendance for the schools under its control. The board of directors of a public school district may, by resolution, require attendance for the entire time when the schools are in session in any school year and adopt a policy or rules relating to the reasons considered to be valid or acceptable excuses for absence from school **(299.1).**

The board of directors shall determine the number of schools to be taught, divide the corporation into such wards or other divisions for school purposes as may be proper, determine the particular school which each child shall attend, and designate the period each school shall be held beyond the time required by law **(279.11).**

A representative from the board of directors of the school districts and AEAs shall serve on the regional vocational education planning board. The regional planning boards are established to assist school corporations in providing an effective, efficient, and economical means of delivering sequential vocational educational programs for students in grades seven through fourteen, which use both local school district services and community college services **(258.16).**

A board does not have the authority to arbitrarily require pupils to attend school on Saturday instead of Monday **(1910 Op. Att'y Gen. 105 (#9-11-23)).**

A school board has the authority to make and enforce rules and regulations pertaining to the operation of automobiles by students during the school noon intermission **(OAG #57-5-17).**

A school board has no authority to retain a student's report card to coerce payment of school fees when the student has completed scholastic requirements **(OAG #65-3-12(L); OAG #62-8-8).**

A board cannot refuse a diploma to a senior who refuses to wear a cap and gown at graduation ceremonies or refuses to pay a graduation fee **(OAG #37-5-17).**

A board has no power to impose requirements of one year's resident work on a bona-fide resident otherwise qualified for graduation **(1938 Op. Att'y Gen. 230 (#37-5-37)).**

Each board shall adopt by written policy a system for maintaining accurate records. The system shall provide for recording and maintaining the minutes of all board meetings, coding all receipts and expenditures, and recording and filing all reports required by the Iowa Code or requested by the director of the department of education. Financial records of school districts shall be maintained in a manner as to be easily audited according to accepted accounting procedures **(IAC 281—12.3(1)).**

The board shall develop and maintain a policy manual which provides a codification of its policies, including the adoption date, the review date, and any revision date for each policy. Policies shall be reviewed at least every 5 years to ensure relevance to current practices and compliance with the Iowa Code, administrative rules and decisions, and court decisions **(IAC 281--12.3(2)).**

The results of the annual audit of all school district funds conducted by the state auditor or a private auditing firm shall be made part of the official records of the board as described in Iowa Code section 11.6 **(IAC 281—12.3(8)).**

The board shall adopt a policy concerning the accessibility and confidentiality of student records that complies with the provisions of the federal Family Educational Rights and Privacy Act of 1974 and Iowa Code chapter 22 **(IAC 281—12.3(4)).**

Each board providing a program through grade 12 shall adopt a policy establishing the requirements students must meet for high school graduation. This policy shall make provision for early graduation and shall be consistent with these requirements, Iowa Code section 280.14, and the requirements in the introductory paragraph of IAC subrule 12.5(5) **(IAC 281—12.3(5)).**

The board shall adopt student responsibility and discipline policies as required by Iowa Code section 279.8. The board shall involve parents, students, instructional and noninstructional professional staff, and community members in the development and revision of those policies where practicable or unless specific policy is mandated by legislation. The policies shall relate to the educational purposes of the school or school district. The policies shall include, but are not limited to, the following: attendance; use of tobacco; the use or possession of alcoholic beverages or any controlled substance; harassment of or by students and staff as detailed in IAC subrule 12.3(13); violent, destructive, and seriously disruptive behavior; suspension, expulsion, emergency removal, weapons, and physical restraint; out-of-school behavior; participation in extracurricular activities; academic progress; and citizenship. The policies shall ensure due process rights for students and parents, including consideration for students who have been identified as requiring special education programs and services. The board shall also consider the potential, disparate impact of the policies on students because of race, color, national origin, gender, sexual orientation as defined in Iowa Code section 216.2 as amended by 2007 Iowa Acts, Senate File 427, section 1, gender identity as defined in Iowa Code section 216.2 as amended by 2007 Iowa Acts, Senate File 427, section 1, disability, religion, creed, or socioeconomic status. The board shall publicize its support of these policies, its support of the staff in enforcing them, and the staff's accountability for implementing them **(IAC 281—12.3(6)).**

The board operating an elementary school shall develop and adopt staffing policies designed to attract, retain, and effectively utilize competent personnel. Each board operating an elementary school shall employ at least one elementary principal. This position may be combined with that of secondary principal or with a teaching assignment at the elementary or secondary level, provided the individual holds the proper licenses/certificates and endorsements. When grades seven and eight are part of an organized and administered junior high school, the staffing policies adopted by the board for secondary schools shall apply. When grades seven and eight are part of an organized and administered middle school, the staffing policies adopted by the board for elementary schools shall apply **(IAC 281—12.4(5)).**

The board operating a secondary school shall develop and adopt staffing policies designed to attract, retain, and effectively utilize competent personnel. Each board operating a secondary school shall employ at least one secondary principal. This position may be combined with that of elementary principal or with a teaching assignment at the elementary or secondary level, provided the individual holds the proper licenses/certificates and endorsements. This position cannot be combined with that of superintendent **(IAC 281—12.4(6)).**

Any person who operates or permits to be operated as a school bus to transport pupils, any vehicle which does not comply with the requirements provided by law or by the rules and regulations of the department of education, or for which there is not a valid temporary certificate for operation, shall be guilty of a simple misdemeanor. A vehicle used for an approved driver education course in which the driver education teacher transports driver education students from their residences for street or highway driving is not a school bus **(285.14).**

The failure of any local district to comply with the provisions of chapter 285 or any other laws relating to the transportation of pupils, or any rules made by the Department of Education or the final decisions of the AEA board, or the final decisions of the Department of Education shall during the period such failure to comply existed forfeit the rights to collect transportation costs from school or parents while operating in such illegal manner. Any superintendent, board, or board member who knowingly operates or permits to be operated any school bus transporting public school pupils in violation of any school transportation law shall be deemed guilty of a simple misdemeanor **(285.15).**

The directors of all schools shall enforce the provisions of Iowa Code section 287.1 and shall have full power and authority to make, adopt, and modify all rules and regulations which, in their judgment and discretion, may be necessary for the proper governing of such schools and enforcing all the provisions of 287.1 **(287.2).** It shall be unlawful for any public school pupil, registered as such, and attending any public high school, district, primary or graded school, which is partially or wholly maintained by public funds, to join, become a member of, or to solicit any other pupil of any such school to join, or become a member of, any fraternity or society wholly or partially formed from the membership of pupils attending any such schools, or to take part in the organization or formation of any such fraternity or society, except such societies or associations as are sanctioned by the directors of such schools **(287.1).**

The board of directors of each and every school district is hereby authorized and empowered to adopt textbooks for the teaching of all branches that are now or may hereafter be authorized to be taught in the public schools, and to contract for and buy said books and any and all other necessary school supplies at said contract prices, and to sell the same to the pupils of their respective districts at cost, loan such textbooks to such pupils free, or rent them to such pupils at such reasonable fee as the board shall fix, and said money so received shall be returned to the general fund. Textbooks adopted and purchased by a school district may, and shall to the extent funds are appropriated by the general assembly, be made available to pupils attending accredited nonpublic schools upon request of the pupil or the pupil's parent under comparable terms as made available to pupils attending public schools. Textbook expenditures made in accordance with subsection 301.1(2) shall be kept on file in the school district. In the event that a participating accredited nonpublic school physically relocates to another school district, textbooks purchased for the nonpublic school with funds appropriated for that purpose shall be transferred to the school district in which the nonpublic school has relocated within the state of Iowa and may be made available to the nonpublic school. Funds distributed to a school district for purposes of purchasing textbooks in accordance with subsection 301.1(2) which remain unexpended and available for the purpose of textbooks for the nonpublic school that relocated in the fiscal year in which the funds were distributed shall also be transferred to the school district in which the nonpublic school has relocated. The term "textbooks" means any of the following:

a. Books and loose-leaf or bound manuals, systems of reusable instructional materials or combinations of books and supplementary instructional materials which convey information to the student or otherwise contribute to the learning process.
b. Electronic textbooks, including but not limited to computer software, applications using computer-assisted instruction, interactive videodisc, and other computer courseware and magnetic media.
c. Laptop computers or other portable personal computing devices which are used for nonreligious instructional purposes only. **(301.1).**

These textbooks are those used by the pupils and do not include materials for teachers such as teacher editions of textbooks or software to monitor student work.

Books and supplies purchased for use by public students or by nonpublic students shall be under the charge of the board of the public school district **(301.2).** All books and other supplies purchased under the provisions of chapter 301 shall be paid for out of the General Fund **(301.4).**

The board shall hold pupils responsible for any damage to, loss of, or failure to return any such books, and shall adopt such rules and regulations as may be reasonable and necessary for the keeping and preservation thereof. Any pupil shall be allowed to purchase any textbook used in the school at cost. No pupil already supplied with textbooks shall be supplied with others without charge until needed **(301.26).**

The board shall include in its rules provisions regulating the loading and unloading of pupils from a school bus stopped on the highway during a period of reduced highway visibility caused by fog, snow or other weather conditions **(279.8).**

The board may make necessary rules to provide for the policing, control and regulation of traffic and parking of vehicles and bicycles on school grounds **(279.8A).**

The board shall have the authority to include in its rules provisions allowing school corporation employees to use school credit cards to pay for the actual and necessary expenses incurred in the performance of work-related duties **(279.8).**

The board shall make rules which prohibit the use of tobacco and the use or possession of alcoholic liquor, wine, or beer or any controlled substance by any student of the schools and the board may suspend or expel any student for any violation of the rule **(279.9).** The rules shall provide that upon the request of school officials of a school to which the student seeks to transfer or has transferred, school officials of the sending school shall provide an accurate record of any suspension or expulsion actions taken, and the basis for those actions taken, against the student under sections 279.9, 280.19A, 280.21B, 282.3, 282.4, and 282.5. The designated representative shall disclose this information only to those school employees whose duties require them to be involved with the student. For purposes of this section, *"school employees"* means persons employed by a nonpublic school or school district, or any area education agency staff member who provides services to a school or school district. **(279.9A).**

The board shall not adopt rules which require its employees to reside within the boundaries of the school district **(279.22).**

In carrying out the provision of chapter 29C, the governor and the director of the Department of Public Defense, and the executive officers or governing boards of political subdivisions of the state shall utilize, to the maximum extent practicable, the services, equipment, supplies and facilities of existing departments, officers, and agencies of the state and of political subdivisions at their respective levels of responsibility **(29C.12).**

Upon the receipt by a public employer of a request from an employee organization to bargain on behalf of public employees, the duty to engage in collective bargaining shall arise if the employee organization has been certified by the board as the exclusive bargaining representative for the public employees in that bargaining unit **(20.16).**

Religious books such as the Bible, the Torah, and the Koran shall not be excluded from any public school nor shall any child be required to read such religious books contrary to the wishes of the child's parent or guardian **(280.6).**

The board of directors of each public school district shall make adequate educational provisions for each resident child requiring special education appropriate to the nature and severity of the child's disability **(256B, 280.8).**

The board of directors of each local public school district shall incorporate into the educational program the total concept of career education to enable students to become familiar with the values of a work-oriented society **(280.9).**

The board of directors of each local public school district shall provide the eye-protective safety devises required by section 280.10. Such devices may be paid for from the general fund, but the board may require students and teacher to pay for the safety devices and shall make them available to student and teachers at no more than the actual costs to the district **(280.10).** Note: this Code does not mean that the devices could be paid for from a fund other than the general fund, however.

The board of directors of each local public school district shall provide the ear-protective safety devices required by section 280.11. Such devices may be paid for from the general fund, but the board may require students and teachers to pay for the safety devices and shall make them available to student and teachers at no more than the actual cost to the

district **(280.11).** Note: this Code does not mean that the devices could be paid for from a fund other than the general fund, however.

The board of each school district may appoint a truancy officer. The board of each school district, which does not appoint a truancy officer for the district, shall designate a suitable person to collect information on the numbers of children in the district who are truant. The board may appoint a member of the police force, marshal, teacher, school official, or other suitable person to serve as the district truancy officer **(299.10).**

The board of directors of each school district may develop and offer a program which provides outreach and incentives for the voluntary participation of expectant parents and parents of children in the period of life from birth through age five, who reside within district boundaries, in educational family support experiences designed to assist parents in learning about the physical, mental, and emotional development of their children. A board may contract with another school district or public or private nonprofit agency for provision of the approved program or program site. Each district shall maintain a separate account within the district budget for moneys allocated for family support programs. A district may receive moneys from state and federal sources, and may solicit funds from private sources, for deposit into the account. [Note: these are specific categorical funding sources and not the general fund general purpose funds.] A district shall coordinate a family support program with district special education and vocational education programs and with any related services or programs provided by other state, federal, or private nonprofit agencies **(256A.4).**

The board of directors of a public school shall prescribe procedures, in accordance with the guidelines contained in the model policy developed by the department of education in consultation with the department of human services, and adopted by the department of education pursuant to chapter 17A, for the handling of reports of child abuse alleged to have been committed by an employee or agent of the public school **(280.17).**

The board of directors of a public school shall prescribe procedures requiring school officials to report to local law enforcement agencies any dangerous weapon possessed on school premises in violation of school policy or state law **(280.17A).** The board of directors of a public school shall prescribe procedures for continued school involvement with a student who is suspended or expelled for possession of a dangerous weapon on school premises in violation of state law and for the reintegration of the student into the school following the suspension or expulsion **(280.17B).**

The board of directors of each public school district shall incorporate, into the kindergarten admissions program, criteria and procedures for identification and integration of at-risk children and their developmental needs **(280.19).** Each school district shall adopt a plan to provide alternative options education programs to students who are either at risk or dropping out or have dropped out **(280.19A).**

The board of directors of a school district which receives services supported by federal funds shall expel from school for a period of not less than one year a student who is determined to have brought a weapon to a school or knowingly possessed a weapon at a school under the jurisdiction of the board. However, the superintendent of the school district may modify expulsion requirement on a case-by-case basis. This Code section shall not be construed to prevent the board of directors of a school district that has expelled a student from the student's regular school setting from providing educational services to the student in an alternative setting **(280.21B).**

The board of directors of each public school shall prescribe procedures to report any use or possession of alcoholic liquor, wine, or beer or any controlled substance on school premises to local law enforcement agencies, if the use or possession is in violation of school policy or state law **(280.24).**

The board of directors of each public school district shall not require non-administrative personnel to perform any special health services or intrusive nonemergency medical services for students unless the non-administrative personnel are licensed or otherwise qualified and have consented to perform the services **(280.23).**

The board of directors of each public school shall adopt a policy and the superintendent of each public school shall adopt rules which provide that the school district may share information contained within a student's permanent record pursuant to an interagency agreement with state and local agencies that are part of the juvenile justice system **(280.25).**

Each board of directors of a public school shall adopt rules in the form of a written [student] publications code, which shall include reasonable provisions for the time, place, and manner of conducting such activities [student exercise of free expression] within its jurisdiction **(280.22(4)).**

The district or AEA shall approve written investment policies which incorporate the guidelines specified in section 12B.10, sections 12B.10A through 12B.10C, and any other provisions deemed necessary to adequately safeguard invested public funds **(12B.10B(1)).** The written investment policy shall be delivered to all of the following:

a. The governing body or officer of the public entity to which the policy applies.

b. All depository institutions or fiduciaries for public funds of the public entity.
c. The auditor of the public entity **(12B.10B(2)).**

Each school board shall provide age-appropriate and research-based instruction in human growth and development. A pupil shall not be required to take instruction in human growth and development t if the pupil's parent or guardian files with the appropriate principal a written request that the pupil be excused from the instruction **(279.50).**

The board of directors shall require that all students in grades 9 through 12 complete, as a condition of graduation, instruction in American history and the governments of Iowa and the United States, including instruction in voting statutes and procedures, voter registration requirements, the use of paper ballots and voting systems in the election process, and the method of acquiring and casting an absentee ballot **(280.9A(1)).**

A school district shall operate or provide for the operation of lunch programs at all attendance centers in the district. A school district may operate or provide for the operation of school breakfast programs at all attendance centers in the district, or provide access to a school breakfast program at an alternative site to students who wish to participate in a school breakfast program. The programs shall provide students with nutritionally adequate meals and shall be operated in compliance with the rules of the state board of education and pertinent federal law and regulation. The school lunch program shall be provided for all students in each district who attend public school four (4) or more hours each school day and wish to participate in a school lunch program. School districts may provide school breakfast and lunch programs for other students **(283A.2(2)).** Each school district that operates or provides for a school breakfast or lunch program shall provide for the forwarding of information from the applications for the school breakfast or lunch programs, for which federal funding is provided, to identify children for enrollment in the medical assistance program pursuant to chapter 249A or the healthy and well kids in Iowa program pursuant to chapter 514I to the Department of Human Services **(283A.2(3)).**

IAC 281--12.7(1) requires that school districts shall make provisions for school district professional development.

a. Each school district shall incorporate into its comprehensive school improvement plan provisions for the professional development of all staff, including the district professional development plan required in 281—paragraph 83.6(2)*"a."* To meet the professional needs of all staff, professional development activities shall align with district goals; shall be based on student and staff information; shall prepare all employees to work effectively with diverse learners and to implement multicultural, gender fair approaches to the educational program; and shall adhere to the professional development standards in 281—paragraph 83.6(2)*"b"* to realize increased student achievement, learning, and performance as set forth in the comprehensive school improvement plan.
b. Each school district shall ensure that every attendance center has an attendance center professional development plan that addresses, at a minimum, the needs of the teachers in that center; the Iowa teaching standards; the district professional development plan; and the student achievement goals of the attendance center and the school district as set forth in the comprehensive school improvement plan.
c. Each school district shall ensure that every teacher as defined in rule 281—83.2(284,284A) has an individual teacher professional development plan that meets the expectations in 281—subrule 83.6(1).
d. The board shall annually budget specified funds to implement the plan.

Each board shall sponsor a pupil activity program sufficiently broad and balanced to offer opportunities for all pupils to participate. The program shall be supervised by qualified professional staff and shall be designed to meet the needs and interests and challenge the abilities of all pupils consistent with their individual stages of development; contribute to the physical, mental, athletic, civic, social, moral, and emotional growth of all pupils; offer opportunities for both individual and group activities; be integrated with the instructional program; and provide balance so a limited number of activities will not be perpetuated at the expense of others **(IAC 281—12.6(1)).** If the board sponsors a voluntary program of supervised intramural sports for pupils in grades seven through twelve, qualified personnel and adequate facilities, equipment, and supplies shall be provided. Middle school grades below grade seven may also participate **(IAC 281—12.6(2)).**

A public school shall not participate in or allow students representing a public school to participate in any extracurricular interscholastic athletic contest or competition which is sponsored or administered by an organization unless the organization is registered with the department of education, files the required financial statements, and is in compliance with rules which the state board of education adopts **(280.13).**

The board of each school district shall estimate the amount of the proposed expenditures and proposed receipts for the general school purposes at a time and in a manner to effectuate the provisions of chapter 257 and sections 256B.9 and 256B.11. Compliance with chapter 24 shall be observed **(298.1).**

The administrative expenditures as a percent of the school district's general fund for a base year exceed five percent. Annually, the board of directors shall certify to the department of education the amounts of the school district's administrative expenditures and its general fund. For the purposes of this section, *"base year"* means the same as defined in section 257.2, and *"administrative expenditures"* means expenditures for executive administration **(279.45).** AEAs have the same limitation and requirement.

The board of directors of each school district utilizing telecommunications as an instructional tool shall participate in procedures adopted by the state board of education regarding telecommunications and database development **(279.47).**

A school district has the implied authority under section 280.14 to hire a lobbyist to act on its behalf **(OAG #93-3-4(L)).**

Boards of directors of school corporations may pay, out of funds available to them, reasonable annual dues to the Iowa association of school boards. Each board that pays membership dues to the Iowa association of school boards shall annually report to the local community and to the department of education the amount the board pays in annual dues to the Iowa association of school boards, the amount of any fees paid and revenue or dividend payments received for services the board receives from the association or from any of the association's affiliated for-profit entities, and the products or services the school district received inclusive with membership in the association. Membership in such an Iowa association of school boards shall be limited to those duly elected members of the board of directors of local school corporations **(279.38).** Duly elected members of boards of directors and designated administrators of school corporations may join, including the payment of dues, and participate in local, regional and national organizations which directly relate to the functions of the board of directors. Each board that pays membership dues to an organization in accordance with this section shall annually report to the local community and to the department of education the amount the board pays in annual dues to the organization, the amount of any fees paid and revenue or dividend payments received for services the board receives from the organization, and the products or services the school district received inclusive with membership in the organization. If the organization administers federal education grants on behalf of school districts or distributes federal education grant funds to school districts, the organization shall submit to the general assembly copies of all reports the organization provides to the United States department of education, on the date on which each such report is provided to the United States department of education, relating to federal grants and grant amounts that the organization administers for or distributes to school districts. The governing board of the organization is subject to chapters 21 and 22 relating to open meetings and public records **(279.38A).**

A school board has no authority to distribute to the taxpayers on a pro rata basis [or any other basis] the surplus in the General Fund when the school district goes out of existence **(OAG #59-7-23).**

The board of directors of each public school district shall provide and maintain a suitable flagstaff on each school site under its control, and the United States flag and the Iowa state flag shall be raised on all school days when weather conditions are suitable **(280.5).**

At least twice during each school year, the board of directors of each public school district operating a high school shall offer the opportunity to register to vote to each student who is at least seventeen and one-half (17 ½) years of age, as required by section 48A.23 **(280.9A(3)).**

The school corporation in which the student resides shall pay from the general fund to the secretary of the corporation in which the student is permitted to enroll, a tuition fee as prescribed in section 282.24 **(282.20).** If payment is not made, the board of the creditor corporation shall file with the auditor of the county of the pupil's residence a statement certified by its president specifying the amount due for tuition, and the time for which the same is claimed. The auditor shall transmit to the county treasurer an order directing the county treasurer to transfer the amount of such account from the funds of the debtor corporation to the creditor corporation, and the county treasurer shall pay the same accordingly **(282.21).**

No school attendance center fence shall be constructed of barbed wire, nor shall any barbed wire fence be placed within ten (10) feet of any school attendance center. [The ten feet limit refers to the property on which a school is located rather than referring to the facility itself.] Any person violating the provisions of this section shall be guilty of a simple misdemeanor **(297.14).**

All publicly owned motor vehicles shall bear at least two labels in a conspicuous place, one on each side of the vehicle. This label shall be designed to cover not less than one square foot of surface. A violation of this labeling requirement shall be a serious misdemeanor **(721.8, 721.9).**

A motor vehicle purchased by or used under the direction of the board of directors to provide services to a school corporation shall not operate on gasoline other than ethanol blended gasoline. The motor vehicle shall also be affixed with a brightly visible sticker which notifies the traveling public that the motor vehicle is being operated on ethanol blended gasoline **(279.34).**

The board shall have the authority to include in its rules provisions allowing school corporation employees to use school credit cards to pay for the actual and necessary expenses incurred in the performance of work-related duties **(279.8, 273.3(18)).**

The AEA board shall meet annually with the members of the boards of directors of the school districts located within its boundaries if requested by the school district boards **(273.3(22)).**

The AEA board shall employ personnel to carry out the functions of the AEA which shall include the employment of an administrator who shall possess a license issued under chapter 272. The salary of an AEA administrator shall be established by the board based upon the previous experience and education of the administrator, and shall be approved by the director of the Department of Education **(273.3(11), 256.9(30)).**

The board shall have the authority to charge user fees for certain materials and services that are not required by law or by rules of the state board of education and are specifically requested by a school district or accredited nonpublic school, pursuant to rules adopted by the state board of education **(273.3(19)).**

The AEA board shall provide for advisory committees to carry out the provisions of Iowa Code section 273.2 as deemed necessary **(273.3(4)).**

A community empowerment area board shall designate a public agency of this state, as defined in section 28E.2, a community action agency as defined in section 216A.91, an AEA established under section 273.2, or a nonprofit corporation, to be the fiscal agent for grant moneys and for other moneys administered by the community board **(28.7(1)"a").**

The board of regents shall develop a center for early development education at one of the regents' institutions. The center's programs shall be conducted in a laboratory school setting to serve as a model for early childhood education. The programs shall include, but not be limited to, programs designed to accommodate the needs of at-risk children. The teacher education programs at all three state universities shall cooperate in developing the center and its program. The center's programs shall take a holistic approach and the center shall, in developing its programs, consult with representatives from a number of agencies including an early childhood development specialist from an AEA **(262.71).**

The AEA board is authorized to perform all other acts necessary to carry out the provisions and intent of chapter 273 **(273.3(10)).**

The AEA boards shall jointly develop a three-year statewide strategic plan that supports goals adopted by the state board of education pursuant to section 256.7, subsection 4, and the accreditation standards established pursuant to section 256.11; establish performance goals; and clearly identify the statewide efforts to improve student learning and create efficiencies in management operations for AEAs and school districts. The statewide strategic plan shall be approved by the state board of education. The AEA boards shall jointly provide the state board with annual updates on the performance measures **(273.2(9)).**

The AEA board shall collaborate with the department of education to provide a statewide infrastructure for educational data to create cost efficiencies, provide storage and disaster mitigation, and improve interconnectivity between schools and school districts. In addition, the AEA boards shall work with the department to provide systemwide coordination in the implementation of the statewide longitudinal data system consistent with the federal American Recovery and Reinvestment Act of 2009. The AEAs shall provide support to school districts' information technology infrastructure that is consistent with the statewide infrastructure for the educational data collaborative **(273.2(8)).**

The AEA board shall appoint two [2] persons to serve on the education telecommunications council **(8D.5).**

If, on or after July 1, 1994, a state mandate is enacted by the general assembly, or otherwise imposed, on a political subdivision and the state mandate requires a political subdivision to engage in any new activity, to provide any new service, or to provide any service beyond that required by any law enacted prior to July 1, 1994, and the state does not appropriate moneys to fully fund the cost of the state mandate, the political subdivision is not required to perform the activity or provide the service and the political subdivision shall not be subject to the imposition of any fines or penalties for the failure to comply with the state mandate unless the legislation specifies the amount or proportion of the cost of the state mandate which the state shall pay annually. However, this subsection does not apply to any

requirement imposed on a political subdivision relating to public employee retirement systems under chapters 97B, 410, and 411. For the purposes of this subsection, any requirement originating from the federal government and administered, implemented, or enacted by the state, or any allocation of federal moneys conditioned upon enactment of a state law or rule, is not a state mandate. For the purposes of this subsection, *"political subdivision"* includes community colleges and AEAs **(25B.2(3)).** It is difficult for the district or AEA to utilize this section related to program or operating requirements and mandates because the majority of the funding in the General Fund of school districts and AEAs is provided by the state and therefore is not unfunded.

Evaluation and Oversight

The board shall establish written evaluation criteria and shall establish and annually implement evaluation procedures. The board shall also establish written job descriptions for all supervisory positions **(279.23A).**

Each board shall adopt evaluation criteria and procedures for all contracted staff. The evaluation processes shall conform to Iowa Code sections 272.33, 279.14, and 279.23A **(IAC 281--12.3(3)).**

The board shall establish evaluation criteria and shall implement evaluation procedures **(279.14(1)).** The determination of standards of performance expected of school district personnel shall be reserved as an exclusive management right of the school board and shall not be subject to mandatory negotiations under chapter 20 **(279.14(2)).**

A school corporation which owns facilities used as attendance centers for students shall maintain an itemized statement of the appraised value of all buildings owned by the school corporation. The appraisal shall be updated at least one time every five [5] years **(282.24).**

The board of any school corporation shall establish attendance centers and provide suitable buildings for each school in the district **(279.39).**

If funds have been made available to a school district to pay the costs of an energy audit, the board of directors of each school district shall file with the economic development authority the results of an energy audit of the buildings owned and leased by the school district. The board shall initially file between July 1, 1986 and June 30, 1991, and then file on a staggering annual basis each five [5] years thereafter **(279.44).**

The board shall audit and allow all just claims against the corporation, and no order shall be drawn upon the treasury until the claim therefor has been audited and allowed. In any district in which the board consists of five or more members, an audit made by one or more members of the board designated by the board or by a certified public accountant employed by the board, and certified to the board by such member or members of the board or by such accountant, shall satisfy the requirements of this section with respect to the audit of a claim. [Allowance of a claim, however, must be done by the board as a whole.] **(279.29).** The board of directors of a school district or an AEA may by resolution authorize the secretary [but not a designee], upon approval of the superintendent or designee, or administrator, in the case of an AEA, to issue payments when the board of directors is not in session in payment of reasonable and necessary expenses, but only upon verified bills filed with the secretary or administrator, and for the payment of salaries pursuant to the terms of a written contract. Each payment must be made payable only to the person performing the service or presenting the verified bill, and must state the purpose for which the payment is issued. All bills and salaries for which payments are issued prior to audit and allowable by the board must be passed upon by the board of directors at the next meeting and be entered in the regular minutes of the secretary **(279.30).**

The board shall from time to time examine the accounts of the treasurer and make settlements with the treasurer **(279.31).**

At a regular or special meeting held on or after August 31 of each year, and prior to the organizational meeting held after the regular school election, the board of each school corporation shall meet, examine the books of and settle with the secretary and treasurer for the year ending on the preceding June 30, and transact other business as necessary. The treasurer at the time of settlement shall furnish the board with a statement from each depository showing the balance then on deposit in the depository. If the secretary or treasurer fails to make proper reports for the settlement, the board shall take action to obtain the balance information **(279.33).**

Provision of AEA Services to School Districts

Duplication of Services Disallowed

The board of an AEA shall not establish programs and services which duplicate programs and services which are or may be provided by the community colleges under the provisions of chapter 260C. An AEA shall contract, whenever practicable, with other school corporations for the use of personnel, buildings, facilities, supplies, equipment, programs and services **(273.2(6)).**

In-service training programs for employees of school districts and AEAs, at the time programs and services are established, shall not duplicate programs and services available in that area from the universities under the state board of regents and from other universities and four-year institutions of higher education in Iowa **(273.2(5)(a)).**

Educational Services

The AEA board shall furnish educational services and programs as provided in sections 273.1-273.9 and chapter 256B to the pupils enrolled in public or nonpublic schools located within its boundaries which are on the list of accredited schools pursuant to section 256.11. The programs and services provided shall be at least commensurate with programs and services existing on July 1, 1974. The programs and services provided to pupils enrolled in nonpublic schools shall be comparable to programs and services provided to pupils enrolled in public schools within constitutional guidelines **(273.2(3)).**

The AEA shall cooperate with local boards within the AEA in considering and developing plans for the improvement of the educational programs and services in the AEA **(273.4(1)).**

The AEA shall provide, when requested, such other assistance as possible to school districts of the AEA for the general improvement of their educational programs and operations **(273.4(2)).**

The AEA shall arrange for professional teachers' meetings, demonstration teaching, or other field work for the improvement of instruction as best fits the needs of the public schools in each area **(256.9(25)).**

Each AEA shall periodically offer a staff development program for teachers who provide instruction in human growth and development **(279.50(7)).**

Each AEA shall provide assistance in establishing a plan to provide alternative education options to students attending a public school in a district served by the agency **(280.19A).**

Special Education Services

The AEA board shall provide for special education services for the local school districts in the area **(273.2(4)).**

The AEA shall establish a division of special education for the AEA which shall provide for special education programs and services to the local school districts. The division shall be headed by a director of special education who meets DE certification standards. The director of special education shall have the responsibility for implementation of state regulations and guidelines relating to special education programs and services. The director of special education shall have the following powers and duties:

1. Properly identify children requiring special education. [See **257.6(3)** for timelines.]
2. Insure that each child requiring special education in the area receives an appropriate special education program or service.
3. Assign appropriate weights for each child requiring special education programs or services as provided in section 256B.9.
4. Supervise special education support personnel.
5. Provide each school district within the area served and the Department of Education with a special education weighted enrollment count, including the additional enrollment because of special education for December 1 of each year.
6. Submit to the Department of Education special education instructional and support program plans and applications, subject to criteria listed in chapter 256B and 273, for approval by February 15 of each year for the school year commencing the following July 1.
7. Coordinate the special education program within the area served **(273.5).**

A school district shall determine its additional enrollment because of special education by November 1 of each year and shall certify its additional enrollment because of special education to the Department of Education by November 15 of each year, and the Department shall promptly forward the information to the Department of Management **(257.6(3)).**

The program plans submitted to the Department of Education pursuant to section 273.5 for approval shall establish all of the following:

1. That there are sufficient children requiring special education within the area.
2. That the service or program will be provided by the most appropriate educational agency.
3. That the educational agency providing the service or program has employed qualified special educational personnel.
4. That the instruction is a natural and normal progression of a planned course of instruction.
5. That all revenue raised for support of special education instruction and services is expended for actual delivery of special education instruction or services.
6. Other factors as the state board may require **(256B.11).**

A child of compulsory attendance age who is identified as requiring special education under chapter 256B is eligible for placement under competent private instruction with prior approval of the placement by the director of special education of the AEA of the child's district of residence **(299A.9).**

When a special education personnel pooling agreement, which has been entered into between an AEA and a public school district pursuant to section 273.5, is terminated, the public school district shall assume the contractual obligations for any teachers assigned to the district under the agreement **(280.15(2)).**

Specific requirements on AEAs related to special education services can be found in Iowa Administrative Code Chapter 281—41.

Media Services

The AEA board shall provide for media services for the local school districts in the area **(273.2(4)).** Media centers shall contain:

a. A materials lending library, consisting of print and nonprint materials.
b. A professional library.
c. A curriculum laboratory, including textbooks and correlated print and audiovisual materials.
d. Capability for production of media-oriented instructional materials.
e. Qualified media personnel.
f. Appropriate physical facilities.
g. Other materials and equipment deemed necessary by the Department of Education **(273.6(1)).**

The AEA board shall assist in facilitating interlibrary loans of materials between school districts and other libraries **(273.2(4)).**

AEAs may provide print and nonprint materials to public and private colleges and universities that have teacher education programs approved by the state board of education **(273.3(6)).**

The AEA shall submit program plans each year to the Department of Education for approval by the state board of media centers and by the director of the department of education, to reflect the needs of the AEA for media services as provided in section 273.6 **(273.4(3)).** The program plans shall include all of the following:

a. Evidence that the services proposed are based upon an analysis of the needs of the local school districts in the area.
b. Description of the manner in which the services of the AEA media center will be coordinated with other agencies and programs providing educational media.
c. Description of the means for delivery of circulation materials.
d. Evidence that the media center fulfills the requirements of 273.6(1) **(273.6(2)).**

Gifted and Talented Programs

The AEA board shall encourage and assist school districts in the area to establish programs for gifted and talented children **(273.2(4)).**

The AEAs in which the school districts having approved gifted and talented children programs are located shall cooperate with the school district in the identification and placement of gifted and talented children and may assist school districts in the establishment of such programs **(257.47).**

At the written request of one or more boards of school districts in an AEA, the AEA board shall establish one or more gifted and talented children advisory councils and shall appoint members for four-year staggered terms. If an AEA has

a weighted enrollment of more than 35,000, the board may appoint additional advisory councils for each 35,000 weighted enrollment or fraction of 35,000 **(257.48).**

The gifted and talented children advisory council shall:
1. Elect a chairperson and vice chairperson from the membership of the advisory council.
2. Meet as often as deemed necessary by the advisory council.
3. Advise and assist a local board of directors in the establishment of gifted and talented children programs, when requested by the local board.
4. Review program plans and proposed budgets for a gifted and talented children program, in consultation with a gifted and talented children consultant employed by the AEA, when requested by a local board.
5. When requested by a local board, evaluate the results of a gifted and talented children program and file a written report together with recommendations for improvement or change with the board of directors of the applicable school district, the AEA, and the Department of Education. The evaluation shall be conducted by three or more members of the advisory council **(257.49).**

Student Transportation

Distance to school or to a bus route shall in all cases be measured on the public highway only and over the most passable and safest route as determined by the AEA board, starting in the roadway opposite the private entrance to the residence of the pupil and ending in the roadway opposite the entrance to the school grounds or designated point on bus route **(285.1(9)).**

When the school designated for attendance of pupils is engaged in the transportation of pupils, the sending or designating school shall use these facilities and pay the pro rata cost of transportation except that a district sending pupils to another school may make other arrangements when it can be shown that such arrangements will be more efficient and economical than to use facilities of the receiving school, providing such arrangements are approved by the board of the AEA (**285.1(6)).**

If a local board closes either elementary or high school facilities and is approved by the board of the AEA to operate its own transportation equipment, the full cost of transportation shall be paid by the board for all pupils living beyond the statutory walking distance from the school designated for attendance **(285.1(7)).**

At the option of the public school district of the pupil's residence, subject to approval by the area education agency of the pupil's residence, under section 285.9, subsection 3, the public school district of the pupil's residence may transport a pupil to a school located in a contiguous public school district outside the boundary lines of the public school district of the pupil's residence. The public school district of the pupil's residence may contract with the contiguous public school district or with a private contractor under section 285.5 to transport the pupils to the school of attendance within the boundary lines of the contiguous public school district. The public school district in which the pupil resides may contract with the contiguous public school district or with a private contractor under section 285.5 to transport the pupil from the pupil's residence or from designated school bus collection locations to the school located within the boundary lines of the contiguous public school district, subject to the approval of the area education agency of the pupil's residence. The public school district of the pupil's residence may utilize the reimbursement provisions of section 285.1, subsection 3. **(285.2(4)).**

When a local board fails to pay transportation costs due to another school for transportation service rendered, the board of the creditor corporation shall file a sworn statement with the AEA board specifying the amount due. The AEA board shall check such claim and if the claim is valid shall certify to the county auditor. The auditor shall transmit to the county treasurer an order directing the county treasurer to transfer the amount of such claim from the funds of the debtor corporation to the creditor corporation and the treasurer shall pay the same accordingly **(285.1(13)).**

When a board closes its elementary school facilities for lack of pupils or by action of the board, it shall, if there is a school bus service available in the area, designate for attendance the school operating the buses, provided the board of such school is willing to receive them and the facilities and curricular offerings are adequate. The board of the district where the pupils reside may with the approval of the AEA board, subject to legal limitations and established uniform standards, designate another rural school and provide their own transportation if the transportation costs will be less than to use the established bus service **(285.4).**

The powers and duties of the respective AEA boards shall be to:
1. Enforce all laws and all rules and regulations of the Department of Education relating to transportation.
2. Review and approve all transportation arrangements between districts in the AEA and in all districts in the AEA not operating high schools. If such transportation arrangements, designations, and contracts are not in conformity to law or established uniform standards for the locating and operating of bus routes, the AEA board shall, after

receiving all facts, make such alterations or changes as necessary to make the arrangements, designations, and contracts conform to the legal and established requirements and shall notify local boards of such action.

3. Approve all bus routes outside the boundary of the district of the school operating buses.
4. When a local board fails to make designations and other necessary arrangements for transportation as required by law, the AEA board shall, after due notice to the local board, make necessary arrangements in conformity with law and established requirements. Notice shall be given to the local board of the arrangements as made. The arrangements shall be binding on the local board which shall pay the costs for service as arranged **(285.9).**

In the event of a disagreement between a school patron and the board of the school district, the patron if dissatisfied with the decision of the district board, may appeal to the AEA board **(285.12).** In the event of a disagreement between the board of a school district and the board of an AEA, the board of the school district may appeal to the director of the Department of Education **(285.13).**

Other Services

The AEA board may provide within the limits of funds available the following programs and services to local school districts, and at the request of the local school districts to providers of children development services who have received grants under chapter 256A from the child development coordinating council:

a. In-service training programs for employees of school districts and AEA, provided at the time programs and services are established they do not duplicate programs and services available in that area from the Iowa universities and 4-year institutions of higher education. The in-service training programs shall include but are not limited to regular training concerning mental or emotional disorders which may afflict children and the impact children with such disorders have upon their families.
b. Educational data processing pursuant to subsection 256.9(11).
c. Research, demonstration projects and models, and educational planning for children under five years of age through grade twelve and children requiring special education as defined in section 256B.2 as approved by the state board of education.
d. Auxiliary services for nonpublic school pupils as provided in section 256.12. However, if auxiliary services are provided their funding shall be based on the type of service provided.
e. Other educational programs and services for children under five years through grade twelve and children requiring special education as defined in section 256B.2 and for employees of school districts and AEAs as approved by the state board of education **(273.2(5)).**

If sixty percent of the number of local school boards located in an AEA, or if local school boards representing sixty percent of the enrollment in the school districts located in the AEA, request in writing to the AEA board that an additional service be provided them, for pupils in grades kindergarten through twelve or children requiring special education as defined in section 256B.2 or for employees or board members of school districts or AEAs, the AEA board shall arrange for the service to be provided to all school districts in the area within the financial capabilities of the AEA **(273.7).**

The board of an AEA may provide services to school districts located in the AEA under contract with the school districts. These services may include, but are not limited to,

- Superintendency services,
- Personnel services,
- Business management services,
- Specialized maintenance services, and
- Transportation services.

In addition, the board of the AEA may provide for furnishing expensive and specialized equipment for school districts. School districts shall pay to AEAs the cost of providing the services **(273.7A).**

The board of an AEA may also provide services authorized to be performed by AEAs to other AEAs in this state and to provide a method of payment for these services **(273.7A).**

The AEA board shall be vested with the powers of the board of directors of the local school district for purposes of a sale of land to the federal government for an ordinance plant or other project which may be deemed desirable for the development of the national defense or for purpose of flood control whenever a majority of the directors of that school corporation have moved from the district and have ceased to be residents thereof thereby creating vacancies on the school board and reducing it to less than a quorum. The instrument of conveyance shall be executed on behalf of the school district by the president of the AEA board until an election is called pursuant to chapter 277 **(274.40).**

The AEA board is authorized to perform all other acts necessary to carry out the provisions and intent of chapter 273 **(273.3(10)).**

Whole Grade Sharing Feasibility Surveys and Studies

The Department of Education shall conduct or shall direct the AEA to conduct feasibility surveys and studies, if requested under section 282.11 [whole grade sharing], of the school districts within the AEA service areas and all adjacent territory, including but not limited to contiguous districts in other states, for the purpose of evaluating and recommending proposed whole grade sharing agreements requested under section 282.7 and section 282.10, subsections 1 and 4. The surveys and studies shall be revised periodically to reflect reorganizations which may have taken place in the AEA, adjacent territory, and contiguous districts in other states. The surveys and studies shall include a cover page containing recommendations and a short explanation of the recommendations. The factors to be used in determining the recommendations include, but are not limited to:

a. The possibility of long-term survival of the proposed alliance.
b. The adequacy of the proposed educational programs versus the educational opportunities offered through a different alliance.
c. The financial strength of the new alliance.
d. Geographical factors.
e. The impact of the alliance on surrounding schools.

Copies of the completed surveys and studies shall be transmitted to the affected districts' boards **(256.9(34)).**

Notwithstanding sections 28E.9 and 282.8, a school district may negotiate an agreement under subsection 282.7(1) for attendance of its pupils in a school district located in a contiguous state subject to a reciprocal agreement by the two state boards in the manner provided in 282.7(3). Prior to negotiating an agreement with the school district in the contiguous state, the board of directors shall file a written request with the state board of education for a determination whether the school district in the contiguous state meets requirements substantially similar to those required for accredited or approved school districts in this state and the school district receives or has available services equivalent to those that would be provided in this state by an AEA. The school district shall also obtain approval by the Department of Education of the sharing proposal, before the agreement becomes effective. Six (6) months before making the request for approval, the district shall request a feasibility study from the Department of Education **(282.7(3)).**

Reorganization Feasibility Surveys and Studies

The AEA boards shall develop detailed studies and surveys of the school districts within the AEA and all adjacent territory for the purpose of providing for reorganization of school districts in order to effect more economical operation and the attainment of higher standards of education in the schools. The plans shall be revised periodically to reflect reorganizations which may have taken place in the AEA and adjacent territory **(275.1(3)).**

The scope of the studies and surveys shall include the following matters in the various districts in the AEA and all districts adjacent to the AEA:

- The adequacy of the educational program,
- Pupil enrollment,
- Property valuations,
- Existing buildings and equipment,
- Natural community areas,
- Road conditions,
- Transportation,
- Economic factors,
- Individual attention given to the needs of students,
- The opportunity of students to participate in a wide variety of activities related to the total development of the student, and
- Other matters that may bear on educational programs meeting minimum standards required by law.

The plans shall also include suggested alternate plans that incorporate the school districts in the AEA into reorganized districts that meet the enrollment standards specified in section 275.3 and may include alternate plans proposed by school districts for sharing programs under section 28E.9, 256.13, 280.15, 282.7, or 282.10, as an alternative to school reorganization **(275.2).**

No new school district shall be planned by an AEA board nor shall any proposal for creation or enlargement of any school district be approved by an AEA board or submitted to electors unless there reside within the proposed limits of

such district at least three hundred (300) persons of school age who were enrolled in public schools in the preceding school year **(275.3).**

In developing studies and surveys the AEA board shall consult with the officials of school districts in the area and other citizens, and shall from time to time hold public hearings, and may employ such research and other assistance as it may determine reasonably necessary in order to properly carry on its survey and prepare definite plans for reorganization. In addition, the AEA board shall consult with the director of the Department of Education in the development of surveys and plans. The director of the Department of Education shall provide assistance to the AEA boards as requested and shall advise the AEA boards concerning plans of contiguous AEAs and the reorganization policies adopted by the state board of education. Completed plans shall be transmitted by the AEA board to the director of the Department of Education **(275.4).**

A proposal for merger, consolidation, or boundary change of local school districts shall first be submitted to the AEA board following the procedures prescribed in chapter 275. Following receipt of a petition pursuant to section 275.12, the AEA board shall review its plans and determine whether the petition complies with the plans which had been adopted by the board. If the petition does not comply with the plans which had been adopted by the board, the board shall conduct further surveys pursuant to section 275.4 prior to the date set for the hearing upon the petition. If further surveys have been conducted by the board, the board shall present the results of the further surveys at the hearing upon the petition **(275.5).**

It is the intent of chapter 275 that the AEA board shall carry on the program of reorganization progressively and shall, insofar as is possible, authorize submission of proposals to the electors as they are developed and approved **(275.6).**

The AEA board shall include in the budget submitted each year such sums as it deems necessary to carry on its reorganization work under chapter 257 **(275.7).**

Planning of joint districts shall be conducted in the same manner as planning for single districts, except as provided in this section. Studies and surveys relating to the planning of joint districts shall be filed with the AEA in which one of the districts is located which has the greatest taxable property base **(275.8(3)).** "Joint districts" means districts that lie in two [2] or more adjacent AEAs **(275.1(1)"c").**

The provisions of sections 275.1 to 275.5, relating to studies, surveys, hearings and adoption of plans shall constitute a mandatory prerequisite to the effectuation of any proposal for district boundary change. It shall be the mandatory duty of the AEA board to dismiss the petition if the above provisions are not complied with fully **(275.9).**

Boundary Changes

A proposal for merger, consolidation, or boundary change of local school districts shall first be submitted to the AEA board **(275.5).**

In any case where, by reason of natural obstacles, any portion of the inhabitants of any school corporation in the opinion of the AEA administrator cannot with reasonable facility attend school in their own corporation, the AEA administrator shall, by a written order, in duplicate, attach the part thus affected to an adjoining school corporation, the board of the same consenting thereto, one copy of which order shall be at once transmitted to the secretary of each corporation affected thereby, who shall record the same and make the proper designation on the plat of the corporation. Township or county lines shall not be a bar to the operation of this section **(274.13).**

When the natural obstacles by reason of which territory has been set off by the AEA administrator from one school district and attached to another in the same or an adjoining county have been removed, the territory may, upon the concurrence of the respective boards, be restored to the school district from which set off and shall be so restored by said boards upon the written application of two-thirds of the electors residing upon the territory so set off together with the concurrence of the AEA administrator and the board of the school district from which such territory was originally set off by the administrator **(274.14).**

The boundary lines of contiguous school corporations may be changed by the concurrent action of the respective boards of directors at their regular meetings in July, or at special meetings called for that purpose. Such concurrent action shall be subject to the approval of the AEA board but such concurrent action shall stand approved if the board does not disapprove such concurrent action within thirty (30) days following receipt of notice thereof. The corporation from which territory is detached shall, after the change, contain not less than four (4) government sections of land **(274.37).**

The provisions of sections 275.1 to 275.5, relating to studies, surveys, hearings and adoption of plans shall constitute a mandatory prerequisite to the effectuation of any proposal for district boundary change. It shall be the mandatory duty of the AEA board to dismiss the petition if the above provisions are not complied with fully **(275.9).**

Objections

Any person residing or owning land within the territory described in the petition, or who would be injuriously affected by the change petitioned for, may file an objection with the AEA administrator on forms obtained from the AEA administrator and prescribed by the Department of Education (275.14). Forms are available on the Department of Education website at
https://www.educateiowa.gov/documents/reorganization-dissolution-sharing/2013/04/reorganization-dismissal-form

Public School Officials

Any person who serves or is employed by the state or a political subdivision of the state shall not engage in any of the following conduct:

a. Outside employment or an activity that involves the use of the state's or the political subdivision's time, facilities, equipment, and supplies or the use of the state or political subdivision badge, uniform, business card, or other evidences of office or employment to give the person or member of the person's immediate family an advantage or pecuniary benefit that is not available to other similarly situated members or classes of members of the general public. For purposes of this paragraph, a person is not *"similarly situated"* merely by being or being related to a person who serves or is employed by the state or a political subdivision of the state.

b. Outside employment or an activity that involves the receipt of, promise of, or acceptance of money or other consideration by the person, or a member of the person's immediate family, from anyone other than the state or the political subdivision for the performance of any act that the person would be required or expected to perform as a part of the person's regular duties or during the hours during which the person performs service or work for the state or political subdivision of the state.

c. Outside employment or an activity that is subject to the official control, inspection, review, audit, or enforcement authority of the person, during the performance of the person's duties of office or employment **(68B.2A(1)).**

If the outside employment or activity is employment or activity described in subsection 1, paragraph *"a"* or *"b"*, the person shall immediately cease the employment or activity. If the outside employment or activity is employment or activity described in subsection 1, paragraph *"c"*, or constitutes outside employment or an activity prohibited under rules adopted pursuant to subsection 4 or under the senate or house codes of ethics, unless otherwise provided by law, the person shall take one of the following courses of action:

a. Cease the outside employment or activity.

b. Publicly disclose the existence of the conflict and refrain from taking any official action or performing any official duty that would detrimentally affect or create a benefit for the outside employment or activity. For purposes of this paragraph, *"official action"* or *"official duty"* includes but is not limited to participating in any vote, taking affirmative action to influence any vote, granting any license or permit, determining the facts or law in a contested case or rulemaking proceeding, conducting any inspection, or providing any other official service or thing that is not available generally to members of the public in order to further the interests of the outside employment or activity **(68B.2A(2)).**

Unless otherwise specifically provided the requirements of this section shall be in addition to, and shall not supersede, any other rights or remedies provided by law **(68B.2A(3)).**

The board shall adopt rules pursuant to chapter 17A further delineating particular situations where outside employment or activity of officials and state employees of the executive branch will be deemed to create an unacceptable conflict of interest **(68B.2A(4)).**

The doctrines of incompatibility of office and conflict of interest do not preclude an individual from serving both as a member of the county board of supervisors and as a member of the board of directors of a local school district **(OAG #92-9-1).**

An assistant county attorney is a public employee, not a public officer. Therefore, incompatibility doctrine is inapplicable and assistant county attorneys may serve on school district boards **(OAG #91-7-2).**

The offices of county assessor and secretary of the school board are not incompatible **(#89-10-3(L)).**

The Board President

The president of the board of directors shall:

- preside at all of its meetings,
- sign all contracts made by the board, and
- appear in behalf of the corporation in all actions brought by or against it, unless individually a party, in which case this duty shall be performed by the secretary **(291.1).**

No other individual may be designated to perform these duties instead of the president/vice president of the board.

The president or the president's designee shall sign, using an original or facsimile signature, all school district payments drawn and authorize electronic funds transfers as provided by law. The board of directors, by resolution, may designate an individual, who shall not be the secretary, to sign payments or authorize electronic funds transfers on behalf of the president **(291.1).**

In case of a breach of the bond of the secretary or treasurer, the president shall bring action thereon in the name of the school corporation **(291.5).**

All school officers and employees shall promptly report to the secretary of the school corporation any violations of the truancy law of which they have knowledge, and the secretary shall inform the president of the board of directors who shall, if necessary, call a meeting of the board to take such action thereon as the facts justify **(299.15).**

The board shall appoint a temporary president or secretary in the absence of the regular officer **(279.5).**

The Board Secretary

The board secretary is a public officer who is responsible for carrying out fiscal and legal matters for the school corporation. The board secretary position is not a clerical position.

The board shall appoint a secretary who shall not be a teacher employed by the board but may be another employee of the board. The board shall also appoint a treasurer who may be another employee of the board. However, the board may appoint one person to serve as the secretary and the treasurer. These officers shall be appointed from outside the membership of the board and the appointment and qualification shall be entered of record in the minutes of the secretary. They shall qualify within ten (10) days following appointment by taking the oath of office in the manner required by section 277.28 and filing a bond as required by section 291.2 and shall hold office until their successors are appointed and qualified **(279.3).** The secretary and treasurer, within ten (10) days after appointment and before entering upon the duties of the office, shall execute to the school corporation a surety bond in an amount sufficient to cover current operations as determined by the board. All such bonds shall be continued to the faithful discharge of the duties of the office. The amount and sufficiency of all surety bonds shall be determined and approved by the board and shall be filed with the president. The cost of the surety bond shall be paid by the school corporation. If a single person serves as secretary and treasurer, pursuant to section 279.3 or 260C.12, only one bond is necessary for that person. The secretary and treasurer may give bond under a single bond covering other employees of the district **(291.2).** If the bond of an association or corporation as surety is furnished, the reasonable cost of such bond may be paid by the school corporation **(291.3).** Each shall take the oath required of civil officers, which shall be endorsed upon the bond, and shall complete the qualification within ten (10) days **(291.4).** The board shall appoint a temporary president or secretary in the absence of the regular officer **(279.5).**

A board may cancel an official bond and obtain a new bond from a different carrier prior to expiration of an official's term, provided that the provisions of chapter 64 are followed in procuring the new bond, and provided that no language in the original bond instrument prohibits such cancellation **(OAG #96-10-1(L)).**

The board shall fix the compensation to be paid the secretary **(279.32, 260C.12, 273.8(4)).**

The secretary appointed by the board of directors is an "officer" whether the person is serving in a community district or any other type of school district/corporation **(OAG #56-9-24).**

It is not permissible for the school district to employ a person as secretary. The secretary is an appointed officer rather than an employee. The board may assign business management duties in addition to the statutory duties **(OAG #76-4-15).** However, an employee other than a teacher could be appointed as secretary **(279.3).** In this case, this person holds two legally separated, though possibly integrated, positions with the district--one an appointed position and one an employed position.

The major duties of the secretary are as follows:

File and preserve copies of all reports made and all papers transmitted pertaining to the business of the corporation. **(291.6(l)).** The secretary is the custodian of all official papers and all reports filed with and by the school corporation.

Keep a complete record of all the proceedings of the meetings of the board and of all regular or special elections in the corporation in separate books **(291.6(2)).**

Keep an accurate accounting record of each payment or electronic funds transfer from each fund which shall be provided monthly to the board of directors. The secretary of the creditor district shall prepare and deliver to debtor districts an itemized statement of tuition fees charged in accordance with sections 275.55A and 282.11, and section 282.24, subsection 1 **(291.6(3)).** The secretary shall make each authorized payment, countersign using an original or facsimile signature, and maintain accounting records of the payments or electronic funds transfers, showing the number, date, payee, originating fund, the purpose, and the amount, and shall provide to the board at each regular annual meeting a copy of the accounting records maintained by the secretary **(291.8).**

The president or president's designee shall sign, using an original or facsimile signature, all school district payments drawn and authorize electronic funds transfers as provided by law. The board by resolution may designate an individual, who shall not be the secretary, to sign payments or authorize electronic funds transfers on behalf of the president. The secretary or board is not authorized to designate an individual to perform duties on the secretary's behalf. All payments drawn on funds of the school corporation will have two signatures, one of which shall be the secretary's signature, and the other of which shall be the signature of the president or president's designee **(291.1, 291.8).**

Keep an accurate accounting of all expenses incurred by the corporation, and present the same to the board for audit and payment **(291.6(4)).** The board shall audit and allow all just claims against the corporation, and no order shall be drawn upon the treasury until the claim has been audited and allowed **(279.29).** Each payment must be made payable to the person entitled to receive the money or deposited directly into an account at a financial institution, as defined in section 527.2, specified by the person entitled to receive the money. They board of directors of a school district or an AEA may by resolution authorize the secretary, upon approval of the superintendent or designee, or upon the approval of the administrator in the case of an AEA, to issue payments when the board is not in session in payment of reasonable and necessary expenses, but only upon verified bills filed with the secretary or administrator, and for the payment of salaries pursuant to the terms of a written contract. Each payment must be made payable only to the person performing the service or presenting the verified bill, and must state the purpose for which the payment is issued. All bills and salaries for which payments are issued prior to audit and allowance by the board must be passed upon by the board of directors at the next meeting and be entered in the regular minutes of the secretary **(279.30).**

The secretary of each district shall file monthly with the board of directors a complete statement of all receipts and disbursements [revenues and expenditures] from each individual fund during the preceding month, and also the balance remaining on hand in each individual fund at the close of the period covered by the statement, which monthly statements shall be open to public inspection **(291.7).** School districts and AEAs shall prepare financial reports in conformity with generally accepted accounting principles (GAAP) **(275.31(4)).**

At a regular or special meeting held on or after August 31 of each year, and prior to the organizational meeting held after the regular school election, the board shall meet, examine the books of and settle with the secretary and treasurer for the year ending on the preceding June 30, and transact other business as necessary. The treasurer at the time of settlement shall furnish the board with a statement from each depository showing the balance then on deposit in the depository. If the secretary or treasurer fails to make proper reports for the settlement, the board shall take action to obtain the balance information **(279.33).**

The secretary shall appear in behalf of the corporation in all action brought by or against it when the president of the board of directors is individually a party in the action **(291.1).**

If a vacancy or vacancies occur among the elective officers or members of a school board and the remaining members have not filled the vacancy within thirty (30) days after the vacancy occurs, or when the board is reduced below a quorum, the secretary of the board shall call a special election in the district, subdistrict, or subdistricts, as the case may be, to fill the vacancy or vacancies. If the secretary fails for more than three (3) days to call an election, the AEA administrator shall call it **(279.7).**

In the event of a disagreement [pertaining to school transportation] between a school patron and the board of the school district, the patron if dissatisfied with the decision of the district board, may appeal the same to the AEA board, notifying the secretary of the district in writing within ten (10) days of the decision of the board and by filing an

affidavit of appeal with the agency board within the ten-day period. The affidavit of appeal shall include the reasons for the appeal and points at issue. The secretary of the local board on receiving notice of appeal shall certify all papers to the agency board which shall hear the appeal within ten (10) days of the receipt of the papers and decide it within three (3) days of the conclusion of the hearing and shall immediately notify all parties of its decision **(285.12).**

An affected pupil, or the parent or guardian of an affected pupil who is a minor, who is aggrieved by a decision or order of the board of directors of a school corporation in a matter of law or fact, or a decision or order of a board of directors under section 282.18(5) may , within thirty (30) days after the rendition of the decision or the making of the order, appeal the decision or order to the state board of education **(290.1).** The state board of education shall, within five (5) days after the filing of such affidavit, notify the secretary of the proper school corporation in writing of the taking of such appeal, who shall, within ten (10) days after being thus notified, file with the state board a complete certified transcript of the record and proceedings relating to the decision appealed from **(290.2).**

The secretary shall receive from each teacher immediately at the close of school the daily register of student attendance **(294.4).** In current practice, this would be an attendance report created with the information required by Iowa Code section 294.4 (by school building: student name, age, attendance, course enrollment, and district of residence) from the student record system. The purpose of submitting a certified copy of the daily enrollment and attendance record to the board secretary is to facilitate correct charging of tuition and reporting of student attendance to the district of residence. The latter was not practical until attendance was collected electronically within the student record system.

The board of a school corporation may delegate its investment authority under the provisions of chapter 12C to the treasurer or other financial officer of the governmental unit, who shall thereafter be responsible for handling investment transactions until such delegation of authority is revoked **(12C.11).** The secretary is the other financial officer besides the treasurer in a school corporation, and could therefore be delegated with this authority.

A school corporation, as a governmental subdivision of the state of Iowa, may be garnished upon a judgment against an employee. No debt of the garnishee is subject to garnishment other than the wages of the public employee. Service of the original notice with a copy of the judgment against the defendant, and with a copy of the questions specified in Iowa Code section 642.5, shall be made to the secretary or legal counsel of the school corporation. The garnishee shall be required to answer within thirty (30) days following receipt of the notice. A judgment in garnishment shall be enforceable against a garnishee only to the extent of the defendant's wages actually in the possession of the garnishee, and shall not be enforceable against any property, claims or other rights of the garnishee **(642.2).** Worker compensation is exempt from garnishment, attachment, execution, and assignment of income, except for the purposes of enforcing child, spousal, or medical support obligations, in which case the garnishment shall be limited **(627.13).**

The secretary shall request a certificate and report in duplicate from accredited nonpublic schools located within the district of the names and ages of each pupil who is of compulsory attendance age and the grade level of each pupil. In addition, the report shall identify all students of compulsory attendance age who were truant and the number of days of truancy for the period covered by the report, and children who dropped out, withdrew from enrollment, or transferred to another Iowa school and the date their attendance ceased at the accredited nonpublic school. The secretary shall retain one of the reports and file the other with the secretary of the AEA **(299.3).**

The parent, guardian, or legal custodian of a child who is of compulsory attendance age, who places the child under competent private instruction under either section 299A.2 or 299A.3, not in an accredited school or a home school assistance program operated by a school district or accredited nonpublic school, shall furnish a report in duplicate to the district by the earliest stating date specified in section 279.10(1). The secretary shall retain and file one copy and forward the other copy to the AEA. The report shall state the name and age of the child, the period of time during which the child has been or will be under competent private instruction for the year, an outline of the course of study, texts used, and the name and address of the instructor The parent, guardian, or legal custodian of a child, who is placing the child under competent private instruction for the first time, shall also provide the district with evidence that the child has had the immunizations required under section 139A.8, and, if the child is elementary school age, a blood lead test in accordance with section 135.105D. The term *"outline of course of study"* shall include subjects covered, lesson plans, and time spent on the areas of study **(299.4).**

A home school assistance program operated by a school district or accredited nonpublic school shall furnish a report on forms provided by the department. The report shall, at a minimum, state the name and age of the child and the period of time during the school year in which the child has been or will be under competent private instruction by the home school assistance program **(299.4).**

All certificates, reports, and proofs related to compulsory education shall be filed and preserved in the office of the secretary of the school corporation as a part of the records of that office, and the secretary shall furnish certified copies thereof to any person requesting the same [within the parameters of state and federal law] **(299.7).**

All school officers and employees shall promptly report to the secretary of the school corporation any violations of the truancy law of which they have knowledge, and the secretary shall inform the president of the board of directors who shall, if necessary, call a meeting of the board to take such action thereon as the facts justify **(299.15).**

The proceedings of each regular, adjourned, or special meeting of the board, including the schedule of bills allowed, shall be published after the adjournment of the meeting in the manner provided in this section and section 279.36, and the publication of the schedule of the bills allowed shall include a list of claims allowed, including salary claims for services performed. The schedule of bills allowed may be published on a once monthly basis in lieu of publication with the proceedings of each meeting of the board. The list of claims allowed shall include the name of the person or firm making the claim, the purpose of the claim, and the amount of the claim. If the purpose for the claims is the same, two or more claims made by the same vendor, supplier, or claimant may be consolidated if the number of claims consolidated and the total consolidated claim amount are listed in the statement. However, the board shall provide at its office upon request an unconsolidated list of all claims allowed. Salaries paid to individuals regularly employed by the district shall only be published annually and the publication shall include the total amount of the annual salary of each employee. The secretary shall furnish a copy of the proceedings to be published within 2 weeks following the adjournment of the meeting. **(279.35).** All bills and salaries for which payments are issued prior to audit and allowance by the board must be passed upon by the board of directors at the next meeting and be entered in the regular minutes of the secretary **(279.30).**

On or before February 15 and July 15 of each year, the secretary of the creditor district shall deliver to the secretary of the debtor district an itemized statement of tuition fees **(282.20).** Tuition under open enrollment, however, shall be paid on a quarterly [rather than semester] basis **(282.18(9)"c").**

The secretary shall designate some suitable place for the organization meeting of the board of directors of the school corporation and shall notify each member and member-elect of the place and hour **(279.1).**

Nominations papers for all candidates for election to office in each school district shall be filed with the secretary of the school board not more than 64 days, nor less than 40 days before the election. Nomination petitions shall be filed not later than 5:00 p.m. on the last day for filing. If the school board secretary is not readily available during normal office hours, the secretary may designate a full-time employee of the school district who is ordinarily available to accept nomination papers. On the final date for filing nomination papers the office of the school board secretary shall remain open until 5:00 p.m. The secretary of the school board shall accept the petition for filing if on its face it appears to have the requisite number of signatures and if it is timely filed. The secretary shall note upon each petition and affidavit accepted for filing the date and time that the petition was filed. The secretary shall deliver all nomination petitions, together with the complete text of any public measure being submitted by the board to the electorate, to the county commissioner of elections on the day following the last day on which nomination petitions can be filed, and not later than 5:00 p.m. on that day **(277.4).**

When an election on the proposition of organizing, reorganizing, enlarging, or changing the boundaries of any school corporation, or on the proposition of dissolving a school district, carries by the required statutory margin, or the boundary lines of contiguous school corporations are changed by the concurrent action of the respective boards of directors, the secretary of the school corporation shall file a written description of the new boundaries of the school corporation in the office of the county auditor of each county in which any portion of the school corporation lies **(274.4).**

Each school officer [including the secretary] or member of the board upon the termination of the officer or member's term of office shall immediately surrender to the successor all books, papers, and moneys pertaining or belonging to the office, taking a receipt therefor **(277.31).**

The secretary on behalf of the school district shall file an annual report with the director of the Department of Education on forms prepared for that purpose. The annual report shall include the financial information required in section 423F.5, subsection 1, as related to moneys received under chapter 423E or 423F, as applicable, for each budget year **(291.10).** This report is called the Certified Annual Report and is due by September 15 following the end of the fiscal year and is filed as a chart of account upload through the Department's education portal.

The secretary shall report to the director of the Department of Education, the county auditor, and county treasurer the name and post office address of the president, treasurer and secretary of its board as soon as practicable after the qualification of each **(291.11).** The report to the Department of Education is part of the School Officials data collection through the Department's education portal .

The School District Treasurer

The board treasurer is a public officer who is responsible for carrying out fiscal matters for the school corporation.

The board shall appoint a secretary who shall not be a teacher employed by the board but may be another employee of the board. The board shall also appoint a treasurer who may be another employee of the board. However, the board may appoint one person to serve as the secretary and the treasurer. These officers shall be appointed from outside the membership of the board and the appointment and qualification shall be entered of record in the minutes of the secretary. They shall qualify within ten (10) days following appointment by taking the oath of office in the manner required by section 277.28 and filing a bond as required by section 291.2 and shall hold office until their successors are appointed and qualified **(279.3).** The secretary and treasurer, within ten (10) days after appointment and before entering upon the duties of the office, shall execute to the school corporation a surety bond in an amount sufficient to cover current operations as determined by the board. All such bonds shall be continued to the faithful discharge of the duties of the office. The amount and sufficiency of all surety bonds shall be determined and approved by the board and shall be filed with the president. The cost of the surety bond shall be paid by the school corporation. If a single person serves as secretary and treasurer, pursuant to section 279.3 or 260C.12, only one bond is necessary for that person. The secretary and treasurer may give bond under a single bond covering other employees of the district **(291.2).** If the bond of an association or corporation as surety is furnished, the reasonable cost of such bond may be paid by the school corporation **(291.3).** Each shall take the oath required of civil officers, which shall be endorsed upon the bond, and shall complete the qualification within ten (10) days **(291.4).**

A board may cancel an official bond and obtain a new bond from a different carrier prior to expiration of an official's term, provided that the provisions of chapter 64 are followed in procuring the new bond, and provided that no language in the original bond instrument prohibits such cancellation **(#96-10-1(L)).**

The board may pay a school district treasurer a reasonable compensation (**279.32, 260C.12, 273.8(4)).**

A treasurer of a school district is an officer of the district, and service of notice on the treasurer binds the district **(Kennedy v. Independent School District of Derby Grange, 1978, 48 Iowa 189).**

The major duties of the school district treasurer are as follows:

Receive all moneys belonging to the school corporation, pay the same out only upon the order of the president countersigned by the secretary, and shall keep an accurate accounting record of all receipts and expenditures. The treasurer shall register all payments and electronic funds transfers made and reported to the treasurer by the secretary, showing the number, date, to whom drawn, the fund from which each payment and transfer was made, the purpose and amount **(291.12).**

The treasurer shall keep a separate account for each fund, and shall not pay an order that fails to state the fund upon which it is drawn and the specific use to which it is to be applied **(298A.14).**

No order shall be drawn upon the treasury until the claim therefor has been audited and allowed **(279.29)**. Each payment must be made payable to the person entitled to receive the money or deposited directly into an account at a financial institution, as defined in section 527.2, specified by the person entitled to receive the money. Each payment must be made payable only to the person performing the service or presenting the verified bill, and must state the purpose for which the payment is issued **(279.30).**

The treasurer shall render a statement on the finances of the corporation whenever required by the board, and the treasurer's accounting records shall always be open for inspection **(291.14).**

The board shall from time to time examine the accounts of the treasurer and make settlements with the treasurer **(279.31).** At a regular or special meeting held on or after August 31 of each year, and prior to the organizational meeting held after the regular school election, the board shall meet, examine the books of and settle with the secretary and treasurer for the year ending on the preceding June 30, and transact other business as necessary. The treasurer at the time of settlement shall furnish the board with a statement from each depository showing the balance then on deposit in the depository. If the secretary or treasurer fails to make proper reports for the settlement, the board shall take action to obtain the balance information **(279.33).**

At the time of any examination or at the time of any settlement with the treasurer in charge of public funds, the treasurer is not required to produce and count in the presence of the officer or officers making such examination or settlement, unless otherwise requested by the board, all moneys or funds then on deposit in the safe or vault in the treasurer's office. The treasurer shall produce a statement of all money or funds on deposit with any depository wherein the treasurer is authorized to deposit such funds, and shall correctly show the balance remaining on deposit in

such depository at the close of business on the day preceding the day of such settlement. The treasurer shall also file a statement setting forth the numbers, dates, and amounts of all outstanding checks, or other items of difference, reconciling the balance as shown by the treasurer's books with those of the depositories **(12B.11).**

Pending audit and allowance of claims under section 279.29, the board shall invest moneys of the corporation to the extent practicable, and the board may provide for the joint investment of moneys with one or more school corporations pursuant to a joint investment agreement. All investments of funds shall be subject to sections 12B.10 and 12B.10A and other applicable law **(279.29).**

The board of directors of a school corporation may delegate its investment authority to the treasurer or other financial officer of the governmental unit, who shall thereafter be responsible for handling investments transactions until such delegation of authority is revoked **(12C.11).**

All funds held by the treasurer shall be deposited in one or more depositories first approved by the board of directors of the school corporation. The treasurer shall invest all funds not needed for current operating expenses in time certificates of deposit in approved depositories or in investment permitted by section 12B.10. The list of public depositories and the amounts severally deposited in the depositories are matters of public record **(12C.1(1)).** The treasurer of each school corporation shall at all times keep funds coming into their possession as public money in a vault or safe to be provided for that purpose or in one or more depositories approved by the board. Any public funds not currently needed shall be invested **(12B.10).**

If a warrant other than an anticipatory warrant is presented for payment, and is not paid for want of funds, or is only partially paid, the treasurer shall endorse the fact thereon, with the date of presentation, and sign the endorsement, and thereafter the warrant or the balance due thereon, shall bear interest at the rate specified in section 74A.2 **(74.2).**

The treasurer shall keep a record of each interest-bearing obligation which shall show the number and amount, the date interest commences, the rate of interest, and the name and post office address of the holder of the obligation **(74.3).**

When a nonnegotiable interest-bearing obligation is assigned or transferred, the assignee or transferee shall notify the treasurer in writing of the assignment or transfer and of the post office address of the assignee or transferee. Upon receiving notification, the treasurer accordingly shall correct the record maintained **(74.4).**

When a fund contains sufficient money to pay one or more interest-bearing obligations which are outstanding against the fund, the treasurer shall call those obligations for payment. Obligations may be paid in the order of presentation. This does not authorize a fixed-term obligation to be called at a date earlier than is provided by the conditions and terms upon which it was issued **(74.5).**

When an obligation which legally draws interest is paid, the treasurer shall endorse upon it the date of payment, and the amount of interest paid. The treasurer shall enter into the records maintained the date of payment and the amount of interest paid **(74.7).**

Whenever the amount in the hands of the treasurer, belonging to the funds set aside to pay bonds, is sufficient to redeem one or more of the bonds which by their terms are subject to redemption, the treasurer shall give the owner of said bonds thirty (30) days' written notice of the readiness of the district to pay and the amount it desires to pay. The treasurer shall enter the date of mailing of the notice in the records maintained. If not presented for payment or redemption within thirty (30) days after the date of such notice, the interest on such bonds shall cease and the amount due thereon shall be set aside for its payment whenever it is presented **(298.23, 74.6).**

All redemptions on bonds shall be made in the order of their numbers. The treasurer shall keep a record of the parties to whom the bonds are sold, together with their post office addresses, and notice mailed to the address as shown by such record shall be sufficient **(298.24).**

Any school officers willingly violating any law relative to schools, or willfully failing or refusing to perform any duty imposed by law, shall forfeit and pay into the treasury of the school corporation in which the violation occurs the sum of $25, action to receive which shall be brought in the name of the proper school corporation, and be applied to the use of the schools therein **(277.32).**

All school officers and employees shall promptly report to the secretary of the school corporation any violations of the truancy law of which they have knowledge **(299.15).**

Each school officer [including the treasurer] or member of the board upon the termination of the officer or member's term of office shall immediately surrender to the successor all books, papers, and moneys pertaining or belonging to the office, taking a receipt therefor **(277.31).**

The School Business Official (SBO)

It is the duty of the state board of education to set standards and procedures for the approval of training programs for individuals who seek an authorization issued by the board of educational examiners for the following:
a. Employment as a school business official responsible for the financial operations of a school district.
b. Employment as a school administration manager responsible for assisting a school principal in performing noninstructional duties **(256.7(30).**

a. The board of educational examiners (BOEE) shall issue a school business official authorization to an individual who successfully completes a training program that meets the standards set by the state board of education pursuant to section 256.7, subsection 30, and who complies with rules adopted by the board pursuant to subsection 4.
b. A person hired on or after July 1, 2012, as a school business official responsible for the financial operations of a school district who is without prior experience as a school business official in Iowa shall either hold the school business official authorization issued pursuant to paragraph *"a"* of this subsection or obtain the authorization within two years of the start date of employment as a school business official.
c. An individual employed as a school business official prior to July 1, 2012, who meets the requirements of the board, other than the training program requirements of paragraph *"a"*, shall be issued, with no fee for issuance, an initial authorization by the board, but shall meet renewal requirements for an authorization within the time period specified by the board.
3. The board shall issue a school administration manager authorization to an individual who successfully completes a training program that meets the standards set by the state board pursuant to section 256.7, subsection 30, and who complies with rules adopted by the state board pursuant to subsection 4.
4. The board shall adopt rules under chapter 17A for authorizations, including but not limited to approval of courses, validity and expiration, fees, and suspension and revocation of authorizations.
5. The state board of education shall work with institutions of higher education, private colleges and universities, community colleges, area education agencies, and professional organizations to ensure that the courses and programs required for authorizations under this section are offered throughout the state at convenient times and at a reasonable cost **(272.31(2)).**

School business officials shall demonstrate content knowledge, professional knowledge, and skills in accordance with the following standards and supporting criteria. In addition, each school business official candidate shall meet all requirements established by the board of educational examiners for an authorization for which the candidate is recommended. Programs shall submit curriculum exhibit sheets for approval by the board of educational examiners and the department.
81.7(1) *Standard 1*. Each school business official shall demonstrate an understanding of Uniform Financial Accounting, governmental GAAP accounting, and statutory concepts. The school business official:
a. Is responsible for understanding and adhering to the Uniform Financial Accounting Manual and the current, accepted chart of accounts.
(1) Codes all salaries and benefits to the appropriate function, program, and project (if applicable) on a monthly basis;
(2) Ensures revenues, expenditures, and expenses are appropriately coded to the correct account on a monthly basis; and
(3) Ensures balance sheet items are properly coded as directed.
b. Understands and ensures implementation of state and federal law related to employment, personnel, and payroll.
c. Has an understanding of all projects and grants for which the district receives funding.
d. Understands the certified budgeting process and the content and purpose of each section of the aid and levy worksheet as well as other certified budget forms.
e. Understands the concept of spending authority.
81.7(2) *Standard 2*. Each school business official shall demonstrate the ability to implement effective internal controls and accounting processes. The school business official:
a. Provides data on a monthly basis in sufficient detail as to be informative and useful for decision makers and stakeholders in providing educational and co- and extracurricular programs.
b. Ensures delivery, on a monthly basis, of a statement of receipts, disbursements, and amount on hand for every fund.
c. Ensures reconciliation of bank statements on a monthly basis.
d. Consistently follows the procedure by which products and services may be purchased (state bidding requirements, purchase orders, and purchasing processes).
e. Ensures that an annual line item budget that aligns with the district-certified budget revenues and expenditures is completed in a timely manner for each fund.

f. Maintains an itemized statement no more than five years old of the appraised value of all buildings and other capital assets and a list of historical costs.
g. Invests moneys not needed as authorized under Iowa Code and district policy.
h. Uses only depositories approved by the local school board.
i. Makes payments only to the person entitled to the payment and only for verified bills.
j. Understands and implements the various mechanisms by which to borrow money as well as the appropriate account coding and repayment processes.
k. Is able to produce budget forecasts and analyses of spending.
l. Is capable of preparing employee collective bargaining costing models and estimates.
81.7(3) *Standard 3.* Each school business official shall demonstrate an understanding of and compliance with federal, state, and local reporting requirements. The school business official:
a. Produces for the local school board periodic reports reflecting a financial statement in relation to spending authority and published budget control lines.
b. Ensures that an accurate and separate account of each fund is maintained.
c. Ensures the filing of all quarterly and annual payroll taxes and reports in a timely fashion, including but not limited to IRS Forms 941, 1099, W-2, and W-3 and OMB Circular A-87.
d. Files with the department of education, the department of management, and the state auditor all required reports in a timely fashion.
e. Understands the local collective bargaining agreement as well as nonemployee contracts.
81.7(4) *Standard 4.* Each school business official shall demonstrate compliance with applicable federal, state, and local laws. The school business official:
a. Understands the district board's policies and procedures and effectively implements applicable policies and procedures.
b. Implements effective records management processes and procedures.
c. Has a working knowledge of laws applicable to school districts and area education agencies.
d. Understands and implements employment laws.
e. Understands and implements bidding and construction laws.
f. Understands and implements pension processes, including but not limited to retirement plans, IPERS, and 403B investments.
g. Ensures that the school board president's and secretary's signatures are on all checks and that the school board president's signature is on all contracts.
h. Ensures that billing for all tuition items is completed on the current prescribed timeline.
i. Manages scheduling and preparation for the local audit, including any request for proposals for audit services as applicable.
81.7(5) *Standard 5.* Each school business official shall demonstrate competence in technology appropriate to the school business official position. The school business official:
a. Effectively manages an integrated accounting system for fund accounting by the district and is able to assess technology needs for fiscal management issues.
b. Maintains all funds in one integrated accounting system.
c. Displays a working knowledge of other software programs if required to be used by the school business official.
d. Is able to use Word, database, and spreadsheet documents effectively to meet the needs of the district.
e. Displays competence in using the department's secured Web site for reporting purposes and has attended applicable training sessions on its use.
f. Is able to upload the chart of accounts and understands the relationship of the chart of accounts to the other reports, including but not limited to the special education supplement, the annual report on use of sales tax revenue, and the annual transportation report. This duty includes testing the functionality of accounts used for accuracy. The testing is carried out in a manner that allows for identification of issues prior to the actual submission deadline.
81.7(6) *Standard 6.* Each school business official shall demonstrate appropriate personal skills. The school business official:
a. Is an effective communicator with all stakeholders, including but not limited to colleagues, policy makers, community members, and parents.
b. Works effectively with employees and stakeholders.
c. Ensures the timely flow of information.
d. Maintains confidentiality with personal, restricted and embargoed information.
e. Is able to analyze, evaluate, and solve problems.
f. Timely and accurately performs the duties of a school business official.
g. Maintains an environment of mutual respect, rapport, and fairness.
h. Participates in and contributes to a school culture that focuses on improved student learning.
81.7(7) *Standard 7.* Each school business official shall engage in professional growth. The school business official:
a. Stays current with accounting technologies and the department's financial reporting system.
b. Demonstrates habits and skills of continuous inquiry and learning.
c. Works collaboratively to improve professional practice.

d. Applies research, knowledge, and skills acquired from professional development opportunities to improve practice.
e. Engages with administration on an annual review of the effectiveness of district accounting and reporting processes and on an individual performance evaluation consistent with district policy.
f. If the school business official has not earned full authorization as a school business official, participates in the school business official mentoring program.
81.7(8) *Standard 8.* Each school business official shall fulfill professional responsibilities established by the school district. The school business official:
a. Adheres to school board policies, district procedures, and contractual obligations and ensures that applicable district policies are not in conflict with state law.
b. Demonstrates professional and ethical conduct as defined by state law and district policy.
c. Contributes to efforts to achieve district goals.
d. Is able to contribute to cost/benefit analyses.
e. Participates in the board of educational examiners ethics program.
f. Follows the code of professional conduct and ethics and the rights and responsibilities described in 282—Chapters 25 and 26 of the Iowa Administrative Code.
81.7(9) *Standard 9.* If a school business official is also employed as the secretary or treasurer of the school board, the school business official shall:
a. Take the oath of office within ten days following appointment.
b. File a bond and ensure the level of coverage is adequate.
c. Hold office until a successor has been appointed and qualified.
d. Publish minutes, bills, and salaries on a timely basis.
e. Ensure that the department, the county auditor, and the treasurer are informed timely of the names and addresses for board officers as well as any changes therein.
f. File and preserve copies of all required reports and all papers transmitted pertaining to the business of the school corporation, including all certificates, reports, and proofs related to compulsory education.
g. Maintain separate books for minutes and elections and ensure that the records are complete.
h. Deliver all claims to the board for audit and allowance **(IAC 281—81.7).**

The Superintendent of Schools

The board of directors of a school district may employ a superintendent of schools for a term of not to exceed three (3) years. However, the board's initial contract with a superintendent shall not exceed one year if the board is obligated to pay a former superintendent under an unexpired contract. The superintendent shall be the executive officer of the board and have such powers and duties as may be prescribed by rules adopted by the board or by law. Boards of directors may jointly exercise the powers conferred by section 279.20 **(279.20).**

In addition to the authority cited above, the Iowa Code makes the following additional references to that particular position:

An individual who is employed or contracted as a superintendent by a school or school district may also serve as an elementary principal in the same school or school district **(280.14(2)).**

A work permit, except for migrant laborers, shall be issued only by the superintendent or a person authorized by the superintendent in writing, or where there is no superintendent, by a person authorized in writing by the local school board where the child resides, upon the application of the parent, guardian, or custodian of the child desiring such permit. The work permits shall be issued for resident children employed who are at least fourteen and less than sixteen years of age, only if the proof required in section 92.11 has been received and examined **(92.11)**. The superintendent and school truant and attendance officers shall cooperate in the enforcement of chapter 92 and furnish the labor commissioner and designees with all information coming to their knowledge regarding violations of chapter 92 **(92.22).**

The board may confer upon any teacher, principal or superintendent the power temporarily to suspend a pupil, notice of the suspension being at once given in writing to the president of the board **(282.4(1)).** When a student is suspended by a teacher, principal, or superintendent, pursuant to section 282.4, the student may be readmitted by the teacher, principal, or superintendent when the conditions of the suspension have been met, but when expelled by the board the student may be readmitted only by the board or in the manner prescribed by the board **(282.5).**

All school officers and employees shall promptly report to the secretary any violations of the truancy law of which they have knowledge **(299.15).**

Contracts with administrators shall be in writing and shall contain all of the following:

a. The term of employment.
b. The length of time during the school year that services are to be performed.

c. The compensation per week of five consecutive days or month of four consecutive weeks.
d. A statement that the contract is invalid if the administrator is under contract with another board of directors in this state covering the same period of time, until such contract shall have been released or terminated by its provisions.
e. Such other matters as may be agreed upon **(279.23).**

An administrator's contract shall remain in force and effect for the period stated in the contract. The contract shall be automatically continued in force and effect for additional one-year periods beyond the end of its original term, except and until the contract is modified or terminated by mutual agreement of the board of directors and the administrator, or until terminated as provided by section 279.24 **(279.24(1)).**

An administrator may file a written resignation with the secretary of the board on or before May 1 of each year or the date specified by the board for return of the contract, whichever date occurs first **(279.24(3)).**

Administrators employed in a school district for less than two consecutive years are probationary administrators. However, a board may waive the probationary period for any administrator who has previously served a probationary period in another school district and the board may extend the probationary period for an additional year with the consent of the administrator **(279.24(4)).**

An administrator may be discharged at any time during the contract year for just cause. The administrator shall be notified in writing that the board has voted to consider termination of the administrator's contract and the applicable procedures of section 279.24 apply **(279.25).**

The AEA Administrator

The AEA board shall employ personnel to carry out the functions of the AEA which shall include the employment of an administrator who shall possess a license issued under chapter 272. The administrator shall be employed pursuant to section 279.20 and sections 279.23, 279.24 and 279.25. The salary for an AEA administrator shall be established by the board based upon the previous experience and education of the administrator. Section 279.13 applies to the AEA board and to all teachers employed by the AEA. Sections 279.23, 279.24, and 279.25 apply to the AEA board and to all administrators employed by the AEA **(273.3(11)).** Sections 279.23, 279.24, and 279.25 cover continuing contracts and discharge. Section 279.20 covers employment and term limits on contracts. The salary of the AEA administrator shall be approved by the director of the Department of Education **(256.9(30)).**

The board of directors may employee a superintendent of schools [AEA administrator] for a term of not to exceed three (3) years. However, the board's initial contract with a superintendent [administrator] shall not exceed one year if the board is obligated to pay a former superintendent [administrator] under an unexpired contract. The superintendent [administrator] shall be the executive officer of the board and have such powers and duties as may be prescribed by rules adopted by the board or by law. Boards of directors may jointly exercise the powers conferred by this section **(279.20)).**

Contracts with administrators shall be in writing and shall contain all of the following:
(1) The term of employment.
(2) The length of time during the school year that services are to be performed.
(3) The compensation per week of five consecutive days or month of four consecutive weeks.
(4) A statement that the contract is invalid if the administrator is under contract with another board of directors in this state covering the same period of time, until such contract shall have been released or terminated by its provisions.
(5) Such other matters as may be agreed upon **(279.23).**

The board shall establish written evaluation criteria and shall establish and annually implement evaluation procedures. The board shall also establish written job descriptions for all supervisory positions **(279.23A).**

An administrator's contract shall remain in force and effect for the period stated in the contract. The contract shall be automatically continued in force and effect for additional one-year periods beyond the end of its original term, except and until the contract is modified or terminated by mutual agreement of the board of directors and the administrator, or until terminated as provided by section 279.24 **(279.24(1)).**

An administrator may file a written resignation with the secretary of the board on or before May 1 of each year or the date specified by the board for return of the contract, whichever date occurs first **(279.24(3)).**

Administrators employed in a school district [AEA] for less than two consecutive years are probationary administrators. However, a board may waive the probationary period for any administrator who has previously served a probationary period in another school district [AEA] and the board may extend the probationary period for an additional year with the consent of the administrator **(279.24(4)).**

An administrator may be discharged at any time during the contract year for just cause. The administrator shall be notified in writing that the board has voted to consider termination of the administrator's contract and the applicable procedures of section 279.24 apply **(279.25).**

The AEA administrators shall jointly appoint a member to serve on the Iowa public broadcasting board **(256.82(4)"b"(3)).**

The AEA administrators shall select an early childhood specialist of an AEA to serve on the child development coordinating council that is established to promote the provision of child development services to at-risk three-year- and four-year-old children **(256A.2(1)"e").**

If a vacancy or vacancies occur among the elective offices or members of a school board and the remaining members of the board have not filled the vacancy within thirty (30) days after the vacancy becomes known by the secretary or the board, or when the board is reduced below a quorum, the secretary of the board, or if there is no secretary, the AEA administrator, shall call a special election in the district, subdistrict, or subdistricts, as the case may be, to fill the vacancy or vacancies. The county commissioner of elections shall publish the notices required by law for special elections, and the election shall be held not sooner than thirty (30) days nor later than forty (40) days after the thirtieth (30th) day following the day the vacancy becomes known by the secretary or the board. If the secretary fails for more than three (3) days to call an election, the administrator shall call it **(279.7).**

When emergency repairs costing more than the competitive bid threshold in section 26.3, or as established in section 314.1B, are necessary in order to ensure the continued use of any school or school facility, the provisions of the law with reference to advertising for bids shall not apply, and in that event the board may contract for such emergency repairs without advertising for bids. However before such emergency repairs can be made to any schoolhouse or school facility, it shall be necessary to procure a certificate from the AEA administrator that such emergency repairs are necessary to ensure the continued use of the school or school facility **(297.8).** The competitive bid threshold is $100,000, or the adjusted competitive bid threshold established in section 314.1B **(26.3).** A state-level vertical infrastructure bid threshold subcommittee for public improvements shall be appointed to review the competitive bid thresholds applicable to governmental entities under chapter 26. The subcommittee shall review price adjustments for all types of construction, reconstruction, and public improvement projects based on the changes in the construction price index, building cost index, and material cost index from the preceding adjustment. Upon completion of the review the subcommittee may make adjustments in the applicable bid thresholds for types of work based on the price adjustments. The subcommittee shall not make an initial adjustment to the competitive bid threshold in section 26.3 to be effective prior to January 1, 2012. Each subcommittee shall meet to conduct the review and make the adjustments described on or before August 1 of every other year, or of every year if determined necessary by the subcommittee. By September 1 of each year in which a subcommittee makes adjustments in the bid or quotation thresholds, an advisory notice shall be published in the Iowa administrative bulletin and in a newspaper of general circulation in this state, stating the adjusted bid and quotation thresholds to be in effect on January 1 of the following year, as established by the subcommittees **(314.1B).**

Ethics

If a local school board allows a superintendent or other employee to receive benefits that are not reflected in contract or written policy, there is a potential for an ethics complaint to the Board of Educational Examiners (BOEE) based on a perceived lack of transparency and financial malfeasance. Therefore, best practice is to set forth any atypical or unique benefits arrangement in a written document that is at least available for public scrutiny. It is the responsibility of both the employee in question and the local school board to make sure matters of compensation and benefits are handled in a way that avoids even the appearance of impropriety **(BOEE guidance, May 13, 2013).**

Standard 8 of the school business official candidates knowledge and skills standards and criteria requires that each school business official shall participate in the board of educational examiners ethics program **(IAC 281—81.7(8)"e")** and shall follow the code of professional conduct and ethics and rights and responsibilities described in chapters 25 and 26 of the 282 Iowa Administrative Code **(IAC 281—81.7(8)"f").**

The adherence to certain professional and ethical standards is essential to maintaining the integrity of the education profession **(IAC 282-25.1).**

"Administrative and supervisory personnel" means any licensed employee such as superintendent, associate superintendent, assistant superintendent, principal, associate principal, assistant principal, or other person who does not have as a primary duty the instruction of pupils in the schools.
"Discipline" means the process of sanctioning a license, certificate or authorization issued by the board.
"Ethics" means a set of principles governing the conduct of all persons governed by these rules.
"Fraud" means knowingly providing false information or representations on an application for licensure or employment, or knowingly providing false information or representations made in connection with the discharge of duties.
"License" means any license, certificate, or authorization granted by the board.
"Licensee" means any person holding a license, certificate, or authorization granted by the board.
"Responsibility" means a duty for which a person is accountable by virtue of licensure.
"Right" means a power, privilege, or immunity secured to a person by law **(IAC 282—25.2).**

Licensees are required to abide by all federal, state, and local laws applicable to the fulfillment of professional obligations. Violation of federal, state, or local laws in the fulfillment of professional obligations constitutes unprofessional and unethical conduct which can result in disciplinary action by the board. In addition, it is hereby deemed unprofessional and unethical for any licensee to violate any of the following standards of professional conduct and ethics:
25.3(1) *Standard I—conviction of crimes, sexual or other immoral conduct with or toward a student, and child and dependent adult abuse.* Violation of this standard includes:
a. Fraud. Fraud means the same as defined in rule 282—25.2(272).
b. Criminal convictions. The commission of or conviction for a criminal offense as defined by Iowa law provided that the offense is relevant to or affects teaching or administrative performance.
(1) Disqualifying criminal convictions. The board shall deny an application for licensure and shall revoke a previously issued license if the applicant or licensee has, on or after July 1, 2002, been convicted of, has pled guilty to, or has been found guilty of the following criminal offenses, regardless of whether the judgment of conviction or sentence was deferred:
1. Any of the following forcible felonies included in Iowa Code section 702.11: child endangerment, assault, murder, sexual abuse, or kidnapping;
2. Any of the following criminal sexual offenses, as provided in Iowa Code chapter 709, involving a child:
● First-, second- or third-degree sexual abuse committed on or with a person who is under the age of 18;
● Lascivious acts with a child;
● Assault with intent to commit sexual abuse;
● Indecent contact with a child;
● Sexual exploitation by a counselor;
● Lascivious conduct with a minor;
● Sexual exploitation by a school employee;
● Enticing a minor under Iowa Code section 710.10; or
● Human trafficking under Iowa Code section 710A.2;
3. Incest involving a child as prohibited by Iowa Code section 726.2;
4. Dissemination and exhibition of obscene material to minors as prohibited by Iowa Code section 728.2;
5. Telephone dissemination of obscene material to minors as prohibited by Iowa Code section 728.15;
6. Any offense specified in the laws of another jurisdiction, or any offense that may be prosecuted in a federal, military, or foreign court, that is comparable to an offense listed in subparagraph 25.3(1)*"b"*(1); or
7. Any offense under prior laws of this state or another jurisdiction, or any offense under prior law that was prosecuted in a federal, military, or foreign court, that is comparable to an offense listed in subparagraph 25.3(1)*"b"*(1).
(2) Other criminal convictions and founded child abuse. In determining whether a person should be denied a license or whether a licensee should be disciplined based upon any other criminal conviction, including a conviction for an offense listed in 25.3(1)*"b"*(1) which occurred before July 1, 2002, or a founded report of abuse of a child, the board shall consider:
1. The nature and seriousness of the crime or founded abuse in relation to the position sought;
2. The time elapsed since the crime or founded abuse was committed;
3. The degree of rehabilitation which has taken place since the crime or founded abuse was committed;
4. The likelihood that the person will commit the same crime or abuse again;
5. The number of criminal convictions or founded abuses committed; and
6. Such additional factors as may in a particular case demonstrate mitigating circumstances or heightened risk to public safety.
c. Sexual involvement or indecent contact with a student. Sexual involvement includes, but is not limited to, the following acts, whether consensual or nonconsensual: fondling or touching the inner thigh, groin, buttocks, anus or breasts of a student; permitting or causing to fondle or touch the practitioner's inner thigh, groin, buttocks, anus, or breasts; or the commission of any sex act as defined in Iowa Code section 702.17.

d. Sexual exploitation of a minor. The commission of or any conviction for an offense prohibited by Iowa Code section 728.12, Iowa Code chapter 709 or 18 U.S.C. Section 2252A(a)(5)(B).
e. Student abuse. Licensees shall maintain professional relationships with all students, both inside and outside the classroom. The following acts or behavior constitutes unethical conduct without regard to the existence of a criminal charge or conviction:
(1) Committing any act of physical abuse of a student;
(2) Committing any act of dependent adult abuse on a dependent adult student;
(3) Committing or soliciting any sexual or otherwise indecent act with a student or any minor;
(4) Soliciting, encouraging, or consummating a romantic or otherwise inappropriate relationship with a student;
(5) Furnishing alcohol or illegal or unauthorized drugs or drug paraphernalia to any student or knowingly allowing a student to consume alcohol or illegal or unauthorized drugs in the presence of the licensee;
(6) Failing to report any suspected act of child or dependent adult abuse as required by state law; or
(7) Committing or soliciting any sexual conduct as defined in Iowa Code section 709.15(3)*"b"* or soliciting, encouraging, or consummating a romantic relationship with any person who was a student within 90 days prior to any conduct alleged in the complaint, if that person was taught by the practitioner or was supervised by the practitioner in any school activity when that person was a student.
25.3(2) *Standard II—alcohol or drug abuse.* Violation of this standard includes:
a. Being on school premises or at a school-sponsored activity involving students while under the influence of, possessing, using, or consuming illegal or unauthorized drugs or abusing legal drugs.
b. Being on school premises or at a school-sponsored activity involving students while under the influence of, possessing, using, or consuming alcohol.
25.3(3) *Standard III—misrepresentation, falsification of information.* Violation of this standard includes:
a. Falsifying or deliberately misrepresenting or omitting material information regarding professional qualifications, criminal history, college credit, staff development credit, degrees, academic award, or employment history when applying for employment or licensure.
b. Falsifying or deliberately misrepresenting or omitting material information regarding compliance reports submitted to federal, state, and other governmental agencies.
c. Falsifying or deliberately misrepresenting or omitting material information submitted in the course of an official inquiry or investigation.
d. Falsifying any records or information submitted to the board in compliance with the license renewal requirements imposed under 282—Chapter 20.
e. Falsifying or deliberately misrepresenting or omitting material information regarding the evaluation of students or personnel, including improper administration of any standardized tests, including, but not limited to, changing test answers, providing test answers, copying or teaching identified test items, or using inappropriate accommodations or modifications for such tests.
25.3(4) *Standard IV—misuse of public funds and property.* Violation of this standard includes:
a. Failing to account properly for funds collected that were entrusted to the practitioner in an educational context.
b. Converting public property or funds to the personal use of the practitioner.
c. Submitting fraudulent requests for reimbursement of expenses or for pay.
d. Combining public or school-related funds with personal funds.
e. Failing to use time or funds granted for the purpose for which they were intended.
25.3(5) *Standard V—violations of contractual obligations.*
a. Violation of this standard includes:
(1) Signing a written professional employment contract while under contract with another school, school district, or area education agency.
(2) Asking a practitioner to sign a written professional employment contract before the practitioner has been unconditionally released from a current contract. An administrator shall make a good faith effort to determine whether the practitioner has been released from the current contract.
(3) Abandoning a written professional employment contract without prior unconditional release by the employer.
(4) As an employer, executing a written professional employment contract with a practitioner, which requires the performance of duties that the practitioner is not legally qualified to perform.
(5) As a practitioner, executing a written professional employment contract, which requires the performance of duties that the practitioner is not legally qualified to perform.
b. In addressing complaints based upon contractual obligations, the board shall consider factors beyond the practitioner's control. For purposes of enforcement of this standard, a practitioner will not be found to have abandoned an existing contract if:
(1) The practitioner obtained a release from the employing board before discontinuing services under the contract; or
(2) The practitioner provided notice to the employing board no later than the latest of the following dates:
1. The practitioner's last work day of the school year;
2. The date set for return of the contract as specified in statute; or
3. June 30.

25.3(6) *Standard VI—unethical practice toward other members of the profession, parents, students, and the community.* Violation of this standard includes:
a. Denying the student, without just cause, access to varying points of view.
b. Deliberately suppressing or distorting subject matter for which the educator bears responsibility.
c. Failing to make reasonable effort to protect the health and safety of the student or creating conditions harmful to student learning.
d. Conducting professional business in such a way that the practitioner repeatedly exposes students or other practitioners to unnecessary embarrassment or disparagement.
e. Engaging in any act of illegal discrimination, or otherwise denying a student or practitioner participation in the benefits of any program on the grounds of race, creed, color, religion, age, sex, sexual orientation, gender identity, disability, marital status, or national origin.
f. Soliciting students or parents of students to purchase equipment, supplies, or services from the practitioner for the practitioner's personal advantage.
g. Accepting gifts from vendors or potential vendors where there may be the appearance of or an actual conflict of interest.
h. Intentionally disclosing confidential information including, but not limited to, unauthorized sharing of information concerning student academic or disciplinary records, health and medical information, assessment or testing results, or family income. Licensees shall comply with state and federal laws and local school board policies relating to the confidentiality of student records, unless disclosure is required or permitted by law.
i. Refusing to participate in a professional inquiry when requested by the board.
j. Aiding, assisting, or abetting an unlicensed person in the completion of acts for which licensure is required.
k. Failing to self-report to the board within 60 days any founded child abuse report, or any conviction for a criminal offense listed in 25.3(1)*"b"*(1) which requires revocation of the practitioner's license.
l. Delegating tasks to unqualified personnel.
m. Failing to comply with federal, state, and local laws applicable to the fulfillment of professional obligations.
n. Allowing another person to use one's practitioner license for any purpose.
o. Performing services beyond the authorized scope of practice for which the individual is licensed or prepared or performing services without holding a valid license.
p. Falsifying, forging, or altering a license issued by the board.
q. Failure of the practitioner holding a contract under Iowa Code section 279.13 to disclose to the school official responsible for determining assignments a teaching assignment for which the practitioner is not properly licensed.
r. Failure of a school official responsible for assigning licensed practitioners holding contracts under Iowa Code section 279.13 to adjust an assignment if the practitioner discloses to the official that the practitioner is not properly licensed for an assignment.
25.3(7) *Standard VII—compliance with state law governing obligations to state or local governments, student loan obligations, child support obligations, and board orders.* Violation of this standard includes:
a. Failing to comply with 282—Chapter 8 concerning payment of debts to state or local governments.
b. Failing to comply with 282—Chapter 9 concerning repayment of student loans.
c. Failing to comply with 282—Chapter 10 concerning child support obligations.
d. Failing to comply with a board order.
25.3(8) *Standard VIII—incompetence.* Violation of this standard includes, but is not limited to:
a. Willfully or repeatedly departing from or failing to conform to the minimum standards of acceptable and prevailing educational practice in the state of Iowa.
b. Willfully or repeatedly failing to practice with reasonable skill and safety **(IAC 282-25.3).**

Standard 8 of the school business official candidates knowledge and skills standards and criteria requires that each school business official shall follow the code of professional conduct and ethics and rights and responsibilities described in chapters 25 and 26 of the 282 Iowa Administrative Code **(IAC 281—81.7(8)"f").** Even though chapter 26 uses the term "educator" throughout, Standard 8 applies these same responsibilities and rights to school business officials as well.

The code of professional conduct and ethics in 282—Chapter 25 defines unprofessional and unethical conduct justifying disciplinary sanction. The board of educational examiners (BOEE) acknowledges that the discharge of professional obligations should occur in recognition of certain fundamental rights and responsibilities. Accordingly, the board recognizes the following rights and responsibilities of all educators licensed under Iowa Code chapter 272 and agrees that the exercise of these rights and responsibilities may present mitigating facts and circumstances in the board's evaluation of allegations of unprofessional or unethical conduct **(IAC 282—26.1).**

Educators licensed under Iowa Code chapter 272 have the following rights:
1. The educator has a right to be licensed and endorsed under professional standards established and enforced by the board.

2. The educator has a right to refuse assignments for which the educator is not legally authorized, in terms of holding a valid Iowa license with the appropriate endorsement(s) or approval(s).
3. The educator has a right, subject to board and administrator authority, to exercise professional judgment in the evaluation, selection, and use of teaching methods and instructional materials appropriate to the needs, abilities, and background of each student **(IAC 282—26.2).**

Educators licensed under Iowa Code chapter 272 have the following responsibilities:
1. The educator has a responsibility to maintain and improve the educator's professional competence.
2. The educator has a responsibility to accept only those assignments for which the educator is legally authorized.
3. The educator has a responsibility to provide conditions that are conducive to teaching and student learning.
4. The educator shall protect students from conditions harmful to learning or to health or safety.
5. The educator shall not, without just cause, restrain a student from independent action in the pursuit of learning and shall not, without just cause, deny a student access to varying points of view.
6. The educator shall not use professional relationships with students for personal advantage.
7. The educator shall not discriminate against any student on the grounds of race, color, religion, age, sex, sexual orientation, gender identity, disability, marital status, or national origin.
8. The educator shall accord just and equitable treatment to all members of the profession.
9. The educator shall keep in confidence personally identifiable information regarding a student or the student's family members that has been obtained in the course of professional service, unless disclosure is required by law or is necessary for the personal safety of the student or others.
10. The educator who has reasonable basis to believe that a student has been abused, as defined by law, shall make all reports required by law and the Iowa Administrative Code and which are necessary to ensure the safety and well-being of the student.
11. In the administration of discipline, the educator shall treat all students with respect and in compliance with all policies of the school district served by the educator.
12. The educator shall provide accurate, truthful, and complete information to the board and to the local education system concerning all licensure transactions.
13. The educator shall not refuse to participate in a professional inquiry, when requested by the board.
14. The educator shall not require or direct another educator to violate any provisions of the code of professional conduct and ethics or any rights of a student, parent, educator or citizen.
15. The educator shall not delegate assigned tasks to unqualified personnel **(IAC 282—26.3).**

Official Misconduct--Directors, Officers, Employees

Any public officer or employee, who knowingly does any of the following, commits a class "D" felony:
1. Makes or gives any false entry, false return, false certificate, or false receipt, where such entries, returns, certificates, or receipts are authorized by law.
2. Falsifies any public record, or issues any document falsely purporting to be a public document.
3. Falsifies a writing, or knowingly delivers a falsified writing, with the knowledge that the writing is falsified and that the writing will become a public record of a government body **(721.1).**

Public records include all records, documents, tapes, or other information, stored or preserved in any medium, of or belonging to the school corporation. Public records also include all records relating to the investment of public funds including but not limited to investment policies, instructions, trading orders, or contracts, whether in the custody of the public body responsible for the public funds or a fiduciary or other third party **(22.1(3)).**

Any public officer or employee, or any person acting under color of such office or employment, who knowingly does any of the following, commits a serious misdemeanor:
1. Makes any contract which contemplates an expenditure known by the person to be in excess of that authorized by law.
2. Fails to report to the proper officer the receipt or expenditure of public moneys, together with the proper vouchers therefor, when such is required of the person by law.
3. Requests, demands, or receives from another for performing any service or duty which is required of the person by law, or which is performed as an incident of the person's office or employment, any compensation other than the fee, if any, which the person is authorized by law to receive for such performance.
4. By color of the person's office and in excess of the authority conferred on the person by that office, requires any person to do anything or to refrain from doing any lawful thing.
5. Uses or permits any other person to use the property owned by the school district or AEA for any private purpose and for personal gain, to the detriment of the district or AEA.
6. Fails to perform any duty required of the person by law.

7. Demands that any public employee contribute or pay anything of value, either directly or indirectly, to any person, organization or fund, or in any way coerces or attempts to coerce any public employee to make any such contributions or payments, except where such contributions or payments are expressly required by law.
8. Permits persons to use the property owned by the district or AEA to operate a political phone bank for any of the following purposes:
    a. To poll voters on their preferences for candidates or ballot measures at an election.
    b. To solicit funds for a political candidate or organization.
    c. To urge support for a candidate or ballot measure to voters **(721.2).**

Any appointive or elective officer holding any public office may be removed from office by the district court for any of the following reasons:
1. For willful or habitual neglect or refusal to perform the duties of the office.
2. For willful misconduct or maladministration in office.
3. For corruption.
4. For extortion.
5. Upon conviction of a felony.
6. For intoxication, or upon conviction of being intoxicated.
7. Upon conviction of violating the campaign finance disclosure provisions of chapter 68A **(66.1A).**

Any person who willfully violates any provisions of chapter 68A on campaign finance shall upon conviction be guilty of a serious misdemeanor **(68A.701).**

Except as allowed in 68B.22, a public official, public employee, or candidate, or that person's immediate family member shall not, directly or indirectly, accept or receive any gift or series of gifts from a restricted donor nor solicit any gift or series of gifts from a restrict donor at any time **(68B.22(1)).**

In addition to any penalty contained in any other provision of law, a person who knowingly and intentionally violates a provision of section 68B.2A through 68B.8, section 68B.22 through 68B.24, or sections 68B.35 through 68B.38 regarding government ethics and lobbying is guilty of a serious misdemeanor and may be reprimanded, suspended, or dismissed from the person's position or otherwise sanctioned **(68B.34).** Complaints regarding conduct of local officials or local employees which violates chapter 68B, except for sections 68B.36 and 68B.38, shall be filed with the county attorney in the county where the accused resides. However, if the county attorney is the person against whom the complaint is filed, or if the county attorney otherwise has a personal or legal conflict of interest, the complaint shall be referred to another county attorney. Complaints alleging conduct of local officials or local employees which violates section 68B.36 or 68B.38 shall be filed with the ethics committee of the appropriate house of the general assembly if the conduct involves lobbying activities before the general assembly or with the board if the conduct involves lobbying activities before the executive branch. **(68B.34A).**

All lobbyists shall, on or before the day their lobbying activity begins, register by electronically filing a lobbyist's registration statement at times and in the manner provided in this section. In addition to any other information required by the general assembly, a lobbyist shall identify in the registration statement all clients of the lobbyist and whether the lobbyist will also be lobbying the executive branch. Lobbyists engaged in lobbying activities before the general assembly and before the office of the governor or any state agency shall file the statement with the chief clerk of the house of representatives or the secretary of the senate. The chief clerk of the house and the secretary of the senate shall establish an internet site for the electronic filing of lobbyist registrations **(68B.36(1)).** A lobbyist means an individual who, by acting directly, receives compensation or is a designated representative of an organization for the purpose of encouraging the passage, defeat, approval, veto, or modification of legislation, a rule, or an executive order by members of the general assembly, state agency, or any statewide elected official **(68B.2(13)).** For more detail on the definition of what constitutes lobbying, read chapter 68B.

It shall be a serious misdemeanor for any person or political organization either directly or indirectly to solicit or demand from any employee any contribution of money or any other thing of value for election purposes or for the purpose of paying expenses of any political organization or any person seeking election to public office **(721.3, 721.7).**

It shall be a serious misdemeanor for any person to use or permit to be used any motor vehicle owned by the district or AEA for the purpose of transporting any political literature or any person or persons engaging in a political campaign for any political party or any person seeking an elective office **(721.4, 721.7).**

All publicly owned motor vehicles shall bear at least two labels in a conspicuous place, one on each side of the vehicle. This label shall be designed to cover not less than one square foot of surface. A violation of this labeling requirement shall be a serious misdemeanor **(721.8, 721.9).**

A public officer or employee who, by reason of the officer's or employee's employment, has access to any public record, or to any file, dossier, or accumulation of information of any kind, and who gives or transfers to any person, in exchange for anything of value other than fees authorized by law, any such record, file, dossier, or accumulation of information, or any part thereof, or who imparts to any person any information contained therein, in exchange for anything of value other than fees authorized by law, commits a serious misdemeanor **(721.10).**

Any officer or employee of the district or AEA who is directly or indirectly interested in any contract to furnish anything of value to the state or any subdivision thereof where such interest is prohibited by statute commits a serious misdemeanor. This section shall not apply to any contract awarded as a result of open, public and competitive bidding **(721.11).**

A person who is serving or has been elected, selected, appointed, employed, or otherwise engaged to serve in a public capacity, including a public officer or employee, or a referee who solicits or knowingly accepts or receives a promise or anything of value or a benefit given pursuant to an understanding or arrangement that the promise or thing of value or benefit will influence the act, vote, opinion, judgment, decision, or exercise of discretion of the person with respect to the person's services in that capacity commits a class "C" felony. In addition, a person convicted under this section is disqualified from holding public office under the laws of this state **(722.2).**

Refusal by any public official to permit public inspection of audit reports when such reports have been filed with the state auditor shall constitute a simple misdemeanor **(11.14(1)).**

Failure on the part of a public official to perform any of the duties prescribed in chapters 73A [contracts and bonds] and 24 [local budgets] , and sections 8.39 and 11.1 to 11.5, constitutes a simple misdemeanor, and is sufficient ground for removal from office **(24.24).**

No public officer shall directly or indirectly or in any manner whatsoever, at any other time or in any other manner than as provided by law, open any sealed bid or convey or divulge to any person any part of the contents of a sealed bid, on any proposed contract concerning which a sealed bid is required or permitted by law **(72.3).** A violation of the provisions of section 72.3 shall, in addition to criminal liability, render the violator liable, personally and on the violator's bond, if any, to liquidated damages in the sum of one thousand dollars ($1000) for each violation, to inure to and be collected by the school corporation of which the violator is an officer **(72.4).**

An officer or person who is connected with or is a member or agent or representative of a board or officer of a board of a school district who fails to give preference to Iowa products and labor as required by chapter 73 is guilty of a simple misdemeanor. Each separate case of failure to give preference is a separate offense **(73.5).**

A school district director, officer, or teacher shall not act as agent for school textbooks or school supplies, including sports apparel or equipment, in any transaction with a director, officer, or other staff member of the school district during such term of office or employment. An AEA director, officer, or teacher shall not act as an agent for school textbooks or school supplies, including sports apparel or equipment, in any transaction with a director, officer, or other staff member of the AEA or any school district located within the AEA during such time of office or employment. A school district or AEA director, officer, or teacher who acts as agent or dealer in school textbooks or school supplies during the person's term of office or employment in violation of this section shall be deemed guilty of a serious misdemeanor **(301.28).**

It shall be unlawful for any school district to rebate to any pupils or their parents, directly or indirectly, any portion of the tuition collected or to be collected or to authorize or permit such pupils to receive at the expense of the district, directly or indirectly, any special compensation, benefit, privilege, or other thing of value that is not and cannot legally be made available to all other pupils enrolled in its schools. Any superintendent or board member responsible for such unlawful act shall be personally liable to a fine not to exceed one hundred dollars ($100). Action to recover such penalty or action to enjoin such unlawful act may be instituted by the board of any school district or by a taxpayer in any school district **(282.20).**

Any person who operates or permits to be operated as a school bus to transport pupils, any vehicle which does not comply with the requirements provided by law or by the rules and regulations of the department of education, or for which there is not a valid temporary certificate for operation, shall be guilty of a simple misdemeanor. A vehicle used for an approved driver education course in which the driver education teacher transports driver education students from their residences for street or highway driving is not a school bus **(285.14).**

Any superintendent, board, or board member who knowingly operates or permits to be operated any school bus transporting public school pupils in violation of any school transportation law shall be deemed guilty of a simple misdemeanor **(285.15).**

A school board, individual, or organization shall not purchase, construct, or contract for use, to transport pupils to or from school, any school bus which does not comply with the minimum requirements of section 321.373 and any individual, or any member or officer of such board or organization who authorizes, the purchase, construction, or contract for any such bus not complying with these minimum requirements commits a simple misdemeanor **(321.379).**

No school attendance center fence shall be constructed of barbed wire, nor shall any barbed wire fence be placed within ten (10) feet of any school attendance center. Any person violating the provisions of this section shall be guilty of a simple misdemeanor **(297.14).**

Failure by any school district to provide information or appear before the school budget review committee (SBRC) as requested for the accomplishment of review or hearing is justification for the committee to instruct the director of the Department of Management to withhold any state aid to that district until the committee's inquiries are satisfied completely **(257.31(11)).** Failure by an AEA to provide information or appear before the SBRC as requested for the accomplishment of review or hearing constitutes justification for the committee to instruct the Department of Administrative Services to withhold payments for the AEA until the committee's inquiries are satisfied completely **(257.32(4)).**

The director of the Department of Education shall prepare forms and procedures as necessary to be used by AEA boards, district boards, school officials, principals, teachers, and other employees, and to insure uniformity, accuracy, and efficiency in keeping records in both pupil and cost accounting, the execution of contracts, and the submission of reports, and notify the AEA board, district board, or school authorities when a report has not been filed in the manner or on the dates prescribed that the school will not be accredited until the report has been properly filed **(256.9(18)).**

A prosecution for a simple misdemeanor or violation of a municipal or county rule or ordinance shall be commenced within one year after its commission **(802.4).**

The county attorney shall prosecute or assist in the prosecution of actions to remove public officers from office as provided in section 66 **(331.756(16)).**

Any school officers willingly violating any law relative to schools, or willfully failing or refusing to perform any duty imposed by law, shall forfeit and pay into the treasury of the school corporation in which the violation occurs the sum of $25, action to receive which shall be brought in the name of the proper school corporation, and be applied to the use of the schools therein **(277.32).**

A person commits the crime of election misconduct in the first degree if the person willfully:

- pays, offers to pay, or causes to be paid money or any other thing of value to a person to influence the person's vote **(39A.2(1)"d"(1)).**
- pays, offers to pay, or causes to be paid money or any other thing of value to an election official conditioned on some act done or omitted to be done contrary to the person's official duty in relation to an election **(39A.2"d"(2)).**
- intimidates, threatens, or coerces, or attempts to intimidate, threaten or coerce, a person to do or reframe of doing signing of a petition nominating a candidate for public office or a petition requesting an election for which a petition may legally be submitted **(39A.2(1)"c"(3)).**

Election misconduct in the first degree is a class "D" felony **(39A.2(2)).**

A person commits the crime of election misconduct in the fourth degree if the person, as an employer, willfully denies an employee the privilege conferred by section 49.109, or subjects an employee to a penalty or reduction of wages because of the exercise of that privilege **(39A.5(1)"a"(1)).** Election misconduct in the fourth degree is a simple misdemeanor **(39A.5(2)).** Any person entitled to vote at an election in this state who does not have three consecutive hours in the period between the time of the opening and the time of the closing of the polls during which the person is not required to be present at work for an employer, is entitled to such time off from work time to vote as will in addition to the person's nonworking time total three consecutive hours during the time the polls are open. Request for such absence shall be made in writing prior to the date of the election. The employee is not liable to any penalty nor shall any deduction be made from the person's regular salary or wages on account of such absence **(49.109).**

A person commits the crime of election misconduct in the third degree if the person willfully commits any of the following acts on election day:

1. Loitering, congregating, electioneering, posting signs, treating voters, or soliciting votes, during the receiving of the ballots, either on the premises of any polling place or within three hundred (300) feet of any outside door of any building affording access to any room where the polls are held, or of any outside door of any building affording access to any hallway, corridor, stairway or other means of reaching the room where the polls are held.

This does not apply to the posting of signs on private property not a polling place, except that the placement of a sign that is more than 90 square inches in size on a motor vehicle, trailer, or semitrailer, or its attachment to a motor vehicle, trailer, or semitrailer parked on public property within three hundred (300) feet of a polling place is prohibited.

2. Interrupting, hindering, or opposing a voter while in or approaching the polling place for the purpose of voting.
3. A false statement by a voter as to the voter's ability to mark a ballot.
4. Interfering or attempting to interfere with a voter when inside the enclosed voting space, or when marking a ballot.
5. Endeavoring to induce a voter to show how the voter marks or has marked a ballot.
6. Marking, or causing in any manner to be marked, on a ballot, any character for the purpose of identifying such ballot **(39A.4(1)"a").**

Election misconduct in the third degree is a serious misdemeanor **(39A.4(2)).**

A person commits the crime of election misconduct in the third degree if the person,

- as a candidate, makes a promise to name or appoint another person to a position or to secure a position for another person in violation of section 49.120.
- as a public official or employee, or a person acting under color of a public official or employee, knowingly requires a public employee to act in connection with an absentee ballot in violation of section 53.7.
- as an incumbent officeholder of, or a candidate for, an office being voted for at the election in progress, serves as a member of a challenging committee or observer **(39A.4(1)"c").**

Election misconduct in the third degree is a serious misdemeanor **(39A.4(2)).**

It shall be unlawful for any candidate for any office to be voted for at any election, prior to nomination or election, to promise, either directly or indirectly, to support or use the candidate's influence in behalf of any person or persons for any position, place, or office, or to promise directly or indirectly to name or appoint any person or persons to any place, position, or office in consideration of any person or persons supporting the candidate or using the person's influence in securing the candidate's nomination, election, or appointment **(49.120).**

It shall be unlawful for any person to solicit from any candidate for any office to be voted for at any election, or any candidate for appointment to any public office, prior to nomination, election, or appointment, a promise, directly or indirectly, to support or use the candidate's influence in behalf of any person or persons for any position, place, or office, or a promise either directly or indirectly to name or appoint any person or persons to any place, position, or office in consideration of any person or persons supporting the candidate, or using the person's influence in securing the candidate's nomination, election, or appointment **(49.121).**

Removal from Office

In the event an audit or examination discloses any grounds which would be grounds for removal from office, a copy of the report shall be provided and filed by the auditor of state in the office of the attorney general of the state, who shall thereupon take such action as, in the attorney general's judgment, the facts and circumstances warrant **(11.54).**

The remedies provided by section 21.6 against state [and local] governmental bodies shall be in addition to those provided by section 17A.19. Any aggrieved person, taxpayer to, or citizen of, the state of Iowa, or the attorney general or county attorney, may seek judicial enforcement of the requirements of this chapter. Suits to enforce this chapter shall be brought in the district court for the county in which the governmental body has its principal place of business **(21.6(1)).**

Once a party seeking judicial enforcement of this chapter demonstrates to the court that the body in question is subject to the requirements of this chapter and has held a closed session, the burden of going forward shall be on the body and its members to demonstrate compliance with the requirements of chapter 21 **(21.6(2)).**

Upon a finding by a preponderance of the evidence that a governmental body has violated any provision of this chapter [open meeting laws], a court:
a. Shall assess each member of the governmental body who participated in its violation damages in the amount of not more than five hundred dollars [$500] nor less than one hundred dollars [$100]. However, if a member of a governmental body knowingly participated in such a violation, damages shall be in the amount of not more than two thousand five hundred dollars [$2,500] and not less than one thousand dollars [$1,000]. These damages shall be paid by the court imposing it to the state of Iowa, if the body in question is a state governmental body, or to the local government involved if the body in question is a local governmental body. A member of a governmental body found to

have violated this chapter shall not be assessed such damages if that member proves that the member did any of the following:
(1) Voted against the closed session.
(2) Had good reason to believe and in good faith believed facts which, if true, would have indicated compliance with all the requirements of this chapter.
(3) Reasonably relied upon a decision of a court, a formal opinion of the Iowa public information board, the attorney general, or the attorney for the governmental body, given in writing, or as memorialized in the minutes of the meeting at which a formal oral opinion was given, or an advisory opinion of the Iowa public information board, the attorney general, or the attorney for the governmental body, given in writing.
b. Shall order the payment of all costs and reasonable attorney fees in the trial and appellate courts to any party successfully establishing a violation of this chapter. The costs and fees shall be paid by those members of the governmental body who are assessed damages under paragraph *"a"*. If no such members exist because they have a lawful defense under that paragraph to the imposition of such damages, the costs and fees shall be paid to the successful party from the budget of the offending governmental body or its parent.
c. Shall void any action taken in violation of this chapter, if the suit for enforcement of this chapter is brought within six [6] months of the violation and the court finds under the facts of the particular case that the public interest in the enforcement of the policy of this chapter outweighs the public interest in sustaining the validity of the action taken in the closed session. This paragraph shall not apply to an action taken regarding the issuance of bonds or other evidence of indebtedness of a governmental body if a public hearing, election or public sale has been held regarding the bonds or evidence of indebtedness.
d. Shall issue an order removing a member of a governmental body from office if that member has engaged in a prior violation of this chapter for which damages were assessed against the member during the member's term.
e. May issue a mandatory injunction punishable by civil contempt ordering the members of the offending governmental body to refrain for one [1] year from any future violations of this chapter **(21.6(3))**.

Ignorance of the legal requirements of this chapter shall be no defense to an enforcement proceeding brought under this section. A governmental body which is in doubt about the legality of closing a particular meeting is authorized to bring suit at the expense of that governmental body in the district court of the county of the governmental body's principal place of business to ascertain the propriety of any such action, or seek a formal opinion of the attorney general or an attorney for the governmental body **(21.6(4))**.

The rights and remedies provided by this section 22.10 are in addition to any rights and remedies provided by section 17A.19. Any aggrieved person, any taxpayer to or citizen of the state of Iowa, or the attorney general or any county attorney, may seek judicial enforcement of the requirements of this chapter in an action brought against the lawful custodian and any other persons who would be appropriate defendants under the circumstances. Suits to enforce this chapter shall be brought in the district court for the county in which the lawful custodian has its principal place of business **(22.10(1)).**

Once a party seeking judicial enforcement of this chapter [open records] demonstrates to the court that the defendant is subject to the requirements of this chapter, that the records in question are government records, and that the defendant refused to make those government records available for examination and copying by the plaintiff, the burden of going forward shall be on the defendant to demonstrate compliance with the requirements of this chapter **(22.10(2)).**

Upon a finding by a preponderance of the evidence that a lawful custodian has violated any provision of chapter 22, a court:

a. Shall issue an injunction punishable by civil contempt ordering the offending lawful custodian and other appropriate persons to comply with the requirements of this chapter in the case before it and, if appropriate, may order the lawful custodian and other appropriate persons to refrain for one [1] year from any future violations of this chapter.
b. Shall assess the persons who participated in its violation damages in the amount of not more than five hundred dollars [$500] nor less than one hundred dollars [$100]. However, if a person knowingly participated in such a violation, damages shall be in the amount of not more than two thousand five hundred dollars [$2,500] and not less than one thousand dollars [$1.000]. These damages shall be paid by the court imposing them to the state of Iowa if the body in question is a state government body, or to the local government involved if the body in question is a local government body. A person found to have violated this chapter shall not be assessed such damages if that person proves that the person did any of the following:
    (1) Voted against the action violating this chapter, refused to participate in the action violating this chapter, or engaged in reasonable efforts under the circumstances to resist or prevent the action in violation of this chapter.
    (2) Had good reason to believe and in good faith believed facts which, if true, would have indicated compliance with the requirements of this chapter.

(3) Reasonably relied upon a decision of a court, a formal opinion of the Iowa public information board, the attorney general, or the attorney for the government body, given in writing, or as memorialized in the minutes of the meeting at which a formal oral opinion was given, or an advisory opinion of the Iowa public information board, the attorney general, or the attorney for the government body, given in writing.

c. Shall order the payment of all costs and reasonable attorney fees, including appellate attorney fees, to any plaintiff successfully establishing a violation of this chapter in the action brought under this section. The costs and fees shall be paid by the particular persons who were assessed damages under paragraph *"b"* of this subsection. If no such persons exist because they have a lawful defense under that paragraph to the imposition of such damages, the costs and fees shall be paid to the successful plaintiff from the budget of the offending government body or its parent.
d. Shall issue an order removing a person from office if that person has engaged in a prior violation of this chapter for which damages were assessed against the person during the person's term **(22.10(3))**.

Ignorance of the legal requirements of this chapter is not a defense to an enforcement proceeding brought under this section. A lawful custodian or its designee in doubt about the legality of allowing the examination or copying or refusing to allow the examination or copying of a government record is authorized to bring suit at the expense of that government body in the district court of the county of the lawful custodian's principal place of business, or to seek an opinion of the attorney general or the attorney for the lawful custodian, to ascertain the legality of any such action **(22.10(4)).**

According to the Iowa Attorney General in the, if a second violation occurs while the injunction is in place, the official could be held in civil contempt. This can mean additional damages, or even time in jail **(AG Sunshine Advisory, June 2005).** The punishment for contempt, where not otherwise specifically provided, shall be:

1. In the supreme court or the court of appeals, by a fine not exceeding one thousand dollars [$1000] or by imprisonment in a county jail not exceeding six [6] months, or by both such fine and imprisonment.
2. Before district judges, district associate judges, and associate juvenile judges by a fine not exceeding five hundred dollars [$500] or imprisonment in a county jail not exceeding six [6] months or by both such fine and imprisonment.
3. Before judicial magistrates, by a fine not exceeding one hundred dollars [$100] or imprisonment in a county jail not exceeding thirty [30] days **(665.4).**

Except as expressly provided otherwise by another statute referring to this chapter 17A by name, the judicial review provisions of this chapter shall be the exclusive means by which a person or party who is aggrieved or adversely affected by agency action may seek judicial review of such agency action. However, nothing in this chapter shall abridge or deny to any person or party who is aggrieved or adversely affected by any agency action the right to seek relief from such action in the courts **(17A.19).**

There is no provision in the statutes granting the voters of a school district the right to remove school directors **(OAG #19-5-23).**

CHAPTER 2

SCHOOL ELECTIONS

School elections are held for the purpose of permitting registered voters of the district or subdistrict to vote on the election of the board members and on other matters legally submitted to them.

Definitions

"Eligible elector" means a person who possesses all of the qualifications necessary to entitle the person to be registered to vote, whether or not the person is in fact so registered **(39.3(6)).**

"Registered voter" means a person who is registered to vote pursuant to chapter 48A **(39.3(11)).** In previous Code, registered voters were referred to as qualified electors.

Time and Types of Elections

Conduction

The county auditor of each county is designated as the county commissioner of elections in each county. The county commissioner of elections shall conduct voter registration pursuant to chapter 48A and conduct all elections within the county **(47.2(1)).** When an election is to be held as required by law or is called by a political subdivision of the state (school district) that is located in more than one county, the county commissioner of elections of the county having the greatest taxable base within the political subdivision shall conduct that election. The county commissioners of elections of the other counties in which the political subdivision is located shall cooperate with the county commissioner of elections who is conducting the election **(47.2(2)).**

The commissioner may designate the school board secretary as a deputy county commissioner of elections to assist in administering elections conducted for the school district. The designation of a person as a deputy commissioner of elections, once made, shall continue in effect until the designation is withdrawn by the commissioner **(47.2(3)).**

The provisions of chapters 39 to 53 shall apply to the conduct of all school elections and the school elections shall be conducted by the county commissioner of elections, except as otherwise specifically provided in chapter 277 **(277.3).**

The board secretary shall keep a complete record of all the proceedings of all regular or special elections in the corporation in separate books **(291.6(2)).**

Chapter 68A includes the requirements related to campaign finances, and chapter 86B includes the requirements related to ethics and lobbying. A candidate means an individual who has taken affirmative action to see nomination or election to a public office. A candidate's committee means the committee designated by the candidate for a school office to receive contributions in excess of $750 in the aggregate, expend funds in excess of $750 in the aggregate in any calendar year or incur indebtedness on behalf of the candidate in excess of $750 in the aggregate in any calendar year **(68A.102(4) and (5); 68B.2(4) and (5)).** A holder of public office shall not maintain an account, other than a campaign account, to receive contributions for the purpose of publishing and distributing newsletters or performing other constituent services related to the official duties of public office. This applies whether or not the officeholder is a candidate **(68A.104).** Every committee as defined in chapter 68A shall file a statement of organization within 10 days from the date of its organization **(68A.201(1)).** Each candidate for school office shall organize one, and only one, candidate's committee for a specific office sought when the candidate receives contributions in excess of $750 in the aggregate, makes expenditures in excess of $750, or incurs indebtedness in excess of $750 in the aggregate in a calendar year **(68A.202(1)).** A candidate and the candidate's committee shall use campaign funds only for campaign purposes, educational and other expenses associated with the duties of office, or constituency services, and shall not use campaign funds for personal expenses or personal benefit **(68A.302(1)).** Equipment, supplies, or other materials purchased with campaign funds or received in kind are campaign property. Campaign property belongs to the candidate's committee and not to the candidate **(68A.304).** Candidate's committees of a candidate for a school board or any other political subdivision office except for county and city offices, shall file a report according to the timeline in chapter 68A **(68A.502(4)).**

A political committee expressly advocating the passage or defeat of a ballot issue shall file reports on the same dates as a candidate's committee is required to file reports and another report five days before an election covering the period from the previous report or date of initial activity through 10 days before the election **(68A.402(8)).**

Campaign signs shall not be placed on property owned by the governing board of a political subdivision (school district or AEA), including all property considered the public right-of-way **(68A.406(2)"a"(1)).**

The governing body of a political subdivision (school corporation) shall not expend or permit the expenditure of public moneys for political purposes, including expressly advocating the passage or defeat of a ballot issue. This should not be construed to limit the freedom of speech of officials or employees. This also shall not be construed to prohibit the governing body from expressing an opinion on a ballot issue through the passage of a resolution or proclamation **(68A.505).**

Political subdivisions may only authorize the presentation of questions to voters of matters that are specifically required or authorized by law to be placed before the electorate. The commissioner of elections is authorized to refuse to conduct an election that is not required or authorized by law. The results of an unauthorized election are not binding on government officials. Public funds may not be expended to pay the costs of an unauthorized election (**OAG #92-2-92; OAG #92-10-1).**

School sponsorship of a vote yes poster contest or a vote yes message in a school newsletter is impermissible but school officials or employees are free to work as individuals to promote or oppose a ballot issue **(AG #82-5-14(L)).**

A local nonprofit corporation is prohibited from raising money and utilizing its staff personnel to present one side of an election issue **(OAG #77-11-12).**

A person commits the crime of election misconduct in the first degree if the person willfully:

- pays, offers to pay, or causes to be paid money or any other thing of value to a person to influence the person's vote **(39A.2"d"(1)).**
- pays, offers to pay, or causes to be paid money or any other thing of value to an election official conditioned on some act done or omitted to be done contrary to the person's official duty in relation to an election **(39A.2"d"(2)).**
- intimidates, threatens, or coerces, or attempts to intimidate, threaten, or coerce, a person to sign, or not sign, a petition nominating a candidate for public office or a petition requesting an election for which a petition may legally be submitted **(39A.2(1)"c"(3)).**

Election misconduct in the first degree is a class "D" felony **(39A.2(2)).**

A person commits the crime of election misconduct in the fourth degree if the person, as an employer, willfully denies an employee the privilege conferred by section 49.109, or subjects an employee to a penalty or reduction of wages because of the exercise of that privilege **(39A.5(1)"a"(1)).** Election misconduct in the fourth degree is a simple misdemeanor **(39A.5(2)).** Any person entitled to vote at an election in this state who does not have three consecutive hours in the period between the time of the opening and the time of the closing of the polls during which the person is not required to be present at work for an employer, is entitled to such time off from work time to vote as will in addition to the person's nonworking time total three consecutive hours during the time the polls are open. Request for such absence shall be made in writing prior to the date of the election. The employee is not liable to any penalty nor shall any deduction be made from the person's regular salary or wages on account of such absence **(49.109).**

Regular Election

The regular election shall be held biennially on the second Tuesday in September of each odd-numbered year in each school district for the election of officers of the district and for the purpose of submitting to the voters any matter authorized by law **(277.1).**

Voters at the regular election shall have power to:

a. Direct a change of textbooks regularly adopted.
b. Except when restricted by section 297.25, direct the sale, lease or other disposition of any schoolhouse or school site or other property belonging to the corporation, and the application to be made of the proceeds thereof. However, nothing in this section shall be construed to prevent the sale, lease, exchange, gift, or grant and acceptance of any interest in real or other property of the corporation to the extent authorized in section 297.22. For this purpose, dispose includes the exchange, transfer, demolition, or destruction of any real or other property of the corporation.
c. Decide upon additional branches that shall be taught.
d. Instruct the board that school buildings may or may not be used for meetings of public interest.

e. Direct the transfer of any surplus in the debt service fund, PPEL fund, capital project funds, or PERL fund to the general fund.
f. Authorize the board to obtain, at the expense of the corporation, road for proper access to its schoolhouses.
g. Authorize a change to either five or seven directors. The proposition for the change shall specify the number of directors to be elected, and which of the methods of election authorized by 275.12(2) is to be used if the change is approved by the voters.
h. Authorize a change in the method of conducting elections or in the number of directors as provided in section 275.35 and 275.36. If a proposition submitted to the voters under this paragraph or paragraph *"g"* is rejected, it may not be resubmitted to the voters of the district in substantially the same form within the next three years; if it is approved, no other proposal may be submitted to the voters of the district under this paragraph or paragraph *"g"* within the next six years. The establishment or abandonment of director districts or a change in the boundaries of director districts shall be implemented as prescribed in section 275.37.
i. Change the name of the school district, without affecting its corporate existence, rights, or obligations, and subject to the naming requirements of section 274.6 **(278.1(1)).**

The board may, and upon the written request of one hundred (100) eligible electors or a number of electors which equals thirty percent (30%) of the number of electors who voted in the last regular school board election, whichever number is greater, shall direct the county commissioner of elections to provide in the notice of the regular election for the submission of any proposition authorized by law to the voters **(278.2).**

The board may, with the approval of sixty percent (60%) of the voters voting in an election in the school district, make extended time contracts not to exceed twenty (20) years in duration for rental of buildings to supplement existing schoolhouse facilities; and where it is deemed advisable for buildings to be constructed to placed on real estate owned by the school district, these contracts may include lease-purchase option agreements, the amounts to be paid out of the PPEL fund **(278.1(2)).**

The power vested in the electors by section 278.1 shall not affect or limit the power granted to the board of directors of a school district in subsection 297.7(2), and the authority granted in that subsection shall be construed as independent of the power vested in the electors by section 278.1 **(278.3).**

A regular school election may not be postponed. There is no such thing as a voluntary election **(OAG #51-3-15).**

Members of boards of directors of community and independent school districts shall be elected at the school election. Their terms of office shall be four (4) years, except as otherwise provided by section 260C.11, 260C.13, 275.23A, 275.37, or 275.37A **(39.24).** No person shall be disqualified on account of gender from holding any office created by the states of this state **(39.25).** Any person seeking el4ection to an elective office under the laws of this state shall be an eligible elector at the time of any election at which the person's name appears on the ballot **(39.26).** Any person elected to an office under the laws of this state shall be an eligible elector. At the time an elected official takes office the official shall be a resident of the district by or for which the person was elected, or in which the duties of the office are to be exercised. An elected official shall continue to be a resident of the district by or for which the person was elected, or in which the duties of the office are to be exercised for the duration of the term of office **(39.27).**

Special Elections

All special elections which are authorized or required by law, unless the applicable law otherwise requires, shall be held on Tuesday. A special election shall not be held on the first, second, and third Tuesdays preceding and following the primary and the general elections. A special election shall not be held in conjunction with the primary election. A special election shall not be held in conjunction with a school election unless the special election is for a school district or community college. A special election shall not be held in conjunction with a regularly scheduled or special city primary or city runoff election **(39.2(1)).** The general election is held on the first Tuesday after the first Monday in November of each even-numbered year **(39.1).**

Unless otherwise provided by law, special elections on public measures are limited to the following dates: for a school district, in the odd-numbered year, the first Tuesday in February, the first Tuesday in April, the last Tuesday in June, or the second Tuesday in September. For a school district, in the even-numbered year, the first Tuesday in February, the first Tuesday in April, the second Tuesday in September, or the first Tuesday in December **(39.2(4)"c").** Unless otherwise stated, the date of an election on a public measure authorized to be held by a school district is limited to the dates specified in section 39.2(4)"c" **(277.2).**

Possible Elections

Dissolution Election

After the final hearing on the dissolution proposal, the board of the school district shall submit the proposition to the voters at an election held on a date specified in section 39.2(4)"c". The proposition submitted to the voters residing in the school district shall describe each separate area to be attached to a contiguous school district and shall name the school district to which it will be attached. In addition to the description, a map may be included in the summary of the question on the ballot **(275.55(1)).** The proposition shall be adopted if a majority of the electors voting on the proposition approve its adoption **(275.55(3)).**

Reorganization Election

When the boundaries of the territory to be included in a proposed school corporation and the number and method of the election of the school directors of the proposed school corporation have been determined, the AEA administrator with whom the petition is filed shall give written notice of the election to the county commissioner of elections of the county in the proposed school corporation which has the greatest taxable base. The question shall be submitted to the voters at an election held on a date specified in subsection 39.2(4)"c" in the calendar year prior to the calendar year in which the reorganization will take effect **(275.18(1)).** The county commissioner of elections shall give notice of the election. Notice for an election shall not be published until the expiration of time for appeal, which shall be the same as that provided in section 275.15 or 275.16, whichever is applicable; and if there is an appeal, not until the appeal has been disposed of **(275.18(2)).** The voters shall vote separately in each existing school district affected and voters residing in the entire existing district are eligible to vote upon the proposition to create a new school corporation. If a proposition receives a majority of the votes cast in each of at least seventy-five percent (75%) of the districts, and also a majority of the total number of votes cast in all of the districts, the proposition is carried **(275.20).**

Use for Other Than School Purposes Forbidden

If the voters of a district at a regular election forbid the use of any schoolhouse or grounds [for meetings of public interest], the board shall not permit that use until the action of the voters is rescinded by the voters at an election held on a date specified in subsection 39.2(4)"c". **(297.11, 278.1(1)"d").**

Textbooks

Whenever a petition signed by one hundred (100) eligible electors residing in the school district or a number of eligible electors residing in the school district equal to at least ten percent (10%) of the number of voters in the last preceding regular school election, whichever is greater, is filed with the secretary sixty (60) days or more before the regular election, asking that the question of providing free textbooks for the use of pupils in the school district's attendance centers be submitted to the voters at the next regular election, the secretary shall cause notice of such proposition to be given in the notice of such election. Using the same procedure, the electors may direct the board to discontinue the loaning of textbooks to pupils **(301.24, 301.27).** The voters at the regular election shall also have the power to direct a change of textbooks regularly adopted **(278.1(1)"a").**

Public Education and Recreation Tax Levy (PERL)

The board of directors of a school district may, and upon receipt of a petition signed by eligible electors equal in number to at least twenty-five percent (25%) of the number of voters at the last preceding school election, shall, direct the county commissioner of elections to submit to the registered voters of the school district the question of whether to levy a tax of not to exceed thirteen and one-half cents per thousand dollars of assessed valuation for public educational and recreational activities authorized under chapter 300. The question shall be submitted at an election held on a date specified in subsection 39.2(4)"c". If a majority of the votes cast upon the proposition is in favor of the proposition, the board shall certify the amount required **(300.2).** Once approved at an election, the authority of the board to levy and collect the tax shall continue until the board votes to rescind the levy and collection of the tax or the voters of the school district by majority vote order the discontinuance of the levy and collection of the tax **(300.3).**

School Buildings

The board of any school corporation shall establish attendance centers and provide suitable buildings for each school in the district and may at the regular or a special meeting resolve to submit to the registered voters of the district at an election held on a date specified in subsection 39.2(4)"c", the question of voting a tax or authorizing the board to issue bonds, or both **(279.39).**

Bond Election

Before indebtedness can be contracted in excess of one and one-quarter percent (1.25%) of the assessed value of the taxable property, a petition signed by eligible electors equal in number to twenty-five percent (25%) of those voting at the last election of school officials shall be filed with the president of the board of directors, asking that an election be called, stating the amount of bonds proposed to be issued and the purpose or purposes for which the indebtedness is to be created, and that the purpose or purposes cannot be accomplished within the limit of one and one-quarter percent (1.25%) of the valuation. The petition may request the calling of an election on one or more propositions and a proposition may include one or more purposes **(296.2).** The election shall be held on a date specified in subsection 39.2(4)"c" **(298.21).** If the vote in favor of the issuance of such bonds is equal to at least sixty percent of the total vote cast for and against the proposition at the election the board shall issue the same and make provisions for payment thereof **(296.6).**

When a proposition to authorize an issuance of bonds by a school corporation is submitted to the electors, such proposition shall not be deemed carried or adopted, anything in the statutes to the contrary notwithstanding, unless the vote in favor of such authorization is equal to at least sixty percent (60%) of the total vote cast for and against said proposition at said election. Ballots cast but not counted as a vote for or against the proposition shall not be used in computing the total vote cast for and against said proposition. When a proposition to authorize an issuance of bonds has been submitted to the electors and the proposal fails to gain approval by the required percentage of votes, such proposal, or any proposal which incorporates any portion of the defeated proposal, shall not be submitted to the electors for a period of six (6) months from the date of such regular or special election and may only be submitted on a date specified in subsection 39.2(4), paragraph "a", "b", or "c" as applicable **(75.1).**

The amount estimated and certified to apply on principal and interest for any one year may exceed two dollars and seventy cents ($2.70) per thousand dollars of assessed value by the amount approved by the voters of the school corporation, but not exceeding four dollars and five cents ($4.05) per thousand of the assessed value of the taxable property within any school corporation, provided that the registered voters of such school corporation have first approved such increased amount at an election held on a date specified in subsection 39.2(4)"c" **(298.18).**

Physical Plant and Equipment Tax Levy and Income Surtax

The board may on its own motion, and upon the written request of not less than one hundred (100) eligible electors or thirty percent (30%) of the number of eligible electors voting at the last regular school election, whichever is greater, shall, direct the county commissioner of elections to provide for submitting the proposition of levying the voter-approved physical plant and equipment levy (VPPEL) for a period of time authorized by the voters in the notice of election, not to exceed ten (10) years. The election shall be held on a date specified in section 39.2(4)"c." The proposition is adopted if a majority of those voting on the proposition at the election approves it. The VPPEL shall be funded either by a property tax or by a combination of a property tax and a physical plant and equipment income surtax, as determined by the board **(298.2(4)).** Funding entirely by an income surtax is not authorized by Code.

If the VPPEL, consisting solely of a physical plant and equipment property tax levy, is approved by the voters at an election held on a date specified in section 39.2(4)"c", and certified to the board of supervisors after the regular levy is made, the board shall at its next regular meeting levy the tax and cause it to be entered upon the tax list to be collected as other school taxes. If the certification is filed prior to May 1, the annual levy shall begin with the tax levy of the year of filing. If the certification is filed after May 1 in a year, the levy shall begin with the levy of the fiscal year succeeding the year of the filing of the certification **(298.9).**

The proposition to levy for a voter-approved physical plant and equipment levy may be included as a provision in a reorganization petition election **(275.20).**

Instructional Support Program Tax Levy and Income Surtax

An instructional support program that provides additional funding for school districts is established. A board of directors that wishes to consider participating in the instructional support program shall hold a public hearing on the question of participation. The board shall set forth its proposal, including the method that will be used to fund the program, in a resolution and shall publish the notice of the time and place of a public hearing on the resolution. Notice of the time and place of the public hearing shall be published not less than ten (10) nor more than twenty (20) days before the public hearing in a newspaper which is a newspaper of general circulation in the school district. At the hearing, or no later than thirty days (30) after the date of the hearing, the board shall take action to adopt a resolution to participate in the instructional support program for a period not exceeding five (5) years or to direct the county commissioner of elections to submit the question of participation in the program for a period not exceeding ten (10) years to the registered voters of the school district at an election held on a date specified in subsection 39.2(4)"c". If the board submits the question at an election and a majority of those voting on the question favors participation in the

program, the board shall adopt a resolution to participate and certify the results of the election to the Department of Management **(257.18(1)).**

If the board does not provide for an election and adopts a resolution to participate in the instructional support program, the district shall participate in the instructional support program unless within twenty-eight (28) days following the action of the board, the secretary of the board receives a petition containing the required number of signatures, asking that the question to approve or disapprove the action of the board in adopting the instructional support program be submitted to the voters of the school district. The petition must be signed by eligible electors equal in number to not less than one hundred (100) or thirty percent (30%) of the number of voters at the last preceding regular school election, whichever is greater. The board shall either rescind its action or direct the county commissioner of elections to submit the question to the registered voters of the school district at an election held on a date specified in subsection 39.2(4)"c". If a majority of those voting on the question at the election favors disapproval of the action of the board, the district shall not participate in the instructional support program. If a majority of those voting on the question favors approval of the action, the board shall certify the results of the election to the Department of Management and the district shall participate in the program **(257.18(2)"a").**

At the expiration of the twenty-eight (28) day period, if no petition is filed, the board shall certify its action to the Department of Management and the district shall participate in the program **(257.18(2)"b").**

If the voters do not approve adoption of the instructional support program, the board shall wait at least one hundred twenty (120) days following the election before taking action to adopt the program or resubmit the proposition **(257.27).**

Funding for the instructional support program shall be obtained from instructional support state aid and from local funding using either an instructional support property tax or a combination of an instructional support property tax and an instructional support income surtax **(257.19).** Funding entirely by an income surtax is not authorized by Code.

Moneys received by a district for the instructional support program may be used for any general fund purpose. However, moneys received by a district for the instructional support program shall not be used as, or in a manner which has the effect of, supplanting funds authorized to be received under sections 257.41 [dropout prevention], 257.46 [talented and gifted], 298.2 [PPEL], and 298.4 [Management levy], or to cover any deficiencies in funding for special education instructional services resulting from the application of the special education weighting plan under section 256B.9 **(257.19).**

Educational Improvement Program Tax Levy and Income Surtax

An educational improvement program is established to provide additional funding for school districts in which the regular program district cost per pupil for a budget year is one hundred ten percent (110%) of the regular program state cost per pupil for the budget year and which have approved the use of the instructional support program. A board of directors that wishes to consider participating in the educational improvement program shall hold a hearing on the question of participation and the maximum percent of the regular program district cost of the district that will be used. Following the hearing, the board may direct the county commissioner of elections to submit the question to the registered voters of the school district an election held on a date specified in subsection 39.2(4)"c". If a majority of those voting on the question favors participation in the program, the board shall adopt a resolution to participate in the program and shall certify the results of the election to the Department of Management and the district shall participate in the program. If a majority of those voting on the question does not favor participation, the district shall not participate in the program **(257.29(1)).**

The function of the school finance formula has reduced the regular program district cost per pupil to no more than 105% of the regular program state cost per pupil, so no new district would reach the qualification in 257.29(1). However, another option is provided in Code.

Notwithstanding the requirement in subsection 257.29(1) that the regular program district cost per pupil for a budget year is 110% of the regular state cost per pupil, the board of directors may participate in the educational improvement program if the school district had adopted an enrichment levy of 15% of the state cost per pupil multiplied by the budget enrollment in the district prior to July 1, 1992, and upon expiration of the period for which the enrichment levy was adopted, adopts a resolution for the use of the instructional support program. The maximum percent of the regular district cost of the district that may be used under this subsection shall not exceed five percent (5%) **(257.29(7)).**

The educational improvement program shall be funded by either an educational improvement property tax or a combination of an educational improvement property tax and an educational improvement income surtax **(257.29(3)).** Funding entirely by an income surtax is not authorized by Code.

Once approved at an election, the authority of the board to use the educational improvement program shall continue until the board votes to rescind the educational improvement program or the voters of the school district by majority vote order the discontinuance of the program. The board shall submit at an election held on a date specified in subsection 39.2(4)"c", the proposition whether to discontinue the program upon the receipt of a petition signed by not less than one hundred (100) eligible electors or thirty percent (30%) of the number of electors voting at the last preceding school election, whichever is greater **(257.29(5)).**

Sales and Services Tax for School Infrastructure Revenue Purpose Statement

It is the intent of the general assembly that the increase in the state sales, services, and use taxes from five percent to six percent on July 1, 2008, shall be used solely for purposes of providing revenues to local school districts to be used solely for school infrastructure purposes or school district property tax relief **(423F.1).**

A revenue purpose statement in existence for the expenditure of local sales and services tax for school infrastructure purposes imposed by a county pursuant to section 423E.5, Code Supplement 2007, prior to July 1, 2008, shall remain in effect until amended or extended. The board of directors of a school district may take action to adopt or amend a revenue purpose statement specifying the specific purposes for which the revenues received from the secure an advanced vision for education fund will be expended. If a school district is located in a county which has imposed a local sales and services tax for school infrastructure purposes prior to July 1, 2008, this action shall be taken before expending or anticipating revenues to be received after the unextended term of the tax unless the school district elections to adopt a revenue purpose statement **(423F.3(2)).**

If the board of directors adopts a resolution to use funds received under the operation of chapter 423F solely for providing property tax relief by reducing indebtedness from the levies specified under section 298.2 [PPEL] or 298.18 [debt service for general obligation bonds], the board of directors may approve a revenue purpose statement for that purpose without submitting the revenue purpose statement to a vote of the electors **(423F.3(3)"a").**

If the board of directors intends to use funds for purposes other than solely for providing property tax relief by reducing indebtedness from the levies specified under section 298.2 [PPEL] or 298.18 [debt service for general obligation bonds], or change the use of funds to purpose other than those, the board shall adopt a revenue purpose statement, subject to approval of the electors, listing the proposed use of the funds. School districts shall submit the statement to the voters no later than sixty (60) days prior to the expiration of any existing revenue purpose statement or change in use not included in the existing revenue purpose statement **(423F.3(3)"b").** The board of directors may use funds received under the operation of this chapter for a joint infrastructure project with one or more school districts or one or more school districts and a community college established under chapter 260C, for which buildings or facilities are constructed or leased for the purpose of offering classes under a district-to-community college sharing agreement or concurrent enrollment program that meets the requirements for funding under section 257.11, subsection 3. If the board intends to use funds received under the operation of this chapter for such a joint infrastructure project, the board shall adopt a revenue purpose statement or amend an existing revenue purpose statement, subject to approval of the electors, stating the proposed use of the funds (423F.3(3)"c"). The board secretary shall notify the county commissioner of elections of the intent to take the issue to the voters pursuant to paragraph "b" or "c". The county commissioner of elections shall publish the notices required by law for special or general elections, and the election shall be held on a date specified in subsection 39.2(4)"c". A majority of those voting on the question must favor approval of the revenue purpose statement. If the proposal is not approve, the school district shall not submit the same or new revenue purpose statement to the electors for a period of six (6) months from the date of the previous election **(423F.3(3)"d").**

If the district uses SAVE funds for a joint infrastructure project with one or more school districts or one or more school districts and a community college established under chapter 260C, for which buildings or facilities are constructed or leased for the purpose of offering classes under a district-to-community college sharing agreement or concurrent enrollment program that meets the requirements for funding under section 257.11, subsection 3, those districts shall not use the SAVE funds to pay tuition or to pay facility costs in lieu of tuition. Tuition shall be paid by each district for district-to-community college sharing classes in addition to any joint infrastructure project.

The revenues received pursuant to chapter 423F shall be expended for the purpose specified in the revenue purpose statement. If a board of directors has not approved a revenue purpose statement, the revenues shall be expended in the order listed in subsection 423F.3(1), except that the payment of bonds for which the revenues have been pledged shall be paid first. Once approved, a revenue purpose statement is effective until amended or repealed **(423F.3(4).**

A school district receiving revenues from the secure an advanced vision for education fund under chapter 423F without a valid revenue purpose statement shall expend the revenues for the following purposes:

a. Reduction of bond levies under sections 298.18 and 298.a8A and all other debt levies.

b. Reduction of the regular and voter-approved PPEL under section 298.2.
c. Reduction of the PERL under section 300.2.
d. For any authorized infrastructure purpose of the school district as defined in 423F.3(6).
e. For the payment of principal and interest on bonds issued under sections 423E.5 and 423F.4 [revenue bonds] **(423F.3(1).**

Pension System

A school district located in whole or in part within a city having a population of twenty-five thousand one hundred (25,100) or more may establish a pension and annuity retirement system for the public school teachers of the district. However, in cities having a population less than seventy-five thousand (75,000), establishment of the system shall be ratified by a vote of the people at a regular school election **(294.8).**

The fund for the retirement system shall be created from the following sources:
1. From the proceeds of an assessment of teachers in the school district not exceeding one percent (1%) of their salaries in a given school year, or such greater percentage as the board of directors of such school district may authorize and a majority of such teachers shall, at the time of such authorization by the board, agree to pay.
2. From the proceeds of an annual tax levy.
3. From the interest on any permanent fund which may be created by gift, bequest, or otherwise **(294.9).**

QUICK REFERENCE LEVY, ELECTION, AND PROPOSITION CHART

For a school district, the dates specified for special elections in section 39.2(4)"c" are in the odd-numbered year, the first Tuesday in February, the first Tuesday in April, the last Tuesday in June, or the second Tuesday in September. In the even-numbered year, the first Tuesday in February, the first Tuesday in April, the second Tuesday in September, or the first Tuesday in December. The general election shall be held on the first Tuesday after the first Monday in November of each even-numbered year (39.1).

ISSUE	INITIATED			PROCEDURE OR ELECTION TYPE	PASSAGE PERCENT	LIMITATIONS			IOWA CODE
		WHO	HOW			AMOUNT	LENGTH	FUNDING	
LEVIES:									
Establish a Public Education and Recreation Levy (PERL).	1	Board	Directs the county commissioner of elections to provide for the submission of the proposition.	Special.	Majority of the voters.	Not to exceed 13.5 cents per $1000 of assessed valuation.	Until rescinded by board or voters.	Property tax.	300.1 300.2
	2	Voters	25% of the number of eligible electors at the last preceding school election shall present a petition to the board to direct the county commissioner of elections to provide for the submission of the proposition.	Special.	Majority of the voters.	Not to exceed 13.5 cents per $1000 of assessed valuation.	Until rescinded by board or voters.	Property tax.	300.1 300.2
Discontinue a Public Education and Recreation Levy (PERL).	1	Board	Votes to rescind levy and collection of tax.	Board resolution.					300.3
	2	Voters	25% of the number of eligible electors at the last preceding school election shall present a petition to the board to direct the county commissioner of elections to provide for the submission of the proposition.	Special.	Majority of the voters.				300.3
Establish a Regular Physical Plant and Equipment Levy (PPEL).	1	Board	Certifies on Adopted Budget after a public hearing on the budget.	Board certifies on the Certified Budget forms by April 15.		Up to 33 cents per $1000 of assessed valuation.	Certified annually.	Property Tax.	298.2
Establish a Voter-Approved Physical Plant and Equipment Levy (VPPEL).	1	Board	Directs the county commissioner of elections to provide for the submission of the proposition.	Regular.	Majority of the voters.	Up to $1.34 per $1000 of assessed valuation.	Up to 10 years.	Property Tax or Combination of Property Tax and Income Surtax.	298.2 277.2
	2	Voters	100 eligible electors or 30% of the number voting at the last regular school election, whichever is greater, shall petition the board to direct the county commissioner of elections to provide for the submission of the proposition.	Regular.	Majority of the voters.	Up to $1.34 per $1000 of assessed valuation.	Up to 10 years.	Property Tax or Combination of Property Tax and Income Surtax.	298.2
Establish the Library Levy.		Board	Certifies on Adopted Budget after a public hearing on the budget.	Board certifies on the Certified Budget forms by April 15.		Up to 20 cents per $1000 of assessed valuation.	Certified Annually.	Property Tax.	298.7
Discontinue the Library Levy in a district which had the levy prior to reorganization.		Voters	100 eligible voters or 30% of the number voting in the last preceding school election in the former district, whichever is greater, shall petition the board to direct the county commissioner of elections to provide for the submission of the proposition. Petition must be filed at least 75 days before the next regular school election.	Regular.	Majority of voters. If only levied on a former district of a reorganization, then majority and petition must come from the former district.				298.7

Establish the Management Levy.		Board	Certifies on Adopted Budget after a public hearing on the budget.	Board certifies on the Certified Budget forms by April 15.			Certified Annually.	Property Tax.	298.4 296.7
Establish Debt Service Levy to retire lawful bonded indebtedness (only).		Board	Certifies on Adopted Budget after a public hearing on the budget.	Board certifies on the Certified Budget forms by April 15.		Amount required to retire interest due and amount of principal Board deems necessary. Shall not exceed $2.70 per $1000 of assessed valuation unless the voters approved an amount not to exceed $4.05 per $1000 of assessed valuation.	Certified annually.	Property Tax.	298.18
Foundation Property Tax Levy.		Board	Certifies on Adopted Budget after a public hearing on the budget. Amount established through the Foundation Formula calculation on the Aid and Levy Worksheet.	Board certifies on the Certified Budget forms by April 15.		$5.40 per $1000 of assessed valuation. (Can be reduced for the taxpayer reorganization incentive.)	Certified Annually.	Property Tax.	257.3

Additional Property Tax Levy.		Board	Certifies on Adopted Budget after a public hearing on the budget. Amount established through the Foundation Formula calculation on the Aid and Levy Worksheet.	Board certifies on the Certified Budget forms by April 15.		Amount necessary to raise the difference between the combined district cost and the sum of the products of (1) regular program foundation base per pupil times the weighted enrollment, (2) the special education support services foundation cost per pupil times the special education support services weighted enrollment, (3) TSS district cost, (4) EQ PD district cost, (5) IE district cost, (6) AEA TSS district cost, (7) AEA EQ PD district cost, (8) PT replacement under 257.16B, and (9) TLS district cost.	Certified Annually.	Property Tax.	257.4
Establish Instructional Support Levy.	1	Board	Sets Public Hearing. Adopts board resolution to participate. If no petition, certified to Department of Management at the expiration of the 28 day period, and certifies on Adopted Budget after a public hearing on the budget. Amount calculated on the Aid and Levy Worksheet.	Within 28 days following the adoption of the resolution, 100 eligible electors or 30% of the number which voted in the last preceding regular school election, whichever is greater, may petition to submit the question to the voters. The board may rescind its action or direct the county commissioner of elections to provide for the submission of the proposition as below.		Up to 10% of regular program district cost.	Up to 5 years by board resolution.	Property Tax or Combination of Property Tax and Income Surtax.	257.18
	2	Board	Directs the county commissioner of elections to provide for the submission of the proposition.	Special.	Majority of the voters.	Up to 10% of regular program district cost.	Up to 10 years.	Property Tax or Combination of Property Tax and Income Surtax.	257.18

Establish an Educational Improvement Levy when (1) the Regular Program district Cost Per Pupil is 110% of the regular program state cost per pupil and the district has adopted the Instructional Support Levy, or (2) if the district had an enrichment levy of 15% prior to July 1, 1992, and upon expiration the board passed a resolution to establish the Instructional Support Levy.		Board	Sets public hearing. Directs the county commissioner of elections to provide for the submission of the proposition. If successful vote, certifies on Adopted Budget after a public hearing on the budget. Amount calculated on the Aid and Levy Worksheet.	Special.	Majority of the voters.	Percentage of regular program district cost set at the Public Hearing and listed in the proposition. If established under criteria (2) regarding expired enrichment levy, maximum is 5%.	Until rescinded by board or voters.	Property Tax or Combination of Property Tax and Income Surtax.	257.29
Discontinue an Educational Improvement Levy.	1	Board	Adopts resolution.	Board resolution.					257.29
	2	Voters	100 eligible electors or 30% of the number voting in the last preceding school election, whichever is greater, shall petition the board to direct the county commissioner of elections to provide for the submission of the proposition.	Special.	Majority of the voters.				257.29
Establish a Cash Reserve Levy. Cash Reserve Levy does not increase spending authority.		Board	Certifies on Adopted Budget after a public hearing on the budget.	Board certifies on the Certified Budget forms by April 15.		Up to 20% of the 2nd prior year's general fund expenditures minus the ending unexpended fund balance in the general fund.	Certified Annually.	Property Tax.	257.31 257.34 298.10
Establish a Returning Dropouts and Dropout Prevention Program levy.		Board	Board submits an application to the Department of Education requesting to use a modified supplemental amount to fund its program.	If application approved by the Department, Board certifies on the Certified Budget forms by April 15.		5% of budget enrollment times district cost per pupil. No more than 75% of budget from a modified supplemental amount.	Certified Annually.	Property Tax.	257.41 298.1
Emergency Fund Levy.		Board	Petitions the state appeal board to levy emergency fund. If approved, board certifies on Adopted Budget after a public hearing on the budget. Upon approval by the SBRC, district may transfer money to another fund to meet deficiencies caused by and arising within 2 years of a disaster as defined in 29C.2(1).	Board certifies on the Certified Budget forms by April 15.		Up to 27 cents per $1000 of assessed value of taxable property.	As approved by the state appeal board.	Property Tax.	24.6
BONDED INDEBTEDNESS:									
Issuance of General Obligation Bonds (Negotiable, interest-bearing school bonds) to provide funds to defray the cost of purchasing, building, furnishing, reconstructing, repairing, improving or remodeling a schoolhouse(s) and additions	1	Board	If indebtedness is not in excess of 1.25% of the assessed value of taxable property, the board directs the county commissioner of elections to provide for the submission of the proposition. Bonds must mature within 20 years.	Special.	60% of the total votes cast by voters.	Less than or equal to 1.25% of the assessed Value of taxable Property.			296.1 296.6 274.2 298.21

thereto, gymnasium, stadium, field house, school bus garage, teachers' or superintendent's home(s), and procuring a site therefore, or purchasing land to add to a site already owned, or procuring and improving a site for an athletic field, or improving a site already owned for an athletic field, and for any one or more such purposes. And to acquire sites for school purposes, to erect, complete, or improve buildings authorized for school purposes, or to acquire [real] equipment for schools, sites, and buildings. Aggregate indebtedness shall not exceed 5% of the actual value of the taxable property in district.	2	Voters	Petition required if indebtedness is in excess of 1.25% of the assessed value of taxable property. Petition signed by number equal to at least 25% of those voting at the last election of school officials. Petition to board president. Call board meeting within 10 days of receipt of petition. Election shall be called unless the board determines by unanimous vote that the proposition(s) is/are grossly unrealistic or contrary to the needs of the school district. Bonds must mature within 20 years.	Special.	60% of the total votes cast by voters.	Greater than 1.25% of the assessed value of Taxable Property.			296.1 296.2 296.3 296.6 274.2 298.21
Approval to exceed the $2.70 per $1000 of assessed valuation limitation on retirement of lawful bonded indebtedness, but not more than $4.05.		Board	Directs the county commissioner of elections to provide for the submission of the proposition.	Special.	60% of the total votes cast by voters.	Not to exceed $4.05 per $1000 of assessed valuation.			298.18
ELECTIONS:									
Election of school board directors.		Petitioners on behalf of eligible candidate.	For an at-large seat, the petition must be signed by at least 10 eligible electors or not less than 1% of the registered voters, whichever is more. For a director district seat, the petition must be signed by at least 10 eligible electors of the director district or not less than 1% of the registered voters in the director district, whichever is more. However, a petition is not required to have more than 50 signatures.	Regular.	Largest number of votes by voters. If director districts, largest number of votes by voters in that director district.		Normally 4 year terms.		277.4
Election of school board directors in a newly reorganized district.		Petitioners on behalf of eligible candidates.	For an at-large seat, the petition must be signed by at least 10 eligible electors or not less than 1% of the registered voters, whichever is more. For a director district seat, the petition must be signed by at least 10 eligible electors of the director district or not less than 1% of the registered voters in the director district, whichever is more. However, a petition is not required to have more than 50 signatures.	Special, which can be held in conjunction with the regular school election.	Largest number of votes by voters. If director districts, largest number of votes by voters in that director district.		Normally 2 or 4 year terms.		275.25 277.4 277.25
Election to change the number of school board directors or change the method of election.	1	Board	Directs the county commissioner of elections to provide for the submission of the proposition to the voters.	Special.	Majority of the voters.				275.35 275.36
	2	Voters	Submit petition to board. Board directs the county commissioner of elections to provide for the submission of the proposition to the voters.	Special.	Majority of the voters.				

Secure an Advanced Vision for Education (SAVE) Revenue Purpose Statement (RPS).		Board	Resolution adopted by the school board. Submitted to voters no later than 60 days prior to the expiration of any existing RPS or change in use not included in the existing RPS. Notify the county commissioner of elections to provide in the notice of the state general election or special election for the submission of the proposed revenue purpose statement. The election shall be held on a date specified in section 39.2(4)"c".	State general election or special election.	Majority of the voters.	1%	Repealed December 31, 2029.	Secure an advanced vision for education [SAVE].	423F.3
PROPOSITIONS:									
Direct a change of textbooks regularly adopted. Board otherwise has this authority without a vote of the electors.		Voters	100 eligible electors or a number of electors which equals 30% of the number of electors who voted in the last regular school board election, whichever number is greater, shall present a written request (petition) to the board to direct the county commissioner of elections to provide for the submission of the proposition.	Regular.	Majority of the voters.				278.1(1)a 278.2
Direct the board to provide free textbooks for the use of pupils in public schools. Board otherwise has this authority without a vote of the electors.		Voters	100 eligible electors or a number of eligible electors residing in the district equal to at least 10% of the number of voters in the last preceding regular school election, whichever is greater, shall file a petition with the secretary 60 days or more before the regular election to direct the county commissioner of elections to provide for the submission of the proposition.	Regular.	Majority of the voters.				301.24 301.25
Direct the board to discontinue the loaning of textbooks to pupils. Board otherwise has this authority without a vote of the electors.		Voters	100 eligible electors or a number of eligible electors residing in the district equal to at least 10% of the number of voters in the last preceding regular school election, whichever is greater, shall file a petition with the secretary 30 days or more before the regular election to direct the county commissioner of elections to provide for the submission of the proposition.	Regular.	Majority of the voters.				301.27
Direct the disposition of school property and the application to be made of the proceeds except as restricted by Code. Disposition includes sale, lease, exchange, transfer, demolition, or destruction. Board otherwise has the authority to dispose of school property without a vote of the electors.		Voters	100 eligible electors or a number of electors which equals 30% of the number of electors who voted in the last regular school board election, whichever number is greater, shall present a written request (petition) to the board to direct the county commissioner of elections to provide for the submission of the proposition.	Regular.	Majority of the voters.				278.1(1)b 278.2
Determine what additional branches shall be taught. Board otherwise has this authority without a vote of the electors.		Voters	100 eligible electors or a number of electors which equals 30% of the number of electors who voted in the last regular school board election, whichever number is greater, shall present a written request (petition) to the board to direct the county commissioner of elections to provide for the submission of the proposition.	Regular.	Majority of the voters.				278.1(1)c 278.2

Instruct the board that school buildings may or may not be used for meetings of public interest. Board otherwise has this authority without a vote of the electors.		Voters	100 eligible electors or a number of electors which equals 30% of the number of electors who voted in the last regular school board election, whichever number is greater, shall present a written request (petition) to the board to direct the county commissioner of elections to provide for the submission of the proposition.	Regular.	Majority of the voters.				278.1(1)d 278.2
Rescind a previous vote which forbid use of any schoolhouse or grounds for other than school purposes.	1	Board	Directs the county commissioner of elections to provide for the submission of the proposition.	Special.	Majority of the voters.				297.11
	2	Voters	100 eligible electors or a number of electors which equals 30% of the number of electors who voted in the last regular school board election, whichever number is greater, shall present a written request (petition) to the board to direct the county commissioner of elections to provide for the submission of the proposition.	Special.	Majority of the voters.				297.11
Direct the transfer of any surplus in the debt service, capital projects, PPEL, or PERL fund to the general fund. The board does not have this authority without a vote of the electors.	1	Board	Directs the county commissioner of elections to provide for the submission of the proposition.	Regular	Majority of the voters.				278.1(1)e 278.2
	2	Voters	100 eligible electors or a number of electors which equals 30% of the number of electors who voted in the last regular school board election, whichever number is greater, shall present a written request (petition) to the board to direct the county commissioner of elections to provide for the submission of the proposition.	Regular	Majority of the voters.				278.1(1)e 278.2
Authorize the board to obtain roads for proper access to schoolhouses.	1	Board	Directs the county commissioner of elections to provide for the submission of the proposition.	Regular	Majority of the voters.				278.1(1)f 278.2
	2	Voters	100 eligible electors or a number of electors which equals 30% of the number of electors who voted in the last regular school board election, whichever number is greater, shall present a written request (petition) to the board to direct the county commissioner of elections to provide for the submission of the proposition.	Regular	Majority of the voters.				278.1(1) f 278.2
Authorize a change to either 5 or 7 directors.	1	Board	Directs the county commissioner of elections to provide for the submission of the proposition.	Regular or Special.	Majority of the voters.				278.1(1)g 275.35 278.2
	2	Voters	100 eligible electors or a number of electors which equals 30% of the number of electors who voted in the last regular school board election, whichever number is greater, shall present a written request (petition) to the board to direct the county commissioner of elections to provide for the submission of the proposition.	Regular or Special.	Majority of the voters.				278.1(1)g 275.36 278.2
Authorize a change in the method of conducting elections or in the number of directors.	1	Board	Directs the county commissioner of elections to provide for the submission of the proposition.	Regular or Special.	Majority of the voters.				278.1(1)h 278.2 275.35

	2	Voters	100 eligible electors or a number of electors which equals 30% of the number of electors who voted in the last regular school board election, whichever number is greater, shall present a written request (petition) to the board to direct the county commissioner of elections to provide for the submission of the proposition.	Regular or Special.	Majority of the voters.				278.1(1)h 278.2 275.36
Change the name of the school district.	1	Board	Directs the county commissioner of elections to provide for the submission of the proposition.	Regular	Majority of the voters.				278.1(1)i 274.6 278.2
	2	Voters	100 eligible electors or a number of electors which equals 30% of the number of electors who voted in the last regular school board election, whichever number is greater, shall present a written request (petition) to the board to direct the county commissioner of elections to provide for the submission of the proposition.	Regular	Majority of the voters.				278.1(1)i 278.2
Authorize board to make extended time contracts not to exceed 20 years for rental of buildings to supplement existing schoolhouse facilities; and where buildings are to constructed or placed on real estate owned by the district, such contracts may include lease-purchase option agreements, the amount of which is to be paid from PPEL.	1	Board	Directs the county commissioner of elections to provide for the submission of the proposition.	Special.	60% of the total votes cast.				278.1(2)
	2	Voters	100 eligible electors or a number of electors which equals 30% of the number of electors who voted in the last regular school board election, whichever number is greater, shall present a written request (petition) to the board to direct the county commissioner of elections to provide for the submission of the proposition.	Special.	60% of the total votes cast.				278.1(2)
Dissolution.		Board	Board establishes a school district dissolution commission that makes proposal to the board. Board holds hearing and adopts resolution. If adopted, board directs the county commissioner of elections to provide for the submission of the proposition with a proposed date for the special election.	Special.	Majority of the voters.				275.55
Reorganization.		Voters	Petition signed by eligible voters residing in each existing school district or portion affected equal in number to at least 20% of the registered voters or 400 eligible voters, whichever is smaller. After hearings and objection period, AEA administrator directs the county commissioner of elections in the county in the proposed school corporation which has the greatest taxable base to provide for the submission of the proposition.	Special.	Majority of the total voters and majority in each of at least 75% of the districts.				275.20 275.18 275.12 275.14
Establish a pension and annuity retirement system in any district located within a city having a population of 25,100 or more but less than 75,000.		Board	Directs the county commissioner of elections to provide for the submission of the proposition.	Regular.	Majority of the voters.				294.8
Discontinue a pension and annuity retirement system previously established as above.		Board	By resolution.						294.11

Election Process

Not less than twenty (20) days before each primary election, the commissioner shall draw up for each precinct an election board panel from which members of the precinct election board shall be appointed for each election held in the precinct during the ensuing two [2] years. The commissioner may also place on the election board panel names of persons whom a school board has advised the commissioner at least thirty (30) days before each primary election are willing to serve without pay at elections conducted for that school district during the tenure of the election board panel on which these names are included **(49.15).** The membership of each precinct election board shall be appointed by the commissioner, not less than fifteen (15) days before each election held in the precinct, from the election board panel. The commissioner shall designate one member of each precinct election board as chairperson of that board. At the discretion of the commissioner, two [2] people who are members of different political parties may be appointed as co-chairpersons with joint authority over the work of the precinct election board **(49.13).** Ordinarily, the election board will consist of three [3] or five [5] precinct election officials. At the commissioner's discretion, additional precinct election officials may be appointed to work at any election. Not more than a simple majority of the members of the election board in any precinct shall be members of the same political party or organization if one or more registered voters of another party or organization are qualified and willing to serve on the board **(49.12).**

The members of the election boards shall be deemed temporary state employees who are compensated by the county in which they serve, and shall receive compensation at a rate established by the board of supervisors, which shall not be less than the minimum wage established in subsection 91D.1(1)"b", while engaged in the discharge of their duties and shall be reimbursed for actual and necessary travel expense at a rate determined by the board of supervisors, except that persons who have advised the commissioner prior to their appointment to the election board that they are willing to serve without pay at elections conducted for a school district shall receive no compensation for service at those elections. Compensation shall be paid to members of election boards only after the vote has been canvassed and it has been determined in the course of the canvass that the election record certificate has been properly executed by the election board **(49.20).**

Notice of Election

The board of directors of the school district shall by written notice inform the commissioner who will be responsible for conducting the election of the proposed date of the special election. If a public measure will appear on the ballot at the special election the board shall submit the complete text of the public measure to the commissioner with the notice of the proposed date of the special election. If the proposed date of the special election coincides with the date of a regularly scheduled election or previously scheduled special election, the notice shall be given no later than 5:00 p.m. on the last day on which nomination papers may be filed with the commissioner for the regularly scheduled election or previously scheduled special election, but in no case shall notice be less than thirty-two (32) days before the election. Otherwise, the notice shall be given at least forty-six (46) days in advance of the date of the proposed special election. Upon receiving the notice, the commissioner shall promptly give written approval of the proposed date unless it appears that the special election, if held on that date, would conflict with a regular election or with another special election previously scheduled for that date **(47.6).**

A public measure shall not be withdrawn from the ballot at any election if the pubic measure was placed on the ballot by a petition, or if the election is a special election called specifically for the purpose of deciding one or more public measures for a single school district. However, a public measure which was submitted to the county commissioner of elections by the board of directors of the school district may be withdrawn by the board which submitted the public measure if the public measure was to be placed on the ballot of a regularly scheduled election. The notice of withdrawal must be made by resolution of the school board and must be filed with the commissioner no later than the last day upon which a candidate may withdraw from the ballot **(47.6(2)"b").**

The commissioner shall not less than four [4] nor more than twenty [20] days before the day of each election, except those for which different publication requirements are prescribed by law, publish notice of election. The notice shall be published in at least one newspaper, which is published in the county or other political subdivision in which the election is to occur or, if no newspaper is published there, in at least one [1] newspaper of substantial circulation in the county or political subdivision **(49.53).**

Voting Precincts

If there is within a school corporation any territory not within the limits of the county whose county commissioner of elections is responsibility for conducting that school corporation's elections, the commissioner may divide the territory which lies outside the county but within the school district into additional precincts, or may attach the various parts

thereof to contiguous precincts within the responsible commissioner's county, and as will best serve the convenience of the electors of the territory in voting on school matters **(277.6).**

A person shall not vote in any precinct but that of the person's residence **(49.9).**

Polling Place

It is the responsibility of the commissioner to designate a polling place for each precinct in the county. Each polling place designated shall be accessible to persons with disabilities. However, if the commissioner is unable to provide an accessible polling place for a precinct, the commission shall apply for a temporary waiver of the accessibility requirement. Upon the application of the commissioner, the authority which has control of any buildings or grounds supported by taxation under the laws of Iowa shall make available the necessary space therein for the purpose of holding elections, without charge for the use thereof. Except as otherwise provided by law, the polling place in each precinct in the state shall be located in a central location if a building is available. However, first consideration shall be given to the use of public buildings supported by taxation **(49.21).**

In precincts outside of cities the election shall, if practicable, be held in a public school building. Any damage to the building or furniture resulting from the election shall be paid by the county **(49.24).**

If there is no polling place in a director district, one may be established outside the director district but within the school district **(AG #59-2-20(L)).**

At all elections, except as otherwise permitted by section 49.73, the polls shall open at 7:00 a.m. if at least one official from each of the political parties referred to in section 49.13 is present. On the basis of voter turnout for recent similar elections and factors considered likely to so affect voter turnout for the forthcoming election as to justify shortening voting hours for that election, the commissioner may direct that the polls be opened at 12:00 noon for any school district election. The commissioner shall not shorten voting hours for any election if there is filed in the commissioner's office, at least twenty-five (25) days before the election, a petition signed by at least fifty (50) eligible electors of the school district requesting that the polls be opened not later than 7:00 a.m. All polling places where the candidates of or any pubic question submitted by any one political subdivision are being voted upon shall be opened at the same hour. The hours at which the respective precinct polling places are to open shall not be changed after publication of the notice. The polling places shall be closed at 8:00 p.m. **(49.73).**

Every voter who is on the premises of the voter's precinct polling place at the time the polling place is to be closed for any election shall be permitted to vote in that election. Wherever possible, when there are persons on the premises of a polling place awaiting an opportunity to claim their vote at the time the polling place is to be closed, the election board shall cause those persons to move inside the structure in which the polling place is located and shall then shut the doors of the structure and shall not admit any additional persons to the polling place for the purpose of voting. If that is not feasible, the election board shall cause those persons to be designated in some reasonable manner and shall not receive votes after that time from any persons except those voters so designated **(49.74).**

Voter Qualifications

An eligible elector wishing to vote in elections in Iowa shall register to vote **(48A.5(1)).**

To be qualified to register to vote an eligible elector shall:

a. Be a citizen of the United States.
b. Be an Iowa resident.
c. Be at least eighteen years of age.
d. Not claim the right to vote in more than one place **(48A.5(2)).**

If a person who meets the above requirements moves to a new residence, either in Iowa or outside Iowa, and does not meet the voter requirements at the person's new residence, the person may vote at the person's former precinct in Iowa until the person meets the voter requirements of the person's new residence. However, a person who has moved to a new residence and fails to register to vote at the person's new residence after becoming eligible to do so shall not be entitled to vote at the person's former precinct in Iowa **(48A.5(3)).**

An eligible elector may register to vote by appearing personally and completing a voter registration form at the office of the commissioner in the county in which the person resides, at a motor vehicle driver's license station, including any county treasurer's office that is participating in county issuance of driver's licenses, or at any voter registration agency **(48A.7).** A person who is eligible to register to vote may register on election day by appearing in person at the polling

place for the precinct in which the individual resides and completing a voter registration application, making written oath, and providing proof of identity and residence **(48A.7A(1)"a").** An eligible elector may request that a voter registration form be mailed to the elector. The completed form may be mailed or delivered by the registrant or the registrant's designee to the commissioner in the county where the person resides **(48A.8).**

Registration closes at 5:00 p.m. eleven days before each election except primary and general elections. A registration form submitted by mail shall be considered on time if it is postmarked no later than the fifteenth (15th) day before the election, even if it is received by the commissioner after the deadline, or if the registration form is received by the commission no later than 5:00 p.m. on the last day to register to vote for an election, even if it is postmarked after the fifteenth (15th) day before the election **(48A.9).**

Absentee Ballots

Any registered voter, under the circumstances specified in section 53.1, may on any day, except election day, and not more than seventy (70) days prior to the date of the election, apply in person for an absentee ballot at the commissioner's office or at any location designated by the commissioner. However, for those elections in which the commissioner directs the polls be opened at 12:00 noon, a voter may apply in person for an absentee ballot at the commissioner's office from 8:00 a.m. until 11:00 a.m. on election day **(53.2(1)"a").**

A register voter may make written application to the commissioner for an absentee ballot. A written application for an absentee ballot must be received by the commissioner no later than 5:00 p.m. on the Friday before the election **(53.2(1)"b").**

A commissioner of elections may not refuse to honor an application for an absentee ballot that is regular on its face and contains the information required by Code; a qualified voter who is unable to sign an application for an absentee ballot may ask another person to sign the application on his or her behalf and the commissioner of elections has no statutory authority to verify signatures on applications for absentee ballots, voter registration forms, or change of address forms **(OAG #91-9-6).**

A commissioner of elections shall accept absentee ballot request forms whether received directly from the voter, through the mail or through a third party courier **(AG #92-6-7(L)).**

Printed Ballots

The county commissioner of elections shall have charge of the printing of ballots to be used for any election held in the county, unless the commissioner delegates that authority as permitted by law **(49.51).** If possible, all public measures to be voted upon by an elector shall be included on a single ballot which shall also include all offices to be voted upon. However, if it is necessary, a separate ballot may be used as provided in section 49.30. Public measures may be summarized by the commissioner as provided in sections 49.44 and 52.25 **(49.43).** Ballots shall be substantially in the following form:

"Shall the following public measure be adopted?"

Yes ☐

No ☐

(Here insert in full the proposed public measure. The letter assigned by the county commissioner shall be included on the ballot centered above the question.) **(49.45).**

Marking Ballot

The elector shall designate a vote by making the appropriate mark in the voting target. On paper ballots an "X," or a check mark may be placed in the proper target **(49.46).**

Note: For complete details on conducting elections, refer to chapter 49 of the Iowa Code.

Election Expenses

The cost of conducting school elections shall be paid by the local district for which the election is held. The costs shall include, but not be limited to, the printing of the ballots and the election register, publication of notices, printing of declaration of eligibility affidavits, compensation for precinct election boards, canvass materials, and the preparation and installation of voting equipment. The county commissioner of elections shall certify to the county board of supervisors a statement of cost for an election. The cost shall be assessed by the county board of supervisors against the school district for which the election was held. Costs of registration and administrative and clerical costs shall not be charged as a part of the election costs. If automatic tabulating equipment is used in any election, the county commissioner of elections shall not charge a rental fee for the use of any automatic tabulating equipment **(47.3).**

Prohibited Acts on Election Day

A person commits the crime of election misconduct in the third degree if the person willfully commits any of the following acts on election day:

1. Loitering, congregating, electioneering, posting signs, treating voters, or soliciting votes, during the receiving of the ballots, either on the premises of any polling place or within three hundred (300) feet of any outside door of any building affording access to any room where the polls are held, or of any outside door of any building affording access to any hallway, corridor, stairway or other means of reaching the room where the polls are held. This does not apply to the posting of signs on private property not a polling place, except that the placement of a sign that is more than 90 square inches in size on a motor vehicle, trailer, or semitrailer, or its attachment to a motor vehicle, trailer, or semitrailer parked on public property within three hundred (300) feet of a polling place is prohibited.
2. Interrupting, hindering, or opposing a voter while in or approaching the polling place for the purpose of voting.
3. A false statement by a voter as to the voter's ability to mark a ballot.
4. Interfering or attempting to interfere with a voter when inside the enclosed voting space, or when marking a ballot.
5. Endeavoring to induce a voter to show how the voter marks or has marked a ballot.
6. Marking, or causing in any manner to be marked, on a ballot, any character for the purpose of identifying such ballot **(39A.4(1)"a").**

Election misconduct in the third degree is a serious misdemeanor **(39A.4(2)).**

Employees Entitled to Time to Vote

A person commits the crime of election misconduct in the fourth degree if the person, as an employer, willfully denies an employee the privilege conferred by section 49.109, or subjects an employee to a penalty or reduction of wages because of the exercise of that privilege **(39A.5(1)"a"(1)).** Election misconduct in the fourth degree is a simple misdemeanor **(39A.5(2)).** Any person entitled to vote at an election in this state who does not have three consecutive hours in the period between the time of the opening and the time of the closing of the polls during which the person is not required to be present at work for an employer, is entitled to such time off from work time to vote as will in addition to the person's nonworking time total three consecutive hours during the time the polls are open. Request for such absence shall be made in writing prior to the date of the election. The employee is not liable to any penalty nor shall any deduction be made from the person's regular salary or wages on account of such absence **(49.109).**

Certificate of Election

The county board of supervisors shall meet to canvass the vote on the first Monday or Tuesday after the day of each election unless the law authorizing the election specifies another date for the canvass. Upon convening, the board shall open and canvass the tally lists and shall prepare abstracts stating the number of votes cast for each office and on each question on the ballot of the election **(50.24).** Each abstract of the votes for school district directors whose elections are conducted by the commissioner, shall contain a declaration of whom the canvassers determine to be elected. Each abstract of votes for and against each public question submitted to and decided by the voters of the school district whose elections the county board canvasses, shall contain a declaration of the result as determined by the canvassers. When a public question has been submitted to the voters of a school district whose election the county board canvasses, the commissioner shall certify a duplicate of the abstract and declaration to the board of directors of that school district **(50.27).** In the case of tie votes, election shall be determined by lot, in the presence of the board of canvassers **(50.44).**

On the next Friday after the regular school election, the county board of supervisors shall canvass the returns made to the county commissioner of elections from the several precinct polling places and the absentee ballot counting board, ascertain the result of the voting with regard to every matter voted upon and cause a record to be made thereof as required by section 50.24. Special elections held in school districts shall be canvassed at the time and in the manner required by that section. The board shall declare the results of the voting for members of boards of directors of school corporations, and the commissioner shall at once issue a certificate of election to each person declared elected. The

board shall also declare the results of the voting on any public question submitted to the voters of a single school district, and the commissioner shall certify the result **(277.20).**

All qualifications being met, a person elected to a school board is entitled to a certificate of election, even though the person or the person's company has been or is doing business with the school. However, after the person is qualified, the statute should be fully observed by the board in relationship to doing business with that person or that person's company **(AG #27-3-19(L)).**

School Board Elections

Members of boards of directors of community and independent school districts shall be elected at the school election. Their terms of office shall be four years, except as otherwise provided by section 275.23A, 275.37, or 275.37A **(39.24).**

The affairs of each school corporation shall be conducted by a board of directors, the members of which in all community or independent districts shall be chosen for a term of four years **(274.7).**

A member of a local school board or a member of an AEA board shall not serve on the board of directors of a merged area **(260C.11).**

Nominations Required

Nomination papers for all candidates for election to office in each school district shall be filed with the secretary of the school board not more than sixty-four (64) days, nor less than forty (40) days before the election. Nomination petitions shall be filed not later than 5:00 p.m. on the last day for filing. If the school board secretary is not readily available during normal office hours, the secretary may designate a full-time employee of the school district who is ordinarily available to accept nomination papers. On the final date for filing nomination papers the office of the district secretary shall remain open until 5:00 p.m. **(277.4).**

To determine the legal sixty-four (64) and forty (40) days, count the first day preceding the election day as day number one and count backwards on the calendar. Day number forty (40) then becomes the last legal day for filing, and day number sixty-four (64) becomes the first legal day for filing.

Each candidate shall be nominated by a petition. If the candidate is running for a seat in the district which is voted for at-large, the petition must be signed by the greater of at least ten (10) eligible electors, or a number of eligible electors equal in number to not less than one percent (1%) of the registered voters of the school district, which number need not be more than fifty (50). If the candidate is running for a seat which is voted for only by the voters of a director district, the petition must be signed by the greater of at least ten (10) eligible electors of the director district or a number of eligible electors equal in number to not less than one percent (1%) of the registered voters in the director district, which number need not be more than fifty (50). Signers of nomination petitions shall include their addresses and the date of signing, and must reside in the same director district as the candidate if directors are elected by the voters of a director district, rather than at large. A person may sign nomination petitions for more than one candidate for the same office, and the signature is not invalid solely because the person signed nomination petitions for one or more other candidates for the office. The petition shall be filed with the affidavit of the candidate being nominated, stating the candidate's name, place of residence, that such person is a candidate and is eligible for the office the candidate seeks, and that if elected the candidate will qualify for the office. The affidavit shall also state that the candidate is aware that the candidate is disqualified from holding office if the candidate has been convicted of a felony or other infamous crime and the candidate's rights have not been restored by the governor or by the president of the United States **(277.4).**

The secretary of the school board shall accept the petition for filing if on its face it appears to have the requisite number of signatures and if it is timely filed. The secretary of the school board shall note upon each petition and affidavit accepted for filing the date and time that the petition was filed. The secretary of the school board shall deliver all nomination petitions, together with the complete text of any public measure being submitted by the board to the electorate, to the county commission of elections on the day following the last day on which nomination petitions can be filed, and not later than 5:00 p.m. on that day **(277.4).**

Any person on whose behalf nomination petitions have been filed may withdraw as a candidate by filing a signed statement to that effect with the secretary at any time prior to 5:00 p.m. on the thirty-fifth (35th) day before the election **(277.4).**

Any candidate may withdraw the candidate's nomination by a written request filed in the office of the proper school board secretary at least thirty-five (35) days before the day of a regularly scheduled school election **(44.9(3)).** If a

candidate withdraws before the established deadline, declines a nomination, or dies before election day, or if a certificate of nomination is held insufficient or inoperative by the officer with whom it is required to be filed, or in case any objection made to any certificate of nomination, or to the eligibility of any candidate named in the certificate, is sustained by the board appointed to determine such questions, the vacancy or vacancies may be filled in such manner as the convention or caucus has previously provided. The vacancy or vacancies shall be filled not less than thirty-five (35) days before the election in the case of nominations required to be filed in the office of the school board secretary **(44.11).**

It shall be unlawful for any candidate for any office to be voted for at any election, prior to nomination or election, to promise, either directly or indirectly, to support or use the candidate's influence in behalf of any person or persons for any position, place, or office, or to promise directly or indirectly to name or appoint any person or persons to any place, position, or office in consideration of any person or persons supporting the candidate or using the person's influence in securing the candidate's nomination, election, or appointment **(49.120).**

It shall be unlawful for any person to solicit from any candidate for any office to be voted for at any election, or any candidate for appointment to any public office, prior to nomination, election, or appointment, a promise, directly to indirectly, to support or use the candidate's influence in behalf of any person or persons for any position, place, or office, or a promise either directly or indirectly to name or appoint any person or persons to any place, position, or office in consideration of any person or persons supporting the candidate, or using the person's influence in securing the candidate's nomination, election, or appointment **(49.121).**

It shall be a serious misdemeanor for any person or political organization either directly or indirectly to solicit or demand from any employee any contribution of money or any other thing of value for election purposes or for the purpose of paying expenses of any political organization or any person seeking election to public office **(721.3, 721.7).**

It shall be a serious misdemeanor for any person to use or permit to be used any motor vehicle owned by the school district for the purpose of transporting any political literature or any person or persons engaging in a political campaign for any political party or any person seeking an elective office **(721.4, 721.7).**

A person who is serving or has been elected, selected, appointed, employed, or otherwise engaged to serve in a public capacity, including a public officer or employee or a referee who solicits or knowingly accepts or receives a promise or anything of value or a benefit given pursuant to an understanding or arrangement that the promise or thing of value or benefit will influence the act, vote, opinion, judgment, decision, or exercise of discretion of the person with respect to the person's services in that capacity commits a class "C" felony. In addition, a person convicted under this section is disqualified from holding public office under the laws of this state **(722.2).**

Vacancies Filled by Special Election

If a vacancy or vacancies occur among the elective officers or members of a school board and the remaining members of the board have not filled the vacancy within thirty (30) days after the vacancy becomes known by the secretary or the board, or when the board is reduced below a quorum, the secretary of the board, or if there is no secretary, the AEA administrator, shall call a special election in the district, subdistrict, or subdistricts, as the case may be, to fill the vacancy or vacancies. The county commissioner of elections shall publish the notices required by law for the special elections, and the election shall be held not sooner than thirty (30) days nor later than forty (40) days after the thirtieth (30th) day following the vacancy becomes known by the secretary or the board. If the secretary fails for more than three (3) days to call an election, the administrator shall call it **(279.7).**

Any appointment by the board to fill any vacancy in an elective office on or after the day notice has been given for a special election to fill such vacancy as provided herein shall be null and void **(279.7).**

In the case of a special election as provided by this section to fill a vacancy occurring among the elective officers or members of a school board before the expiration of a full term, the person so elected shall qualify within ten (10) days thereafter in the manner required by section 277.28 and shall hold office for the residue of the unexpired term and until a successor is elected, or appointed, and qualified **(279.7).**

Nomination petitions shall be filed in the manner provided in section 277.4, except that the petitions shall be filed not less than twenty-five (25) days before the date set for the election **(279.7).**

In any district including all or part of a city of fifteen thousand (15,000) or more population and in any district in which the voters have authorized seven directors, the board shall consist of seven members; in all other districts the board shall consist of five members. A change from five to seven directors shall be effected in a district at the first regular

election after authorization by the voters or the board, or after a district first includes all of a city of fifteen thousand (15,000) population or more in the manner described in section 275.37 **(277.23).**

At the next succeeding regular school election in a district where the number of directors has been increased from five [5] to seven [7], and directors are elected at large, there shall be elected a director to succeed each incumbent director whose term is expiring in that year, and two [2] additional directors. Upon organizing, either one [1] or two[2] of the newly elected directors who received the fewest votes in the election shall be assigned a term of two[2] years as necessary in order that as nearly as possible one-half [1/2] of the members of the board shall be elected biennially. If some or all directors are elected from director districts, the board shall assign terms appropriate for the method of election used by the district **(275.37).**

A change from seven to five directors shall be effected in a district at the first regular school election after authorization by the voters in the following manner:

a. If at the first election in the district there are four terms expiring, two directors shall be elected. At the second election in that district, if three terms are expiring, three directors shall be elected.
b. If at the first election there are three terms expiring, one director shall be elected. At the second election in that district, if four terms are expiring, three directors shall be elected for a four-year term and one director shall be elected for a two-year term.

If some or all of the directors are elected from director districts, the board shall devise a plan to reduce the number of members so that as nearly as possible one-half of the members of the board shall be elected biennially and so that each district will be continuously represented **(275.37A).**

Campaign Finance Disclosure Report

Any appointive or elective officer holding any public office may be removed from office by the district court for any of the following reasons:

1. For willful or habitual neglect or refusal to perform the duties of the office.
2. For willful misconduct or maladministration in office.
3. For corruption.
4. For extortion.
5. Upon conviction of a felony.
6. For intoxication, or upon conviction of being intoxicated.
7. Upon conviction of violating the campaign finance disclosure provisions of chapter 68A **(66.1A).**

Any person who willfully violates any provisions of chapter 68A on campaign finance shall upon conviction be guilty of a serious misdemeanor **(68A.701).**

Except as allowed in 68B.22, a public official, public employee, or candidate, or that person's immediate family member shall not, directly or indirectly, accept or receive any gift or series of gifts from a restricted donor nor solicit any gift or series of gifts from a restrict donor at any time **(68B.22(1)).**

In addition to any penalty contained in any other provision of law, a person who knowingly and intentionally violates a provision of section 68B.2A through 68B.8, section 68B.22 through 68B.24, or sections 68B.35 through 68B.38 regarding government ethics and lobbying is guilty of a serious misdemeanor and may be reprimanded, suspended, or dismissed from the person's position or otherwise sanctioned **(68B.34).** Complaints alleging conduct of local officials or local employees which violates this chapter, except for sections 68B.36 and 68B.38, shall be filed with the county attorney in the county where the accused resides. However, if the county attorney is the person against whom the complaint is filed, or if the county attorney otherwise has a personal or legal conflict of interest, the complaint shall be referred to another county attorney. Complaints alleging conduct of local officials or local employees which violates section 68B.36 or 68B.38 shall be filed with the ethics committee of the appropriate house of the general assembly if the conduct involves lobbying activities before the general assembly or with the board if the conduct involves lobbying activities before the executive branch. **(68B.34A).**

Except as otherwise provided section 68B.22, a public official, public employee, or candidate, or that person's immediate family member shall not, directly or indirectly, accept or receive any gift or series of gifts from a restricted donor **(68B.22(1)).**

A gift means a rendering of anything of value in return for which legal consideration of equal or greater value is not given and received **(68B.2(9)).**

A gift is merely something transferred by one person to another without compensation regardless of the form and would include food and drink **(OAG #87-1-13).**

A discount on a computer purchase is not a gift prohibited by the gift law, if the purchase price constitutes legal consideration of equal or greater value than the computer products and the discount reflects a list price available to a particular segment of the public. Ultimately, determination of the market value of the computer products is an issue of fact. If the computer retailer is not a restricted donor within the scope of one of the four alternative categories set forth in the statute, the gift law does not apply and a discount could not violate the gift law **(AG #93-7-7(L)).**

Election of Board Members in Newly Reorganized School Districts

Method of Election

The method of election of the directors shall be one of the following optional plans:

a. Election at large from the entire district by the electors of the entire district.

b. Division of the entire school district into designated geographical single director or multi-director subdistricts on the basis of population for each director, to be known as director districts, each of which shall be represented on the school board by one or more directors who shall be residents of the director district but who shall be elected by the vote of the electors of the entire school district.

c. Election of not more than one-half (1/2) of the total number of school directors at large from the entire district and the remaining directors from and as residents of designated single-member or multi-member director districts into which the entire school district shall be divided on the basis of population for each director. In such case, all directors shall be elected by the electors of the entire school district.

d. Division of the entire school district into designated geographical single director or multi-director subdistricts on the basis of population for each director, to be known as director districts, each of which director districts shall be represented on the school board by one or more directors who shall be residents of the director district and who shall be elected by the voters of the director district.

e. In districts having seven (7) directors, election of three (3) directors at large by the electors of the entire districts, no more than two (2) at each regular school election, and election of the remaining directors as residents of and by the electors of individual geographic subdistricts established on the basis of population and identified as director districts, no more than two (2) at each regular school election **(275.12(2)).**

School districts which have directors who represent director districts shall be divided into director districts on the basis of population as determined from the most recent federal decennial census and, wherever possible, shall follow precinct boundaries **(275.23A(1)).**

If the proposition to establish a new school district carries, the AEA administrator with whom the petition was filed shall give written notice of a proposed date for a special election for directors of the newly formed school district to the commissioner of elections of the county in the district involved in the reorganization which has the greatest taxable base. Nomination petitions shall be filed with the secretary of the board of the existing school district in which the candidate resides not less than twenty-eight (28) days before the date set for the special school election. The number of directors of a school district is either five or seven. In school districts that include a city of fifteen thousand (15,000) or more population as shown by the most recent decennial federal census, the board shall consist of seven members **(275.25).**

Alternative Method for Election of Directors

If two [2] districts are named in the reorganization petition, either five [5] or seven [7] directors shall serve on the initial board. If three [3] or more districts are named in the petition, either seven [7] or nine [9] directors shall serve on the initial board. The petition shall specify the number of directors to be retained from each district, and those numbers shall be proportionate to the populations of the districts. If the exclusion of territory from a reorganization affects the proportionate balance of directors among the affected districts specified in the petition, or if the proposal specified in the petition does not comply with the requirement for proportionate representation, the AEA board shall modify the proposal. However, all districts affected shall retain at least one member. Prior to the organization meeting of the newly formed district, the boards of the former districts shall designate directors to be retained as members to serve on the initial board, and if the total number of directors determined is an even number, that number of directors shall function and may within five [5] days of the organizational meeting appoint one additional director by unanimous vote with all directors voting. Otherwise, the board shall function until a special election can be held to elect an additional director. Prior to the effective date of the reorganization, the initial board shall approve a plan that commences at the first regular school election held after the effective date of the merger and is completed at the third regular school election held after the effective date of the merger, to replace the initial board with the regular board. **(275.41).**

Directors in New Districts

At the first election in a newly organized district the directors shall be elected as follows:
1. In districts having three directors, two directors shall be elected for two years, and one for four years.
2. In districts having five directors, three shall be elected for two years, and two for four years.
3. In districts having seven directors, four shall be elected for two years, and three for four years **(277.25).**

A school district may change the number of directors to either five or seven and may also change its method of election of school directors to any method authorized by Code by submission of a proposal, stating the proposed new method of election, by the school board of such district to the electors at an election held on a date specified in subsection 39.2(4)"c". **(275.35(1)).**

The voters at the regular election shall have the power to authorize a change to either five or seven directors or to authorize a change in the method of conduction elections or in the number of directors **(278.1"g" and "h").**

When an election on the proposition of organizing, reorganizing, enlarging, or changing of the boundaries of any school corporation, or the proposition of dissolving a school district, carries by the required statutory margin, or the boundary lines of contiguous school corporations are changed by the concurrent action of the respective boards of directors, the secretary of the school corporation shall file a written description of the new boundaries in the office of the county auditor of each county in which any portion of the school district lies **(274.4, 275.22).**

DIRECTOR DISTRICT CONVENTIONS

Number of Directors

The board of directors of an AEA shall consist of not less than five nor more than nine members, each a resident of and elected in the manner provided in section 273.8 from a director district that is approximately equal in population to the other director districts in the AEA. Each director shall serve a four-year term which commences at the organization meeting **(273.8(1)).**

The board of an AEA may change the number of directors on the board and shall make corresponding changes in the boundaries of director districts. Changes shall be completed not later than July 1 of a fiscal year for the director district conventions to be held the following September **(273.8(6)).**

Area Education Agency Boundaries

The boundaries of an AEA shall not divide a school district. The director of the Department of Education shall change boundaries of AEAs to take into account mergers of local school districts and changes in boundaries of local school districts, when necessary to maintain the policy of chapter 273 that a local school district shall not be a part of more than one AEA **(273.2(1)).**

The board of an AEA may change the number of directors on the board and shall make corresponding changes in the boundaries of director districts. Changes shall be completed not later than July 1 of a fiscal year for the direct district conventions to be held the following September **(273.8(6)).**

To the extent possible the board shall provide that changes in the boundary lines of director districts of AEAs shall not lengthen or diminish the term of office of a director of an AEA board. Initial terms of office shall be set by the board so that as nearly as possible the terms of one-half (1/2) of the members expire biennially **(273.8(7)).**

The board of the AEA shall redraw boundary lines of director districts in the AEA after each census to compensate for changes in population if changes in population have taken place. Where feasible, boundary lines of director districts shall coincide with the boundary lines of school districts and the boundary lines of election precincts established pursuant to sections 49.3 to 49.6 **(273.8(8)).**

Term of Office

Each director shall serve a four-year term which commences at the organization meeting **(273.8(1)).**

The board shall appoint a temporary president or secretary, in the absence of the regular officers **(279.5).**

Except when otherwise provided, every officer elected or appointed for a fixed term shall hold office until a successor is elected and qualified, unless the officer resigns, or is removed or suspended, as provided by law **(69.1A).**

Board members may take the oath of office orally from some person authorized to give the oath. It is not necessary to sign or subscribe to a written oath **(OAG #32-4-28).**

The oath may not be taken before a foreign notary **(OAG #66-3-31).**

Organization

The board of directors of each AEA shall meet and organize at the first regular meeting in October following the regular school election at a suitable place designated by the president. Directors whose terms commence at the organization meeting shall qualify by taking the oath of office required by section 277.28 at or before the organization meeting **(273.8(4)).**

The provisions of section 260C.12 relating to organization, officers, appointment of secretary and treasurer, and meeting of the merged area board apply to the AEA board **(273.8(4)).**

As soon as practicable after the qualification of board officers, the board secretary of the AEA shall report the names and contact information to the department of education **(291.11).** The form for this report is located on the secure data collection website.

Organization of the board shall be effected by the election of a president and other officers from the board membership as board members determine. The board of directors shall appoint a secretary and a treasurer who shall each give bond as prescribed in section 291.2 and who shall each receive the salary determined by the board. The secretary and treasurer shall perform duties under chapter 291 and additional duties the board of directors deems necessary. However, the board may appoint one person to serve as the secretary and treasurer. If one person serves as the secretary and treasurer, only one bond is necessary for that person. The frequency of meetings other than organizational meetings shall be as determined by the board of directors but the president or a majority of the members may call a special meeting at any times **(260C.12(1)).** Members of the board, other than the secretary and the treasurer, shall be allowed their actual expenses incurred in the performance of their duties and may be eligible to receive per diem compensation **(260C.12(2)).**

Vacancies

Any of the following shall constitute a vacancy:

(a) Failure to elect at the proper election or to appoint within the time fixed by law.
(b) Failure of the officer elected or appointed to qualify within the time prescribed by law.
(c) The incumbent ceasing for any reason to be a resident of the district or removing residence from the subdistrict.
(d) Resignation or death of the incumbent or of the officer-elect.
(e) Removal of incumbent from, or forfeiture of, the office.
(f) Decision of a competent tribunal declaring the office vacant.
(g) Conviction of incumbent of a felony as defined in section 701.7, or of any public offense involving the violation of the incumbent's oath of office **(277.29).**

Vacancies, as defined in section 277.29, in the member of the AEA board shall be filled for the unexpired portion of the term at a director district convention called and conducted in the manner provided in subsection 273.8(3) for regular director district conventions **(273.8(2)"d").**

Each school officer or member of the board upon the termination of the officer or member's term of office shall immediately surrender to the successor all books, papers, and moneys pertaining or belonging to the office, taking a receipt therefor **(277.31).**

A vacancy is created when a board member moves from one director district to another director district in the same corporation **(OAG #69-4-6(L)).**

A director who moves from the district and later returns is not entitled to finish the term **(1912 Op. Att'y Gen. 739 (#12-7-13)).**

Election Process

Conduction

A person who pays, offers to pay, or causes to be paid money or any other thing of value to an election official conditioned on some act done or omitted to be done contrary to that person's official duty in relation to an election, commits the crime of election misconduct in the first degree which is a class "D" felony. **(39A.2(1)"d").**

A person who receives money or another other thing of value knowing that it was given in violation of section 39A.2, subparagraph (1) or (2), commits the crime of election misconduct in the first degree which is a class "D" felony. **(39A.2(1)"d").**

Director District Elections and Conventions

The board of directors of an AEA shall consist of not less than five nor more than nine members, each a resident of and elected in the manner provided in section 273.8 from a director district that is approximately equal in population to the other director districts in the AEA. Each director shall serve a four-year term which commences at the organization meeting **(273.8(1)).**

The board of directors of the AEA shall be elected by a vote of the members of the boards of directors of the local school districts located within the director district. Notice of the election shall be published by the AEA administrator not later than July 15 of the odd-numbered year in at least one newspaper of general circulation in the director district. The cost of publication shall be paid by the AEA **(273.8(2)"a").**

The member of the AEA board to be elected may be a member of a local school district board of directors and shall be an elector and a resident of the director district, but shall not be a school district employee **(273.8(2)).**

All qualifications being met, a person elected to a board is entitled to a certificate of election, even though the person or the person's company has been or is doing business with the district/AEA. However, after the person is qualified, the statute should be fully observed by the board in relationship to doing business with that person or that person's company **(OAG #27-3-19(L)).**

Calling Conventions

If no candidate files with the AEA secretary by the deadline specified in Code, or a vacancy occurs, or if otherwise required as provided in section 273.23(3) [election an initial board of a reorganized AEA], a director district convention, attended by members of the boards of directors of the local school districts located within the director district, shall be called to elect a board member for that director district. The convention location shall be determined by the AEA administrator. Notice of the time, date and place of a director district convention shall be published by the AEA administrator in at least one newspaper of general circulation in the director district at least thirty days prior to the day of the convention. The cost of publication shall be paid by the AEA **(273.8(3)).**

Candidates

An individual serving on an AEA board:

- shall be an elector of the director district;
- shall be a resident of the director district;
- may be a member of a local school district board of directors; but
- shall not be a school district employee **(273.8(2)"c").**

In addition, a member of an AEA board shall not serve on the board of directors of a merged area **(260C.11(1)).**

A candidate for election to the AEA board shall file a statement of candidacy with the AEA secretary not later than August 15 of the odd-numbered year, on forms prescribed by the Department of Education. The statement of candidacy shall include the candidate's name, address, and school district. The list of candidates shall be sent by the secretary of the AEA in ballot form by certified mail to the presidents of the boards of directors of all school districts within the director district not later than September 1. In order for the ballot to be counted, the ballot must be received in the secretary's office by the end of the normal business day on September 30 or be clearly postmarked by an officially authorized postal service not later than September 29 and received by the secretary not later than noon on the first Monday following September 30. The board of each separate school district that is located entirely or partially inside an AEA director district shall cast a vote for director of the AEA board based upon the ratio that the population of the school district, or portion of the school district, in the director district bears to the total population in the direct district. The population of each school district or portion shall be determined by the Department of Education **(273.8(2)).**

For a director district convention, a candidate for election to the AEA board shall file a statement of candidacy with the AEA secretary at least ten days prior to the date of the director district convention on forms prescribed by the department of education, or nominations may be made at the convention by a delegate from a board of directors of a school district located within the director district. A statement of candidacy shall include the candidate's name, address, and school district. Delegates to director district conventions shall not be bound by a school board or any school board member to pledge their votes to any candidate prior to the date of the convention **(273.8(3)).**

It shall be unlawful for any candidate for any office to be voted for at any election, prior to nomination or election, to promise, either directly or indirectly, to support or use the candidate's influence in behalf of any person or persons for any position, place, or office, or to promise directly or indirectly to name or appoint any person or persons to any place, position, or office in consideration of any person or persons supporting the candidate or using the person's influence in securing the candidate's nomination, election, or appointment **(49.120).**

It shall be unlawful for any person to solicit from any candidate for any office to be voted for at any election, or any candidate for appointment to any public office, prior to nomination, election, or appointment, a promise, directly to indirectly, to support or use the candidate's influence in behalf of any person or persons for any position, place, or office, or a promise either directly or indirectly to name or appoint any person or persons to any place, position, or office in consideration of any person or persons supporting the candidate, or using the person's influence in securing the candidate's nomination, election, or appointment **(49.121).**

It shall be unlawful [serious misdemeanor] for any person or political organization either directly or indirectly to solicit or demand from any employee any contribution of money or any other thing of value for election purposes or for the purpose of paying expenses of any political organization or any person seeking election to public office **(721.3, 721.7).**

It shall be unlawful [serious misdemeanor] for any person to use or permit to be used any motor vehicle owned by the school district for the purpose of transporting any political literature or any person or persons engaging in a political campaign for any political party or any person seeking an elective office **(721.4, 721.7).**

A person who is serving or has been elected, selected, appointed, employed, or otherwise engaged to serve in a public capacity, including a public officer or employee, a referee who solicits or knowingly accepts or receives a promise or anything of value or a benefit given pursuant to an understanding or arrangement that the promise or thing of value or benefit will influence the act, vote, opinion, judgment, decision, or exercise of discretion of the person with respect to the person's services in that capacity commits a class "C" felony. In addition, a person convicted under this section is disqualified from holding public office under the laws of this state **(722.2).**

Convention Rules Guidance

The Code does not provide complete direction for all situations that might occur at a convention, nor does it specify who is to set convention rules. However, section 279.8 states that the board shall make rules for its own government; therefore it is appropriate for the AEA to promulgate rules within each AEA for conducting its conventions and to disseminate those rules to local board members. Items to consider in those rules may include, but would not be limited to:

- Establishing a standard agenda.
- Establishing a standard set of forms.
- Determining who will serve as the presiding officer over a convention. Historically, the president or the president's designee of the board of directors of the school district in which the director district convention is being held has presided.
- Specifying that only board members shall cast ballots.
- Specifying that all board members of the local districts shall be accepted as delegates unless a board, through proper action as a board meeting, assigns its vote to one or more delegates.
- Specifying that each local school district has one weighted vote, and that vote is cast as a unit and may not be split among more than one candidate.
- Specifying that in the event that delegates from one or more school districts do not attend the convention, the winning candidate shall be the candidate who receives a plurality of the remaining votes.
- Specifying that in the event that a school board's delegate/s is present and chooses not to cast a vote, the winning candidate shall be the candidate who receives a plurality of the remaining votes.
- Specifying that in the event that a board is deadlocked in its vote, the vote of that board shall be eliminated and the winning candidate shall be the candidate who receives a plurality of the remaining votes.
- Declaring a school board deadlocked if a proper ballot cannot be presented after three calls by the presiding officer for ballots.

- Assigning responsibility for forwarding a certificate of election and the canvass of votes to the board secretary of the AEA.

Suggested Agenda

Iowa law does not prescribe a fixed order of business which must be followed in a director district convention. The following is suggested as the order of business.

1. Call to order by the presiding officer appointed by the AEA administrator.
2. Appoint a secretary for the convention.
3. Roll call of each board which is a part of the director district (board members only).
4. Appoint a canvassing committee of three board members present.
5. Explanation of voting procedures.
6. Review of eligibility requirements for a candidate.
7. Presentation of the list of the name and address of eligible candidates that have filed certificates of candidacy.
8. If no eligible candidates have filed statements of candidacy, take nominations from the floor.
9. Discussion.
10. Casting of votes by written ballot.
11. Computation and canvass of ballots by the canvassing committee. A record of the number of votes cast for each candidate shall be maintained. The record must contain sufficient information to indicate the vote of each board.
12. Declaration of the successful candidate.
13. Adjournment.

Voluntary Reorganization

Two or more AEAs may voluntarily reorganize under subchapter II of chapter 273 if the AEAs are contiguous, a majority of the members of each of the affected boards approve the reorganization, and the reorganization plan submitted to the state board is approved by the state board **(273.21(1)).** The petition shall state the number of directors on the initial board which shall be either seven or nine directors. The petition shall specify the number of directors to be retained from each area, and those numbers shall be proportionate to the populations of the agencies **(273.23(1)).**

As an alternative to AEA reorganization as prescribed under subchapter II of chapter 273, the board of directors of an AEA may establish an AEA dissolution commission to prepare a proposal of dissolution of the AEA and attachment of all of the AEA to one or more contiguous AEAs and to include in the proposal a division of the assets and liabilities of the dissolving AEA **(273.24(1)).**

Employee Election

Upon the filing of a petition for certification of an employee organization, the board shall submit a question to the public employees at an election in a bargaining unit found appropriate by the board. The question on the ballot shall permit the public employees to vote for no bargaining representation or for any employee organization which has petitioned for certification or which has presented proof satisfactory to the board of support of ten (10) percent or more of the public employees in the appropriate unit **(20.15(1)).**

CHAPTER 3

MEETINGS AND MINUTES

A school board or AEA board is a state agency as well as a local agency. Its members are elected by the voters of the local school district, or by the boards of the local school district in the case of an AEA, but it operates within a sphere of legal duties, authorizations and limitations which are prescribed by the state legislature.

The stewardship of funds, the keeping of accurate and complete records and the provision for required publications are all obligations of the local board in complying with the law and providing information to the public.

School Board Meetings

Definitions

A *"meeting"* means a gathering in person or by electronic means, formal or informal, of a majority of the members of a governmental body where there is deliberation or action upon any matter within the scope of the governmental body's policy-making duties. Meetings shall not include a gathering of members of a governmental body for purely ministerial or social purposes when there is no discussion of policy or no intent to avoid the purposes of chapter 21 **(21.2(2)).**

"Open session" means a meeting to which all members of the public have access **(21.2(3)).**

A *"governmental body"* means a board of a political subdivision or tax-supported district in this state, or a multimembered body formally and directly created by the board, or an advisory board, advisory commission, advisory committee, task force, or other body created by executive order of the board (or created by an entity organized under chapter 28E) to develop and make recommendations on public policy issues **(21.2(1)).**

A *"quorum"* means a majority of the members of the board of the AEA **(273.8(5)).**

Meetings

Meetings shall be preceded by public notice and shall be held in open session unless closed sessions are expressly permitted by law. Except as provided in section 21.5, all actions and discussions at meetings, whether formal or informal, shall be conducted and executed in open session **(21.3).**

Public Notice

Except as provided in subsection 3, a governmental body shall give notice of the time, date, and place of each meeting including a reconvened meeting of the governmental body, and the tentative agenda of the meeting, in a manner reasonably calculated to apprise the public of that information. Reasonable notice shall include advising the news media who have filed a request for notice with the governmental body and posting the notice on a bulletin board or other prominent place which is easily accessible to the public and clearly designated for that purpose at the principal office of the body holding the meeting, or if no such office exists, at the building in which the meeting is to be held **(21.4(1)).**

Notice shall be given at least twenty-four hours prior to the commencement of any meeting of a governmental body unless for good cause such notice is impossible or impractical, in which case as much notice as is reasonably possible shall be given. Each meeting shall be held at a place reasonably accessible to the public, and at a time reasonably convenient to the public, unless for good cause such a place or time is impossible or impractical. Special access to the meeting may be granted to persons with disabilities **(21.4(2)"a").**

When it is necessary to hold a meeting on less than twenty-four hours' notice, or at a place that is not reasonably accessible to the public, or at a time that is not reasonably convenient to the public, the nature of the good cause justifying that departure from the normal requirements shall be stated in the minutes **(21.4(2)"b").**

An agenda which has been posted more than twenty-four hours prior to a scheduled meeting may be amended to include additional matters only if good cause exists requiring expeditious discussion or action on such matters. In the absence of factors making twenty-four hours notice impossible or impractical, an existing agenda may not be amended

within twenty-four hours of a meeting and such matters must be scheduled for future meetings so that the public may receive the prescribed notification **(OAG #79-7-11).**

If another section of the Code requires a manner of giving specific notice of a meeting, hearing, or an intent to take action by a governmental body, compliance with that section shall constitute compliance with the notice requirements of section 21.4 **(21.4(4)).**

A formally constituted subunit of a parent governmental body may conduct a meeting without notice during a lawful meeting of the parent governmental body, a recess in that meeting of up to four hours, or immediately following that meeting, if the meeting of the subunit is publicly announced in open session at the parent meeting and the subject of the meeting reasonably coincides with the subjects discussed or acted upon by the parent governmental body **(21.4(3)"b").**

Closed Session

A governmental body may hold a closed session only by affirmative public vote of either two-thirds [2/3] of the members of the body or all of the members present at the meeting. A governmental body may hold a closed session only to the extent a closed session is necessary for any of the following reasons:

a. To review or discuss records which are required or authorized by state or federal law to be kept confidential or to be kept confidential as a condition for that governmental body's possession or continued receipt of federal funds.
b. To discuss application for letters patent.
c. To discuss strategy with counsel in matters that are presently in litigation or where litigation is imminent where its disclosure would be likely to prejudice or disadvantage the position of the governmental body in that litigation.
d. To discuss the contents of a licensing examination or whether to initiate licensee disciplinary investigations or proceedings if the governmental body is a licensing or examining board.
e. To discuss whether to conduct a hearing or hearings to suspend or expel a student, unless an open session is requested by the student or a parent or guardian of the student if the student is a minor.
f. To discuss the decision to be rendered in a contested case conducted according to the provisions of Chapter 17A.
g. To avoid disclosure of specific law enforcement matters, such as current or proposed investigations, inspection or auditing techniques or schedules, which if disclosed would enable law violators to avoid detection.
h. To avoid disclosure of specified law enforcement matters, such as allowable tolerances or criteria for the selection, prosecution or settlement of cases, which if disclosed would facilitate disregard of requirements imposed by law.
i. To evaluate the professional competency of an individual whose appointment, hiring, performance or discharge is being considered when necessary to prevent needless and irreparable injury to that individual's reputation and that individual requests a closed session.
j. To discuss the purchase or sale of particular real estate only where premature disclosure could be reasonably expected to increase the price the governmental body would have to pay for that property or reduce the price the governmental body would receive for that property. The minutes and the audio recording of a session closed under this paragraph shall be available for public examination when the transaction discussed is completed.
k. To discuss information contained in records in the custody of a governmental body that are confidential records pursuant to section 22.7, subsection 50 **(21.5(l)).**

The vote of each member on the question of holding the closed session and the reason for holding the closed session by reference to a specific exemption shall be announced publicly at the open session and entered in the minutes. A governmental body shall not discuss any business during a closed session which does not directly relate to the specific reason announced as justification for the closed session **(21.5(2)).**

Final action by any governmental body on any matter shall be taken in an open session unless some other provision of the Code expressly permits such actions to be taken in closed session **(21.5(3)).**

A governmental body shall keep detailed minutes of all discussion, persons present, and action occurring at a closed session, and shall also audio record all of the closed session. The detailed minutes and audio recording of a closed session shall be sealed and shall not be public records open to public inspection. However, upon order of the court in an action to enforce Chapter 21, the detailed minutes and audio recording shall be unsealed and examined by the court in camera. The court shall then determine what part, if any, of the minutes should be disclosed to the party seeking enforcement of Chapter 21 for use in that enforcement proceeding. In determining whether any portion of the minutes or recording shall be disclosed to such a party for this purpose, the court shall weigh the prejudicial effects to the public

interest of the disclosure of any portion of the minutes or recording in question, against its probative value as evidence in an enforcement proceeding. After such a determination, the court may permit inspection and use of all or portions of the detailed minutes and audio recording by the party seeking enforcement of chapter 21 **(21.5(4)).**

A governmental body shall keep the detailed minutes and audio recording of any closed session for a period of at least one year from the date of that meeting, except as otherwise required by law **(21.5(4)).**

Nothing in section 21.5 requires a governmental body to hold a closed session to discuss or act upon any matter **(21.5(5)).**

Ignorance of the legal requirements of chapter 21 shall be no defense to an enforcement proceeding brought under section 21.6. A governmental body which is in doubt about the legality of closing a particular meeting is authorized to bring suit at the expense of that governmental body in the district court of the county of the governmental body's principal place of business to ascertain the propriety of any such action, or seek a formal opinion of the attorney general or an attorney for the governmental body **(21.6(4)).** The authority which appoints members of governmental bodies shall provide the members with information about open meeting laws and examination of public records. The appropriate commissioner of elections shall provide that information to members of elected governmental bodies **(21.10).**

Retreats by a governmental body are subject to all requirements of Iowa Code chapter 21 [open meetings] if there is a gathering of a majority of the members where there is deliberation or action upon policy matters within the agency's jurisdiction. If retreats do constitute "meetings" under Iowa Code section 21.2(1), proper notice must be given to the public under section 21.4 and a closed session may only be held to the extent expressly permitted by law **(OAG #93-7-5(L)).**

Advisory bodies created by school boards and county boards of supervisors to develop and make recommendations on public policy issues are included within the expanded definition of governmental bodies subject to the Open Meetings Law **(OAG #93-11-5).**

A school board member, absent during a closed session of the board, may subsequently obtain and review the minutes and tape recording of the closed session **(OAG #01-11-1(L)).**

Rules of Conduct

The public may use cameras or recording devices at any open session. Nothing in Chapter 21 shall prevent a governmental body from making and enforcing reasonable rules for the conduct of its meetings to assure those meetings are orderly and free from interference or interruption by spectators **(21.7).**

A person who, having no right or authority to do so, makes or alters any public document, or any instrument which purports to be a public document, or who possesses a seal or any counterfeit seal of the state or of any of its subdivisions [school corporation], or of any officer, employee or agency of the state or of any of its subdivisions [school corporations], commits a class "D" felony **(718.5).**

Any person who willfully disturbs any deliberative body or agency of the state, or subdivision thereof [school corporation], with the purpose of disrupting the functioning of the body by tumultuous behavior, or coercing by force or the threat of force any official conduct or proceeding, commits a serious misdemeanor **(718.3).**

An insurrection is three or more persons acting in concert and using physical violence against persons or property, with the purpose of interfering with, disrupting, or destroying the government of the state or any subdivision thereof [school corporation], or to prevent any officer or body from performing its lawful function. Participation in insurrection is a class "C" felony **(718.1).**

Any person who willfully prevents or attempts to prevent any public officer or employee from performing the officer's or employee's duty commits a simple misdemeanor **(718.4).**

Any person who falsely claims to be or assumes to act as an elected or appointed officer, or person authorized to act on behalf of the state or any subdivision thereof [school corporation], having no authority to do so, commits an aggravated misdemeanor **(718.2).**

Electronic Meetings

A governmental body may conduct a meeting by electronic means only in circumstances where such a meeting in person is impossible or impractical and only if the governmental body complies with all the following:

a. The governmental body provides public access to the conversation of the meeting to the extent reasonably possible.
b. The governmental body complies with public notice of the meeting. For the purpose of this paragraph, the place of the meeting is the place from which the communication originates or where public access is provided to the conversation.
c. Minutes are kept of the meeting. The minutes shall include a statement explaining why a meeting in person was impossible or impractical **(21.8(1)).**

A meeting conducted in compliance with the electronic meeting section of the law shall not be considered in violation of the open meeting law **(21.8(2)).**

A meeting by electronic means may be conducted without complying with public access if conducted in accordance with all the requirements for a closed session **(21.8(3)).**

Violations of Open Meetings and Open Records Laws

The remedies provided by section 21.6 against state [and local] governmental bodies shall be in addition to those provided by section 17A.19. Any aggrieved person, taxpayer to, or citizen of, the state of Iowa, or the attorney general or county attorney, may seek judicial enforcement of the requirements of chapter 21. Suits to enforce this chapter shall be brought in the district court for the county in which the governmental body has its principal place of business **(21.6(1)).**

Once a party seeking judicial enforcement of this chapter demonstrates to the court that the body in question is subject to the requirements of this chapter and has held a closed session, the burden of going forward shall be on the body and its members to demonstrate compliance with the requirements of chapter 21 **(21.6(2)).**

Upon a finding by a preponderance of the evidence that a governmental body has violated any provision of this chapter [open meeting laws], a court:

a. Shall assess each member of the governmental body who participated in its violation damages in the amount of not more than five hundred dollars [$500] nor less than one hundred dollars [$100]. However, if a member of a governmental body knowingly participated in such a violation, damages shall be in the amount of not more than two thousand five hundred dollars [$2,500] and not less than one thousand dollars [$1,000]. These damages shall be paid by the court imposing it to the state of Iowa, if the body in question is a state governmental body, or to the local government involved if the body in question is a local governmental body. A member of a governmental body found to have violated this chapter shall not be assessed such damages if that member proves that the member did any of the following:

(1) Voted against the closed session.

(2) Had good reason to believe and in good faith believed facts which, if true, would have indicated compliance with all the requirements of this chapter.

(3) Reasonably relied upon a decision of a court, a formal opinion of the Iowa public information board, the attorney general, or the attorney for the governmental body, given in writing, or as memorialized in the minutes of the meeting at which a formal oral opinion was given, or an advisory opinion of the Iowa public information board, the attorney general, or the attorney for the governmental body, given in writing.

b. Shall order the payment of all costs and reasonable attorney fees in the trial and appellate courts to any party successfully establishing a violation of this chapter. The costs and fees shall be paid by those members of the governmental body who are assessed damages under paragraph *"a"*. If no such members exist because they have a lawful defense under that paragraph to the imposition of such damages, the costs and fees shall be paid to the successful party from the budget of the offending governmental body or its parent.

c. Shall void any action taken in violation of this chapter, if the suit for enforcement of this chapter is brought within six [6] months of the violation and the court finds under the facts of the particular case that the public interest in the enforcement of the policy of this chapter outweighs the public interest in sustaining the validity of the action taken in the closed session. This paragraph shall not apply to an action taken regarding the issuance of bonds or other evidence of indebtedness of a governmental body if a public hearing, election or public sale has been held regarding the bonds or evidence of indebtedness.

d. Shall issue an order removing a member of a governmental body from office if that member has engaged in a prior violation of this chapter for which damages were assessed against the member during the member's term.

e. May issue a mandatory injunction punishable by civil contempt ordering the members of the offending governmental body to refrain for one [1] year from any future violations of this chapter **(21.6(3))**.

Ignorance of the legal requirements of this chapter shall be no defense to an enforcement proceeding brought under this section. A governmental body which is in doubt about the legality of closing a particular meeting is authorized to bring suit at the expense of that governmental body in the district court of the county of the governmental body's principal place of business to ascertain the propriety of any such action, or seek a formal opinion of the attorney general or an attorney for the governmental body **(21.6(4))**.

The rights and remedies provided by this section 22.10 are in addition to any rights and remedies provided by section 17A.19. Any aggrieved person, any taxpayer to or citizen of the state of Iowa, or the attorney general or any county attorney, may seek judicial enforcement of the requirements of this chapter in an action brought against the lawful custodian and any other persons who would be appropriate defendants under the circumstances. Suits to enforce this chapter shall be brought in the district court for the county in which the lawful custodian has its principal place of business **(22.10(1)).**

Once a party seeking judicial enforcement of this chapter [open records] demonstrates to the court that the defendant is subject to the requirements of this chapter, that the records in question are government records, and that the defendant refused to make those government records available for examination and copying by the plaintiff, the burden of going forward shall be on the defendant to demonstrate compliance with the requirements of this chapter **(22.10(2)).**

Upon a finding by a preponderance of the evidence that a lawful custodian has violated any provision of chapter 22 (open records), a court:

a. Shall issue an injunction punishable by civil contempt ordering the offending lawful custodian and other appropriate persons to comply with the requirements of this chapter in the case before it and, if appropriate, may order the lawful custodian and other appropriate persons to refrain for one [1] year from any future violations of this chapter.
b. Shall assess the persons who participated in its violation damages in the amount of not more than five hundred dollars [$500] nor less than one hundred dollars [$100]. However, if a person knowingly participated in such a violation, damages shall be in the amount of not more than two thousand five hundred dollars [$2,500] and not less than one thousand dollars [$1.000]. These damages shall be paid by the court imposing them to the state of Iowa if the body in question is a state government body, or to the local government involved if the body in question is a local government body. A person found to have violated this chapter shall not be assessed such damages if that person proves that the person did any of the following:
    (1) Voted against the action violating this chapter, refused to participate in the action violating this chapter, or engaged in reasonable efforts under the circumstances to resist or prevent the action in violation of this chapter.
    (2) Had good reason to believe and in good faith believed facts which, if true, would have indicated compliance with the requirements of this chapter.
    (3) Reasonably relied upon a decision of a court, a formal opinion of the Iowa public information board, the attorney general, or the attorney for the government body, given in writing, or as memorialized in the minutes of the meeting at which a formal oral opinion was given, or an advisory opinion of the Iowa public information board, the attorney general, or the attorney for the government body, given in writing.
c. Shall order the payment of all costs and reasonable attorney fees, including appellate attorney fees, to any plaintiff successfully establishing a violation of this chapter in the action brought under this section. The costs and fees shall be paid by the particular persons who were assessed damages under paragraph *"b"* of this subsection. If no such persons exist because they have a lawful defense under that paragraph to the imposition of such damages, the costs and fees shall be paid to the successful plaintiff from the budget of the offending government body or its parent.
d. Shall issue an order removing a person from office if that person has engaged in a prior violation of this chapter for which damages were assessed against the person during the person's term **(22.10(3))**.

Ignorance of the legal requirements of this chapter is not a defense to an enforcement proceeding brought under this section. A lawful custodian or its designee in doubt about the legality of allowing the examination or copying or refusing to allow the examination or copying of a government record is authorized to bring suit at the expense of that government body in the district court of the county of the lawful custodian's principal place of business, or to seek an opinion of the attorney general or the attorney for the lawful custodian, to ascertain the legality of any such action **(22.10(4)).**

According to the Iowa Attorney General in the, if a second violation occurs while the injunction is in place, the official could be held in civil contempt. This can mean additional damages, or even time in jail **(AG Sunshine Advisory, June 2005).** The punishment for contempt, where not otherwise specifically provided, shall be:

1. In the supreme court or the court of appeals, by a fine not exceeding one thousand dollars [$1000] or by imprisonment in a county jail not exceeding six [6] months, or by both such fine and imprisonment.

2. Before district judges, district associate judges, and associate juvenile judges by a fine not exceeding five hundred dollars [$500] or imprisonment in a county jail not exceeding six [6] months or by both such fine and imprisonment.
3. Before judicial magistrates, by a fine not exceeding one hundred dollars [$100] or imprisonment in a county jail not exceeding thirty [30] days **(665.4).**

Except as expressly provided otherwise by another statute referring to this chapter 17A by name, the judicial review provisions of this chapter shall be the exclusive means by which a person or party who is aggrieved or adversely affected by agency action may seek judicial review of such agency action. However, nothing in this chapter shall abridge or deny to any person or party who is aggrieved or adversely affected by any agency action the right to seek relief from such action in the courts **(17A.19).**

Employment Conditions Meetings

A meeting of a governmental body to discuss strategy in matters relating to employment conditions of employees of the governmental body who are not covered by a collective bargaining agreement under chapter 20 is exempt from chapter 21. "Employment conditions" mean areas included in the scope of negotiations listed in section 20.9 **(21.9).**

Negotiating sessions, strategy meetings of public employers, mediation, and the deliberative process of arbitrators shall be exempt from the provisions of chapter 21 [open meetings]. However, the employee organization shall present its initial bargaining position to the public employer at the first bargaining session. The public employer shall present its initial bargaining position to the employee organization at the second bargaining session, which shall be held no later than two [2] weeks following the first bargaining session. Both sessions shall be open to the public and subject to the provisions of chapter 21. Parties who by agreement are utilizing a cooperative alternative bargaining process may exchange their respective initial interest statements in lieu of initial bargaining positions at these open sessions. Hearings conducted by arbitrators shall be open to the public **(20.17(3)).**

The terms of a proposed collective bargaining agreement shall be made available to the public by the public employer and reasonable notice shall be given to the public employees by the employee organization prior to a ratification election. The collective bargaining agreement shall become effective only if ratified by a majority of those voting by secret ballot **(20.17(4)).**

Minutes of Meetings

Each board shall adopt by written policy a system for maintaining accurate records. The system shall provide for recording and maintaining the minutes of all board meetings, coding all receipts and expenditures, and recording and filing all reports required by the Iowa Code or requested by the director of the department of education. Financial records of school districts shall be maintained in a manner as to be easily audited according to accepted accounting procedures **(IAC, 281-12.3(1)).** The results of the annual audit of all school district funds conducted by the state auditor or a private auditing firm shall be made part of the official records of the board as described in Iowa Code section 11.6 **(IAC, 281-12.3(8)).**

Each governmental body shall keep minutes of all its meetings showing the date, time and place, the members present, and the action taken at each meeting. The minutes shall show the results of each vote taken and information sufficient to indicate the vote of each member present. The vote of each member present shall be made public at the open session. The minutes shall be public records open to public inspection **(21.3).**

In a school corporation, the secretary shall keep a complete record of all proceedings of the meetings of the board and of all regular or special elections in the corporation in separate books **(291.6(2)).**

The proceedings of each regular, adjourned, or special meeting of the board, including the schedule of bills allowed, shall be published after the adjournment of the meeting, and the publication of the schedule of the bills allowed shall include a list of claims allowed, including salary claims for services performed. The schedule of bills allowed may be published on a once monthly basis in lieu of publication with the proceedings of each meeting of the board. The list of claims allowed shall include the name of the person or firm making the claim, the purpose of the claim, and the amount of the claim. If the purpose for the claims is the same, two or more claims made by the same vendor, supplier, or claimant, may be consolidated if the number of claims consolidated and the total consolidated claim amount are listed in the statement. However, the board shall provide at its office upon request an unconsolidated list of all claims allowed. Salaries paid to individuals regularly employed by the district shall only be published annually and the publication shall include the total amount of the annual salary of each employee. The secretary shall furnish a copy of the proceedings to be published within two weeks following the adjournment of the meeting **(279.35).** All bills and

salaries for which payments are issued prior to audit and allowance by the board must be passed upon by the board of directors at the next meeting and be entered in the regular minutes of the secretary **(279.30).**

Iowa law does not prescribe a fixed order of business which must be followed in a school board meeting. Where a board has not already adopted a regular order of business, the following is suggested:

1. Call to order by president or vice-president.
2. Determine that a quorum is present.
3. Reading and approval of minutes of previous meeting.
4. Reading and disposal of bills.
5. Reports of officers and standing committees.
6. Reports of special committees, petitions and communications and disposal of same.
7. Unfinished business.
8. New business.
9. Informational program.
10. Adjournment.

In the minutes for any meeting the following is recommended:

1. Date, time, and place of meeting [required].
2. Kind of meeting-regular, special, adjourned, organizational or annual.
3. By whom called.
4. Who presided.
5. Who served as secretary.
6. Names of members present [required].
7. Record of each motion properly presented, whether adopted or not, with names of persons making and seconding the motion [required]. Motions withdrawn or declared out of order need not be recorded.
8. Record of the number of votes cast for and against each motion. If the vote is unanimous, so stating is sufficient. If the vote is not unanimous or if any member abstained or was recused, the record must contain sufficient information to indicate the vote of each member [required].
9. Summary of important items considered and discussed by the board irrespective of formal action taken.
10. All reports of committees, petitions and communications received and the action taken on each. (Such reports, petitions, etc., should be placed on file and referred to in the minutes for identification.)
11. Identification of all bills audited by the board and a record showing whether such bills were allowed or disallowed.
12. Signature of secretary or acting secretary.
13. Record of approval of minutes by the board and the date of minutes approved.
14. Signature of president and secretary on all approved minutes.
15. File approved minutes in loose-leaf notebook and store in fireproof file or vault.

Motion versus Resolution

Generally a motion proposes that the board take certain action on a matter. It is a statement of direction rather than policy. Motions are made to handle routine business and to conduct meetings.

Resolutions are used for official decisions of the board that take legal effect when they are passed and are more likely to establish policy.

A motion of substance made by a member of the board should be included in the minutes even though it dies for lack of a second **(OAG #75-11-25).**

Conflict of Interest

City council members should exercise great caution whenever a measure involving their employers come before the council for discussion or vote; disclose on the record the facts and general circumstances of their employment or a spouse's employment before the council discusses or otherwise considers any such measure; and consult with the council's attorney before participating in any matter involving a financial benefit unique to the employer. Council members who wish to exercise caution in resolving conflict of interest should abstain from participating in the decision-making process or voting on any resulting award of financial assistance to the employer in order to avoid an appearance of impropriety **(OAG #98-5-3).**

Section 279.7A applies to directors of a school corporation who may only have an ownership interest in a corporation contracting with the school corporation. It also applies to placement of a newspaper advertisement in return for

consideration such as a fee or charge. And it also applies to the placement of such advertisements on an as-needed basis **(OAG #97-7-8).**

CHAPTER 4

STUDENT ATTENDANCE, RESIDENCY, AND TUITION

Attendance Requirement

Except as provided in section 299.2, the parent, guardian, or legal or actual custodian of a child who is of compulsory attendance age shall cause the child to attend some public school or an accredited nonpublic school, or place the child under competent private instruction or independent private instruction in accordance with the provisions of chapter 299A, during a school year, as defined under section 279.10. The board of directors of a public school district shall set the number of days of required attendance for the schools under its control. The board of directors of a public school district may, by resolution, require attendance for the entire time when the schools are in session in any school year and adopt a policy or rules relating to the reasons considered to be valid or acceptable excuses for absence from school **(299.1).**

Section 299.1 shall not apply to any child:

1. Who has completed the requirements for graduation in an accredited school or has obtained a high school equivalency diploma under chapter 259A [GED].
2. Who is excused for sufficient reason by any court of record or judge.
3. While attending religious services or receiving religious instructions.
4. Who is attending a private college preparatory school accredited or probationally accredited under the provisions of subsection 256.11(13).
5. Who has been excused under section 299.22 [deaf or blind who are physically or mentally unable to attend school].
6. Who is exempted under section 299.24 [religious exemption] **(299.2).**

1. Except as provided in subsections 2 and 3, a child who has reached the age of six and is under sixteen years of age by September 15 is of compulsory attendance age. However, if a child enrolled in a school district or accredited nonpublic school reaches the age of sixteen on or after September 15, the child remains of compulsory age until the end of the regular school calendar.
2. A child who has reached the age of five by September 15 and who is enrolled in a school district shall be considered to be of compulsory attendance age unless the parent or guardian of the child notifies the school district in writing of the parent's or guardian's intent to remove the child from enrollment in the school district.
3. A child who has reached the age of four by September 15 and who is enrolled in the statewide preschool program under chapter 256C shall be considered to be of compulsory attendance age unless the parent or guardian of the child submits written notice to the school district implementing the program of the parent's or guardian's intent to remove the child from enrollment in the preschool program. **(299.1A).**

The parent, guardian, or legal or actual custodian of a child who is of compulsory attendance age, who is physically or mentally unable to attend school, or whose presence in school would be injurious to the health of other pupils, shall furnish proofs by certificate under sections 256B.6 and 256B.7 as to the physical or mental condition of the child **(299.5).**

Any child of compulsory attendance age who fails to attend school as provided in chapter 299, or as required by the school board's attendance policy, or who fails to attend competent private instruction or independent private instruction under chapter 299A, without reasonable excuse for the absence, shall be deemed to be a truant. A finding that a child is truant, however, shall not by itself mean that the child is a child in need of assistance within the meaning of chapter 232 and shall not be the sole basis for a child in need of assistance petition **(299.8).**

A person who is of compulsory attendance age who does not meet the requirements for an exception under section 299.2, who does not attend a public school or an accredited nonpublic school, who is not receiving competent private instruction or independent private instruction in accordance with the provisions of chapter 299A, and who does not attend an alternative school or adult education classes, shall not receive an intermediate or full driver's license until age eighteen **(299.1B).**

The board of directors of a public school district shall prescribe reasonable rules for the punishment of truants **(299.9).**

The board of each school district may appoint a truancy officer. The board of each school district, which does not appoint a truancy officer for the district, shall designate a suitable person to collect information on the numbers of children in the district who are truant. The board may appoint a member of the police force, marshal, teacher, school official, or other suitable person to serve as the district truancy officer **(299.10).**

All school officers and employees shall promptly report to the secretary of the school corporation any violations of the truancy law of which they have knowledge, and the secretary shall inform the president of the board of directors who shall, if necessary, call a meeting of the board to take such action thereon as the facts justify **(299.15).**

If a child is truant as defined in section 299.8, school officers shall attempt to find the cause for the child's absence and use every means available to the school to assure that the child does attend. For a child who has completed educational requirement through the sixth grade, the means may include but are not limited to the use of an attendance cooperation process which substantially conforms with the provisions of section 299.12. If the parent, guardian, or legal or actual custodian, or child refuses to accept the school's attempt to assure the child's attendance or the school's attempt to assure the child's attendance is otherwise unsuccessful, the truancy officer shall refer the matter to the county attorney for mediation or prosecution **(299.5A).**

If a parent, guardian, or legal or actual custodian of a child who is truant, has made reasonable efforts to comply with the provisions of sections 299.1 through 299.5, but is unable to cause the child to attend school, the parent, guardian, or legal or actual custodian may file an affidavit listing the reasonable efforts made by the parent, guardian, or legal or actual custodian to cause the child's attendance and the parent, guardian, or legal or actual custodian shall not be criminally liable for the child's nonattendance **(299.6).**

All such certificates, reports, and proofs shall be filed and preserved in the office of the secretary of the school corporation as a part of the records of the office, and the secretary shall furnish certified copies thereof to any person requesting the same **(299.7).**

Children who are of compulsory attendance age and who are so deaf or blind or have such severe disabilities so as to be unable to obtain an education in the public or accredited nonpublic schools shall be sent to the appropriate state-operated school, or shall receive appropriate special education under chapter 256B, unless exempted, and any person having such a children under the person's control or custody shall see that the child attends the state-operated school or special education program during the scholastic year **(299.18).**

Attendance at the state-operated school [school for the deaf or Braille and sight saving school] may be excused when the superintendent of the state-operated school certifies that an interdisciplinary staffing team has determined, pursuant to the requirements of chapter 256B, that the child is efficiently taught for the scholastic year in an accredited nonpublic or other school devoted to the instruction, by a private tutor, in the public schools, or is shown to be physically or mentally unable to attend school under section 299.5 **(299.22).**

It is not incumbent upon the school districts to keep a child requiring special education in regular instruction when the child cannot sufficiently profit from the work of the regular classroom, nor to keep a child requiring special education in the special class or instruction for children requiring special education when it is determined by the diagnostic educational team that the child can no longer benefit from the instruction or needs more specialized instruction available in special schools. However, the school district shall count the child requiring special education in the enrollment as provided in sections 256B.9, 257.6, and 273.9 and shall ensure that appropriate educational provisions are made for the child requiring special education **(256B.8(1)).**

An AEA director of special education may request approval from the department of education to continue the special education program of a person beyond the period specified in section 256B.2, subsection 1, paragraph *"a"*, if the person had an accident or prolonged illness that resulted in delays in the initiation of or interruptions in that person's special education program. Approval may be granted by the department to continue the special education program of that person for up to 3 years or until the person's twenty-fourth [24th] birthday **(256B.8(2))**.

No provision of this chapter shall be construed to require or compel any person who is a member of a well-recognized church or religious denomination and whose religious convictions, in accordance with the tenets or principles of the person's church or religious denomination, are opposed to medical or surgical treatment for disease to take or follow a course of physical therapy, or submit to medical treatment, nor shall any parent or guardian who is a member of such church or religious denomination and who has such religious convictions be required to enroll a child in any course or instruction which utilizes medical or surgical treatment for disease **(256B.8(3))**.

The board of directors of each public school district shall prescribe the minimum educational program and an attendance policy which shall require each child to attend school for at least 148 days, to be met by attendance for at least 37 days each school quarter, for the schools under their jurisdictions. The minimum educational program shall be the curriculum set forth in subsection 280.3(3) and section 256.11, except as otherwise provided by law. The board of directors of a public school district shall not allow discrimination in any educational program on the basis of race, color, creed, sex, marital status or place of national origin. The board of directors of each public school district shall

establish and maintain attendance centers based upon the needs of the school age pupils enrolled in the school district. Kindergarten programs shall and prekindergarten programs may be provided. In addition, the board of directors may include in the educational program of any school such additional courses, subjects, or activities which it deems fit the needs of the pupils **(280.3).**

The board of directors shall determine the number of schools to be taught, divide the corporation into such wards or other divisions for school purposes as may be proper, determine the particular school which each child shall attend, and designate the period each school shall be held beyond the time required by law **(279.11).**

A board does not have the authority to arbitrarily require pupils to attend school on Saturday instead of Monday **(1910 Op. Att'y Gen. 105 (#9-11-23))**.

Admission and Exclusion of Students

Persons between five and twenty-one years of age are of school age **(282.1).** The child shall be at least five and less than twenty-one years of age on September fifteenth of the current school year.

The board may exclude from school children under the age of six [6] years when in its judgment such children are not sufficiently mature to be benefited by regular instruction, or any child who is found to be physically or mentally unable to attend school under section 299.5, or whose presence in school has been found to be injurious to the health of other pupils, or is efficiently taught for the scholastic year at a state institution. However, the board shall provide special education programs and services under chapters 256B, 257, and 273 for all children requiring special education **(282.3(1)).**

The conditions of admission to public school for work in the school year immediately preceding the first grade and in the first grade shall be as follows:

- A child under the age of six [6] years on the fifteenth [15th] of September of the current school year shall not be admitted to a public school unless the board of directors of the school has adopted and put into effect courses of study for the school year immediately preceding the first grade, approved by the department of education and has employed a practitioner or practitioners for this work with standards of training approved by the board of educational examiners.
- No child shall be admitted to school work for the year immediately preceding the first grade unless the child is five [5] years of age on or before the fifteenth [15th] of September of the current school year.
- No child shall be admitted to the first grade unless the child is six [6] years of age on or before the fifteenth [15th] of September of the current school year; except that a child under six [6] years of age who has been admitted to school work for the year immediately preceding the first grade under conditions approved by the department of education, or who as demonstrated the possession of sufficient ability to profit by first-grade work on the basis of tests or other means of evaluation recommended or approved by the department of education, may be admitted to first grade at any time before December 31.
- Nothing herein provided shall prohibit a school board from requiring the attainment of a greater age than the age requirements herein set forth **(282.3).**

The Board has no discretion to admit children to kindergarten unless the child has attained the age of five on or before September fifteenth of the particular school year **(OAG #79-7-3).**

Married persons of school age are entitled to attend school **(OAG #26-10-6).**

In **Dean v. Armstrong** the legality of closing school and designating children to a consolidated school district was upheld by the Supreme Court.

The board may, by a majority vote, expel any student from school for a violation of the regulations or rules established by the board, or when the presence of the student is detrimental to the best interests of the school. The board may confer upon any teacher, principal, or superintendent the power temporarily to suspend a student, notice of the suspension being at once given in writing to the president of the board **(282.4(1)).** A student who commits an assault, as defined under section 708.1, against a school employee in a school building, on school grounds, or at a school-sponsored function shall be suspended for a time to be determined by the principal. Notice of the suspension shall be immediately sent to the president of the board. By special meeting or at the next regularly scheduled board meeting, the board shall review the suspension and decide whether to hold a disciplinary hearing to determine whether or not to order further sanctions against the student, which may include expelling the student. In making its decision, the board shall consider the best interests of the school district, which shall include what is best to protect and ensure the safety of the school employees and students from the student committing the assault **(282.4(2))**. A student shall not be suspended or expelled pursuant to this section if the suspension or expulsion would violate the federal Individuals with

Disabilities Education Act (IDEA) **(282.4(3)).** Notwithstanding section 282.6 [nonresident tuition], if a student has been expelled or suspended from school and has not met the conditions of the expulsion or suspension, the student shall not be permitted to enroll in a school district until the board of directors of the school district approve, by a majority vote, the enrollment of the student **(282.4(4)).**

When a student is suspended by a teacher, principal, or superintendent, pursuant to section 282.4, the student may be readmitted by the teacher, principal, or superintendent when the conditions of the suspension have been met, but when expelled by the board the student may be readmitted only by the board or in the manner prescribed by the board **(282.5).**

Notwithstanding sections 275.55A [dissolution of district], 256F.4 [charter schools], and 282.18 [open enrollment], or any other provision to the contrary, prior to knowingly enrolling an individual who is required to register as a sex offender under chapter 692A, but who is otherwise eligible to enroll in a public school, the board of directors of a school district shall determine the educational placement of the individual. Upon receipt of notice that a student who is enrolled in the district is required to register as a sex offender under chapter 692A, the board shall determine the educational placement of the student. The tentative agenda for the meeting of the board of directors at which the board will consider such enrollment or educational placement shall specifically state that the board is considering the enrollment or educational placement of an individual who is required to register as a sex offender under chapter 692A. If the individual is denied enrollment in a school district under this section, the school district of resident shall provide the individual with educational services in an alternative setting. Notwithstanding section 692A.121, or any other provision of law to the contrary, the county sheriff shall provide to the boards of directors of the school districts located within the county the name of any individual under the age of 21 who is required to register as a sex offender under chapter 692A **(282.9).**

Definitions

Minimum School Calendar and Day of Instruction

The school year shall begin on the first day of July and each regularly established elementary and secondary school shall begin no sooner than a day during the calendar week in which the first day of September falls but no later than the first Monday in December. However, if the first day of September falls on a Sunday, school may begin on a day during the calendar week which immediately precedes the first day of September. School shall continue for at least one hundred eighty days, except as provided in subsection 3, and may be maintained during the entire calendar year. However, if the board of directors of a district extends the school calendar because inclement weather caused the district to temporarily close school during the regular school calendar, the district may excuse a graduating senior who has met district or school requirements for graduation from attendance during the extended school calendar. A school corporation may begin employment of personnel for in-service training and development purposes before the date to begin elementary and secondary school **(279.10(1)).**

The board of directors shall hold a public hearing on any proposal prior to submitting it to the department of education for approval **(279.10(2)).**

The board of directors of a school district may request approval from the department of education for a pilot program for an innovative school year. The number of days per year that school is in session may be more or less than those specified in subsection 1, but the innovative school year shall provide for an equivalent number of total hours that school is in session.
a. The board shall file a request for approval with the department not later than November 1 of the preceding school year. The request shall include a listing of the savings and goals to be attained under the innovative school year subject to rules adopted by the department under chapter 17A. The department shall notify the districts of the approval or denial of pilot programs not later than the next following January 15.
b. A request to continue an innovative school year pilot project after its initial year also shall include an evaluation of the savings and impacts on the educational program in the district.
c. Participation in a pilot project shall not modify provisions of a master contract negotiated between a school district and a certified bargaining unit pursuant to chapter 20 unless mutually agreed upon **(279.10(3)).**

The director of the department of education may grant a request made by a board of directors of a school district stating its desire to commence classes for regularly established elementary and secondary schools prior to the earliest starting date specified in subsection 1. A request shall be based upon the determination that a starting date on or after the earliest starting date specified in subsection 1 would have a significant negative educational impact **(279.10(4)).**

The board of directors of a school district and the authorities in charge of an accredited nonpublic school shall adopt a school calendar that sets the number of days or hours of required attendance for student instruction, staff development and in-service time, and time for parent-teacher conferences. Prior to adopting the school calendar, the board of directors of a school district shall hold a public hearing on any proposed school calendar. The board and authorities in charge of an accredited nonpublic school shall notify the department annually of their decision to have a calendar based on days or based on hours. The length of the school calendar does not dictate the length of contract hours or days of employment for instructional and noninstructional staff. Time recorded under either a days or hours calendar system may include passing time between classes but shall exclude the lunch period. Time spent on parent-teacher conferences shall be considered instructional time. The school calendar may be operated any time during the school year of July 1 to June 30 as defined by Iowa Code section 279.10 as amended by 2013 Iowa Acts, House File 215, section 81. A minimum of 180 days or 1,080 hours of instruction shall be set in the school calendar, for school districts and accredited nonpublic schools beginning no sooner than a day during the calendar week in which the first day of September falls, and shall be used for student instruction. However, if the first day of September falls on a Sunday, school may begin any day during the calendar week preceding September 1. These 180 days shall meet the requirements of "day of school" for those districts or accredited nonpublic schools that are utilizing a schedule based on days, defined in paragraph 12.1(8) *"a,"* "minimum school day" defined in subrule 12.1(9), and "day or hour of attendance" defined in subrule 12.1(10). (Exception: A school or school district may, by board policy, excuse graduating seniors up to five days or 30 hours of instruction after school or school district requirements for graduation have been met.) If additional days are added to the regular school calendar because of inclement weather, a graduating senior who has met the school district's requirements for graduation may be excused from attendance during the extended school calendar. A school district may begin employment of instructional and noninstructional staff, for in-service training and development purposes, earlier than the first day of school. A school or school district choosing a schedule based on hours shall follow the definition of "hour of school" set forth in paragraph 12.1(8) *"b."* **(279.10(1), IAC 281--12.1(7)).**

Day and Hour of School

A day of school is a day during which the school or school district is in session and students are under the guidance and instruction of the instructional professional staff. School shall be considered in session during parent-teacher conferences as well as during activities such as field trips if pupils are engaged in school programs or activities under the guidance and direction of the instructional professional staff. All grade levels of the school or school district must be operated and available for attendance by all students. An exception is if either the elementary or secondary grades are closed and provided that this time missed is made up at some other point during the school calendar so as to meet the minimum of 180 days or 1,080 hours of instruction for all grade levels 1 through 12 **(IAC 281--12.1(8)).**

For schools or school districts adopting a calendar based on a 1,080-hour minimum schedule, an official hour of school is an hour in which the school or school district is in session and students are under the guidance and instruction of the instructional professional staff. For purposes of this rule, an "hour" is defined as 60 minutes. The calculation of minimum hours shall exclude the lunch period. Passing time between classes may be counted as part of the hour requirement. School shall be considered in session during parent-teacher conferences as well as during activities such as field trips if students are engaged in programs or activities under the guidance and direction of the instructional professional staff. All grade levels of the school or school district must be operated and available for attendance by all students. Schools or school districts have flexibility on how they can reach the threshold of 1,080 hours of instruction but must keep annual documentation of how they met that standard. The school calendar may include more than or less than or may equal the 180-day schedule. The hours included in an individual day under an hours format may vary **(IAC 281--12.1(8)).**

Minimum School Day

A school day, for those utilizing a school calendar based on days, shall consist of a minimum of 6 hours of instructional time for all grades 1 through 12. The minimum hours shall exclude the lunch period. Passing time between classes may be counted as part of the 6-hour requirement. School shall be considered in session during parent-teacher conferences as well as during activities such as field trips if students are engaged in programs or activities under the guidance and direction of the instructional professional staff. **(256.7(19), IAC 281--12.1(9))**.

Day of Attendance

A day or hour of attendance shall be a day or hour during which students were present and under the guidance and instruction of the instructional professional staff. When staff development designated by the board occurs outside the time required for a "minimum school day," students shall be counted in attendance **(IAC 281--12.1(10)).**

The number of instructional days or hours within the school calendar and the length of the school day for kindergarten shall be defined by the board or by authorities in charge of an accredited nonpublic school that operates a kindergarten program **(IAC 281—12.1(11)).**

As another exception to subrule 12.1(10) above and for calculation of average daily attendance and average daily membership for federal funding purposes, a pupil shall not be counted in attendance during school calendar days designated by the board for staff development or for parent-teacher conferences unless students are actually present and under the guidance and instruction of the instructional professional staff for the time required for a "minimum school day." Accordingly, that day shall not be counted as a day in session if that day does not qualify as a day of attendance for these calculations.

Reports

It is a duty of the director of the department of education to prepare forms and procedures necessary to be used by AEA boards, district boards, school officials, principals, teachers, and other employees, and to insure uniformity, accuracy, and efficiency in keeping records in both pupil and cost accounting, the execution of contracts, and the submission of reports, and notify the board or school authorities when a report has not been filed in the manner or on the dates prescribed by law or by rule that the school will not be accredited until the report has been properly filed **(256.9(18)).**

Each board shall require its administrative staff to establish and maintain a system of student records. This system shall include for each student a permanent office record and a cumulative record. Evidence of attendance is maintained as a part of the permanent office record **(IAC 281--12.3(4)).**

Each teacher shall keep a daily register which shall correctly exhibit the name or number of the school, the district and county in which it is located, the day of the week, month, year, and the name, age, and attendance of each scholar, and the branches taught, and when scholars reside in different districts, separate registers shall be kept for each district, and a certified copy of the register shall, immediately at the close of the school, be filed by the teacher in the office of the secretary of the board **(294.4).**

The teacher shall file with the school superintendent and the director of the department of education such reports and in such manner as may be required **(294.5).** Student attendance and enrollment records are provided by the schools/school district through the BEDS and Project EASIER transmittal, but were previously part of the Certified Annual Report (CAR) required under section 291.10.

Reports from Accredited Nonpublic Schools

Within ten (10) days from receipt of notice from the secretary of the school corporation within which an accredited nonpublic school is conducted, the principal of the accredited nonpublic school shall, once during each school year, and at any time when requested in individual cases, furnish to such secretary of the public school district within which the accredited nonpublic school is located, a certificate and report in duplicate on forms provided by the public school district of the names and ages of each pupil of the accredited nonpublic school who is of compulsory attendance age and the grade level of each pupil during the preceding year and from the time of the last preceding report to the time at which a report is required. In addition, the report shall identify all students of compulsory attendance age who were truant as defined by law or school policy and the number of days of truancy for the period covered by the report, and children who dropped out, withdrew from enrollment, or transferred to another Iowa school and the date their attendance ceased at the accredited nonpublic school. The secretary shall retain one of the reports and file the other with the secretary of the AEA **(299.3).**

Reports as to Private Instruction

The parent, guardian, or legal custodian of a child who is of compulsory attendance age, who places the child under competent private instruction under section 299A.2, not in an accredited school or a home school assistance program operated by a school district or accredited nonpublic school, shall furnish a report in duplicate on forms provided by the public school district, to the district by the earliest starting date specified in section 279.10, subsection 1. The secretary shall retain and file one copy and forward the other copy to the district's area education agency. The report shall state the name and age of the child, the period of time during which the child has been or will be under competent private instruction for the year, an outline of the course of study, texts used, and the name and address of the instructor. The parent, guardian, or legal custodian of a child, who is placing the child under competent private instruction for the first time, shall also provide the district with evidence that the child has had the immunizations required under section 139A.8, and, if the child is elementary school age, a blood lead test in accordance with section 135.105D. The term

"outline of course of study" shall include subjects covered, lesson plans, and time spent on the areas of study **(299.4(1)).**

A home school assistance program operated by a school district or accredited nonpublic school shall furnish a report on forms provided by the department. The report shall, at a minimum, state the name and age of the child and the period of time during the school year in which the child has been or will be under competent private instruction by the home school assistance program **(299.4(2)).**

All such certificates, reports, and proofs shall be filed and preserved in the office of the secretary of the school corporation as a part of the records of the office, and the secretary shall furnish certified copies thereof to any person requesting the same **(299.7).**

Residency

"Resident" means a child who is physically present in a district, whose residence has not been established in another district by operation of law, and who meets any of the following conditions:

1. Is in the district for the purpose of making a home and not solely for school purposes.
2. Meets the definitional requirements of the term "homeless individual" under 42 U.S.C. section 11302 (a) and (c).
3. Lives in a juvenile detention center, foster care facility, or residential facility in the district **(282.1).**

For purpose of section 282.6, "resident" means a person who is physically present in a district, whose residence has not been established in another district by operation of law, and who meets any of the following conditions:

1. Is in the district for the purpose of making a home and not solely for school purposes.
2. Meets the definitional requirements of the term "homeless individual" under 42 U.S.C. section 11302(a) and (c).
3. Lives in a residential correctional facility in the district **(282.6).**

The Iowa Supreme Court stated: "Ordinarily, the legal residence of a minor is the same as that of the parents, but a minor may have a residence for school purposes other than that of the parents. The test of residence which will confer school privileges is not the same as the test for taxation or for the exercise of the right of suffrage." The court construed "residence" to mean the place, abode, or dwelling of the person, and this opinion is quite carefully followed in determining pupil residence for school purposes **(Mt. Hope School District v. Hendrickson, 197 Iowa 191,193 (1924)).**

"In the acquisition of a school domicile two factors concur - actual resident and intention." If a pupil leaves home with the intention of living independently and making a home where the pupil works, the pupil is entitled to all the privileges of a resident, including free schooling, but all surrounding facts must be considered to determine whether or not residence was established only for school purposes **(OAG #37-2-19(L); 1958 Op. Att'y Gen. 198 (#57-3-6)).**

The place where the occupant mainly and substantially performs those acts and offices which characterize a home, such as sleeping, sitting, eating and receiving visitors, is determined as the residence. If it is impossible to determine in which school district the occupant performs these acts and offices, then the occupant must elect one for the purposes of taxation and school attendance, and that election would be binding upon the statutory authorities in those matters **(OAG #46-9-5(L)).**

When a taxpayer lives in a home in one district and other buildings are in another district, the taxpayer's children would attend the district in which the home is located **(OAG #26-2-25, OAG #46-9-5).**

Residence for school purposes is not the same as legal domicile. A temporary residence, if not taken for the primary purpose of obtaining free schooling, may be sufficient for school privileges. For instance, children residing in mobile home parks, by reason of employment of parents, are entitled to tuition-free schooling in the school district where the mobile home park is located **(OAG #55-9-7(L)).**

Residence for school purposes is determined by intention of the parties and is broader than resident for taxation or suffrage **(OAG #27-10-20).**

A child cannot be expelled because of non-residence until a court has determined actual residence **(OAG #28-11-20).**

Enrolled Student

An enrolled student is a person that has officially registered with the school district and taking part in the educational program **(IAC 281--12.2).**

Pupils in a regular curriculum attending all their classes in the district in which they reside, taught by teachers employed by that district, and having administrators employed by that district, are assigned a weighting of one **(257.11(1)).**

Note that enrollment for budget purposes includes all students enrolled and taking part in the educational program on October 1, or the first Monday in October if October 1 falls on a Saturday or Sunday, who meet one of the classifications in section 257.6. Also note that some classifications must be counted as full-time-equivalents (FTE). Although districts may calculate additional or supplementary weighting for certain categories of students under other sections of the Code, no student may be counted as enrolled more than a total of 1.0 (FTE) under section 257.6.

Actual Enrollment for Budget Purposes

Actual enrollment is determined annually on October 1, or the first Monday in October if October 1 falls on a Saturday or Sunday, and includes all of the following:

1) Resident pupils who were enrolled in public schools within the district in grades kindergarten through twelve and including prekindergarten pupils enrolled in special education programs. Actual enrollment includes prekindergarten special education program students **(OAG #80-4-6).**
2) Full-time equivalent resident pupils of high school age for which the district pays tuition to attend an Iowa community college.
3) Shared-time and part-time pupils of school age enrolled in public schools within the district, irrespective of the districts in which the pupils reside, in the proportion that the time for which they are enrolled or receive instruction for the school year is to the time that full-time pupils carrying a normal course schedule, at the same grade level, in the same school district, for the same school year, are enrolled and receive instruction. Tuition charges to the parent or guardian of a shared-time or part-time nonresident pupil shall be reduced by the amount of any increased state aid by the counting of the pupil. [*Note that the resident district, if it is not the one providing the instruction for these shared-time and part-time students, would not count these students in basic enrollment nor pay tuition for these students unless served pursuant to an IEP in a public school program. Also note that the requirement on how to calculate shared time FTE is identical to the requirement for calculating maximum tuition for the part-time attendance of students so it would result in no tuition billed to parents.]* This subparagraph applies to pupils enrolled in grades nine through twelve under section 299A.8 and to pupils from accredited nonpublic schools accessing classes or services on the accredited nonpublic school premises or the school district site, but excludes accredited nonpublic school pupils receiving classes or services funded entirely by federal grants or allocations.
4) Eleventh or twelfth grade nonresident Iowa pupils who were residents of the district during the preceding school year and are enrolled in the district until the pupils graduate. Tuition for those pupils shall not be charged by the district in which the pupils are enrolled and the requirements of section 282.18 [Open Enrollment] do not apply. [*As an exception, students served pursuant to an IEP would be counted by the resident district who would pay tuition to the former district of residence where the student is continuing his/her education under this junior-senior rule* **(OAG #88-8-3(L)).] [***This paragraph 4 does not include students who moved out of state and want to continue education in Iowa—those students pay tuition* **(OAG #08-9-1).]**
5) Resident pupils receiving competent private instruction from a licensed practitioner provided through a public school district pursuant to chapter 299A shall be counted as three-tenths of one pupil (0.3).
6) Resident pupils receiving competent private instruction under dual enrollment pursuant to chapter 299A shall be counted as one-tenth of one pupil (0.1).
7) A student attending an accredited nonpublic school or receiving competent private instruction under chapter 299A, who is participating in a program under chapter 261E [senior year plus] shall be counted as a shared-time student in the school district in which the nonpublic school of attendance is located for state foundation aid purposes **(257.6(1)).**

If a parent, guardian, or legal custodian of a school-age child who is receiving competent private instruction under chapter 299A submits a request, the child shall also be registered in a public school for dual enrollment purposes. If the child is enrolled in a public school district for dual enrollment purposes, the child shall be permitted to participate in any academic activities in the district and shall also be permitted to participate on the same basis as public school children in any extracurricular activities available to children in the children's grade or group. Dual enrollment of a child solely for purposes of accessing the annual achievement evaluation shall not constitute a dual enrollment purpose. If the child is enrolled for dual enrollment purposes, the child shall be included in the public school's basic enrollment under section 257.6. A pupil who is participating only in extracurricular activities shall be counted under section 257.6(1), paragraph "a" subparagraph (6). A pupil enrolled in grades 9 through 12 under section 299A.8 shall be counted in the same manner as a shared-time pupil under section 257.6(1), paragraph "a" subparagraph (3) **(299A.8).**

A parent may not use dual enrollment to enroll a child in all courses except one. Districts may set their own policy to limit the number of courses **(D.o.E. App. Dec. 44).**

A child under dual enrollment must receive at least ¼ of the child's instruction by way of competent private instruction and no more than ¾ by way of the district's academic programs **(IAC 281-31.6(2)).**

Competent private instruction may include, but is not limited to, a home school assistance program (HSAP) which provides instruction or instructional supervision offered through an accredited nonpublic school or public school district by a teacher, who is employed by the accredited nonpublic school or public school district, who assists and supervises a parent, guardian, or legal custodian in providing instruction to a child. If competent private instruction is provided through a public school district, the child shall be enrolled and included in the basic enrollment of the school district as provided in section 257.6 **(299A.2).** The legislature defined the home school assistance program (HSAP) as a program that provides instruction or instructional supervision by teachers employed by the district to parents, guardians, or legal custodians who are providing instruction to their children or wards in the district (**Laws of the 74th GA, 1992 Session (chapter 1136), section 13).**

A home school assistance program is not dual enrollment, but the parent, guardian, or legal or actual custodian of a child enrolled in a home school assistance program may request dual enrollment in addition to enrollment in a home school assistance program **(IAC 281—31.5(5)).**

For purposes of chapter 299 and 299A, private instruction means instruction using a plan and a course of study in a setting other than a public or organized accredited nonpublic school **(299A.1).**

The parent, guardian, or legal custodian of a child of compulsory attendance age who places the child under private instruction shall provide, unless otherwise exempted, competent private instruction or independent private instruction in accordance with chapter 299A **(299A.1).**

A parent, guardian, or legal custodian of a child of compulsory attendance age who places the child under private instruction which is <u>not</u> competent private instruction or independent private instruction, or otherwise fails to comply with the requirements of chapter 299A, is subject to the provisions of sections 299.1 through 299.4 and the penalties provided in section 299.6 [compulsory attendance] **(299A.1).**

Competent private instruction means private instruction provided on a daily basis for at least 148 days during a school year, to be met by attendance for at least 37 days each school quarter, by or under the supervision of a licensed practitioner in the manner provided under section 299A.2 [licensed practitioner], or other person under section 299A.3 [nonlicensed person], which results in the student making adequate progress **(299A.1).**

"Independent private instruction" means instruction that meets the following criteria:
(1) Is not accredited.
(2) Enrolls not more than four unrelated students.
(3) Does not charge tuition, fees, or other remuneration for instruction.
(4) Provides private or religious-based instruction as its primary purpose.
(5) Provides enrolled students with instruction in mathematics, reading and language arts, science, and social studies.
(6) Provides, upon written request from the superintendent of the school district in which the independent private instruction is provided, or from the director of the department of education, a report identifying the primary instructor, location, name of the authority responsible for the independent private instruction, and the names of the students enrolled.
(7) Is not a nonpublic school and does not provide competent private instruction as defined in this subsection.
(8) Is exempt from all state statutes and administrative rules applicable to a school, a school board, or a school district, except as otherwise provided in chapter 299 and this chapter **(299A.1).**

If a licensed practitioner provides competent instruction to a school-age child, the practitioner shall possess a valid license or certificate which has been issued by the state board of educational examiners under chapter 272 and which is appropriate to the ages and grade levels of the children to be taught **(299A.2).**

A parent, guardian, or legal custodian of a child of compulsory attendance age providing competent private instruction to the child may meet all of the following requirements:

1. Complete and send, in a timely manner, the report required under section 299.4 [report of private instruction] to the school district of residence of the child.
2. Ensure that the child under the parent's, guardian's, or legal custodian's instruction is evaluated annually to determine whether the child is making adequate progress, as defined in section 299A.6.

3. Ensure that the results of the child's annual evaluation are reported to the school district of residence of the child and to the Department of Education by a date not later than June 30 of each year in which the child is under private instruction **(299A.3).**

Revenues received by a school district attributed to a school district's weighted enrollment pursuant to this subparagraph shall be expended for the purposes for which the weighting was assigned under this subparagraph. A home school assistance program shall not provide moneys received pursuant to 257.6(1) to parents or students utilizing the program. Moneys received by a school district pursuant to this subparagraph shall be used as provided in section 299A.12 **(257.6(1)"a"(5)).**

A school district shall not make monetary payments, including cash and cash equivalents, or give publicly funded resources, directly or indirectly to the parent, guardian, or legal or actual custodian or to a child receiving competent private instruction. A school district shall not purchase texts or supplementary materials for or on behalf of a child receiving competent private instruction if such texts or supplementary materials are not appropriate for use by regularly enrolled students of the school district **(IAC 281—31.5(4)"a").**

Each school district shall, by October 15, annually report the school district's actual enrollment on October 1 by the student's county of residency. The county of residency for each of the students shall be the county in which the student lives in accordance with Iowa Code section 282.1. The county of residency for an emancipated minor attending the school district shall be the county in which the emancipated minor is living. If a school district cannot determine an enrolled student's county of residency or if the county of residency is not a county in which the school district is located, the county of residency shall be the county in which the school district certifies its budget. **(IAC 281--96.2).**

Tuition

Persons between five [5] and twenty-one [21] years of age are of school age. Nonresident children shall be charged the maximum tuition rate as determined in subsection 282.24(1), with the exception that those residing temporarily in a school corporation may attend school in the corporation upon terms prescribed by the board. A school district discontinuing grades under section 282.7, subsection 1 or 3, shall be charged tuition as provided in subsection 282.24(1) **(282.1).**

Every school shall be free of tuition to all actual residents between the ages of 5 and 21 years and to resident veterans as defined in section 35.1, as many months after becoming 21 years of age as they have spent in the armed forces of the United States before they became 21, provided, however, fees may be charged covering instructional costs for a summer school or driver education program. The board of education may, in a hardship case, exempt a student from payment of the above fees. Every person, however, who shall attend any school after graduation from a four-year course in an approved high school or its equivalent [GED] shall be charged a sufficient tuition fee to cover the cost of the instruction received by the person. This section shall not apply to tuition authorized by chapter 260C [Community Colleges]. For purpose of this section, "resident" means a person who is physically present in a district, whose residence has not been established in another district by operation of law, and who meets any of the following conditions:

4. Is in the district for the purpose of making a home and not solely for school purposes.
5. Meets the definitional requirements of the term "homeless individual" under 42 U.S.C. section 11302(a) and (c).
6. Lives in a residential correctional facility in the district **(282.6).**

A student enrolled in 9th, 10th, or 11th grade during the school year preceding the effective date of a dissolution proposal, who was a resident of the school district that dissolved, may enroll in a school district to which territory of the school district that dissolved was attached until the student's graduation from high school, unless the student was expelled or suspended from school and the conditions of expulsion or suspension have not been met. The student under expulsion or suspension shall not be enrolled until the board of directors of the school district to which territory of the dissolved school district was attached approves, by majority vote, the enrollment of the student. Notwithstanding section 282.24, the district of residence of the student, determined in the dissolution proposal, shall pay tuition to the school district selected by the student in an amount not to exceed the district cost per pupil of the district of residence and the school district selected by the student shall accept that tuition payment and enroll the student **(275.55A).** Open enrollment requirements would not apply. If the student is served pursuant to an IEP, tuition would be the actual costs of the special education instructional program rather than the district cost per pupil.

A school district that provides driver education to students enrolled in a parochial school located within the district shall charge tuition for students who are nonresidents of the district **(OAG #82-5-16(L)).**

Tuition charges to the parent or guardian of a shared-time or part-time nonresident pupil shall be reduced by the amount of any increased state aid received by the district by the counting of the pupil. [*Note that the resident district, if it is not the one providing the instruction for these shared-time and part-time students, would not count these students in basic enrollment nor pay tuition for these students unless served pursuant to an IEP in a public school program. Also note that the requirement on how to calculate shared time FTE is identical to the requirement for calculating maximum tuition for the part-time attendance of students so it would result in* <u>*no*</u> *tuition billed to parents.]* **257.6(1)"a"(3)).**

The maximum tuition fee that may be charged for elementary and high school [means secondary] students residing within another school district or corporation except students attending school in another district under section 282.7, subsection 1 or 3 [discontinued grades, whole grade sharing], is the district cost per pupil of the receiving district as computed in section 257.10. This does not prevent the corporation or district in which the student resides from paying a tuition in excess of the maximum computed tuition rates, if the actual per pupil cost of the preceding year so warrants, but the receiving district or corporation shall not demand more than the maximum rate **(282.24(1), OAG #53-9-8).** Note that because districts can only pay for expenditures that are just obligations of the district under section 279.29 and cannot donate district resources to other outside entities, this application of voluntarily paying more than is billed or due is unlikely to pass the requirements to be audited and allowed as a just claim against the corporation.

Unless specifically authorized, no other per pupil funding shall be added to the maximum tuition rate.

The school corporation in which the student resides shall pay from the general fund to the secretary of the corporation in which the student is permitted to enroll, a tuition fee as prescribed in section 282.24. It shall be unlawful for any school district to rebate to any pupils or their parents, directly or indirectly, any portion of the tuition collected or to be collected or to authorize or permit such pupils to receive at the expense of the district, directly or indirectly, any special compensation, benefit, privilege, or other thing of value that is not and cannot legally be made available to all other pupils enrolled in its schools. Any superintendent or board members responsible for such unlawful act shall each be personally liable to a fine not to exceed one hundred dollars. Action to recover such penalty or action to enjoin such unlawful act may be instituted by the board of any school district or by a taxpayer in any school district. On or before February 15 and July 15 of each year the secretary of the creditor district shall deliver to the secretary of the debtor district an itemized statement of such tuition fees **(282.20).**

Iowa Code section 282.21 sets up the method for the collection of tuition fees owed from one local board to another but not paid, and subsection 285.1(13) provides the method of collection of transportation costs **(OAG #52-2-7(L)).**

If [tuition] payment is not made, the board of the creditor corporation shall file with the auditor of the county of the pupil's residence a statement certified by its president specifying the amount due for tuition, and the time for which the same is claimed. The auditor shall transmit to the county treasurer an order directing the county treasurer to transfer the amount of such account from the funds of the debtor corporation to the creditor corporation, and the county treasurer shall pay the same accordingly **(282.21).**

A school district which waives the right to collect tuition from a nonresident pupil must provide equal treatment to all other nonresident pupils enrolled in its schools **(OAG #73-3-15).** Waiving collection of legitimate tuition revenue may violate the public interest.

A school corporation cannot discriminate in the rate of tuition which it charges pupils for the same school advantages, whether the pupils live within the state or without the state **(OAG #28-5-24(L)).**

School-age pupils whose parents are residents of the school district are entitled to free tuition even though their parents are state employees, that is, if the parents reside in the district and have no other place of residence **(OAG #24-11-24(L)).**

School-age pupils whose parents are aliens and who are residents of Iowa are entitled to school privileges without tuition in the district wherein they reside **(OAG #27-12-2).**

Schools having students whose parents are residents of the district but who work on federal property should be aware of the provisions of Public Law 874 and, if eligible, shall secure the proper application forms from the department of education.

When parents move during the school year, a change in schools or payment of tuition is ordinarily necessary **(<u>Nishna Valley Community School District v. Malvern Community School District</u>, 255 Iowa 132, 138; 121 N.W. 2d 646 (1963)).**

If a non-resident pupil enters school at the beginning of the school year but is forced by sickness or other reasons to be absent from school for several weeks, and if the pupil returns and makes up schoolwork, the receiving district is entitled to full tuition. This would not apply for the part of the year in which the pupil was not enrolled after the beginning of the term **(OAG #30-8-12(L)).**

A school board cannot use the funds of a district to pay tuition to a private or parochial school **(OAG #28-8-27(L)).**

Offsetting Tax

The parent or guardian whose child or ward attends school in a district of which the parent or guardian is not a resident shall be allowed to deduct the amount of school tax paid by the parent or guardian in said district from the amount of tuition required to be paid **(282.2).**

The benefit provided to offset tuition by the amount of school tax is also available for tuition charged to nonresident pupils who receive shared time instruction pursuant to a relationship between a public and an accredited nonpublic school **(OAG #83-1-8(L)).**

When a tenant rents property in two districts, living in one district where there is a school but sending the children to a school in another district, the tenant must pay tuition. But if the tenant pays any school tax in the district where the children attend school, the tenant is entitled to deduct such school tax from the amount of tuition **(OAG #23-2-10(L)).**

Property tax on trust property for which a parent is not liable is not available to offset nonresident tuition charges **(OAG #88-1-7(L)).**

Foreign Exchange Program Students

The term "legal resident of Iowa" should be defined as a residence in the county with the good faith intention of making a home in said county coupled with the physical facts showing such intention. That is, the residence must not be for a temporary purpose only but must be with the present good faith intention of making it a home without any present intention of removing therefrom **(1930 Op. Att'y Gen. 153).**

Aliens in the United States on temporary student visas are not residents of Iowa **(OAG #79-6-12).**

Visiting students on visas do not meet the two basic criteria for tuition-free residence in Iowa public schools under 282.1: They are not and cannot become residents of the school districts in which they live in the state because of the temporary nature of the residence inherent in the visa and the visa status indicates that they are in the United States for the primary purpose of obtaining an education **(1 D.P.I. Dec. Rul. 80).**

Omnibus Authorization Bill for the Commerce, State and Justices Department, **P.L. 104-208**, "Illegal Immigration Reform and Immigrant Responsibility Act of 1996," requires that visiting students on F-1 visas must pay tuition to attend public elementary and secondary schools or publicly funded adult education programs. There is no exception to this law. Federal law does not apply to students on J-1 visas. Iowa school districts can continue to waive collection of tuition for students on J-1 visas based on the 'nonresident children residing temporarily in the district' provision in section 282.1 **(Iowa Superintendents Update, Department of Education, 1996-97).** Waiving tuition does not authorize the district to consider the students on J-1 visas to be resident students.

Special Education Tuition

Instructional services are the specially designed instruction and accommodations provided by special education instructional personnel to eligible individuals. These services are ordinarily provided by the school district but, in limited circumstances, may be provided by another school district, the AEA or another recognized agency through contractual agreement. An agency must use the procedure and criteria described in subrule 281—41.408(2) for creating a delivery system for instructional services **(IAC 281--41.408(1)).**

The law that allows eleventh and twelfth grade students to move from a district but to continue attending the district until graduation without the payment of tuition does not include those students who require special education and are counted in the "weighted enrollment" for the generation of funds. Special education students may still participate in the "junior-senior rule option," however, the district of residence must pay tuition to the former district of residence continuing to serve the student **(OAG #88-8-3(L)).** Open enrollment requirements do not apply.

The law that allows eleventh and twelfth grade students to move from a district but to continue attending the district until graduation without the payment of tuition does not include those students who have moved outside of the state of Iowa **(OAG #08-9-1).**

The program costs charged by a school district or an AEA for an instructional program for a nonresident eligible individual shall be the actual costs incurred in providing that program **(IAC 281—41.907(1)).**

An AEA or school district may make provisions for resident eligible individuals through contracts with public or private agencies that provide appropriate and approved special education. The program costs charged by or paid to a public or private agency for special education instructional programs shall be the actual costs incurred in providing that program **(IAC 281--41.907(2)).**

Any special education instructional program not provided directly by a school district or any special education support service not provided by an AEA can only be provided through a contractual agreement. The board shall approve contractual agreements for AEA-operated special education instructional programs and contractual agreements permitting special education support services to be provided by agencies other than the AEA **(IAC 281—41.903(1)).**

The resident school district shall be liable only for instructional costs incurred by an agency for those individuals certified as eligible in accordance with these rules unless required by 34 C.F.R. section 301.104 **(IAC 281--41.907(3)).**

Support service funds may not be utilized to supplement any special education programs authorized to use special education instructional funds generated through the weighting plan **(IAC 281—41.907(4)).**

Eligible individuals who are living in a licensed individual or agency child foster care facility, as defined in Iowa Code 237.1, or in unlicensed relative foster care placement shall remain enrolled in and attend an accredited school in the school district in which the child resided and is enrolled at the time of placement, unless it is determined by the juvenile court or a public or private agency of this state that has responsibility for the child's placement that remaining in such school is not in the best interests of the child. If such a determination is made, the child may be enrolled in the district in which the child is placed and not in the district in which the child resided prior to receiving foster care. The costs of the special education required by this IAC chapter 281—41 shall be paid, in either case, by the school district of residence of the eligible individual **(IAC 281—41.907(5)"a").**

For eligible individuals who are living in a facility as defined in Iowa Code section 125.2, the school district in which the facility is located must provide special education if the facility does not maintain a school. The costs of the special education, however, shall be paid by the school district of residence of the eligible individual **(IAC 281—41.907(5)"b").**

If the school district of residence of the eligible individual cannot be determined, and this individual is not included in the weighted enrollment of any school district in the state, the school district in which the facility is located may certify the costs to the director of education by August 1 of each year for the preceding fiscal year. Payment shall be made from the general fund of the state **(IAC 281--41.907(5)"c").**

For eligible individuals placed by the district court, and for whom parental rights have been terminated by the district court, the school district in which the facility or home is located must provide special education. Costs shall be certified to the director of education by August 1 of each year for the preceding fiscal year by the director of the AEA in which the eligible individual has been placed. Payment shall be made from the general fund of the state **(IAC 281--41.907(6)).**

The Department of Education may establish procedures by which it determines which district initially pays the costs of special education and related services and seeks reimbursement in situations where a parent of a child cannot be located, parental rights have been terminated, or parents are deceased **(IAC 281—41.907(10)).**

Special education instructional funds generated through the weighting plan may be utilized to provide special education instructional services both in state and out of state with the exception of itinerate instructional services under subrule 41.410(1) and special education consultant services which shall utilize special education support service funds for both in-state and out-of-state placements **(IAC 281—41.907(7)).**

Tuition to Postsecondary Institutions

Not later than June 30 of each year, a school district shall pay a tuition reimbursement amount to a postsecondary institution that has enrolled its resident eligible students under chapter 261E, unless the eligible student 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 date specified in section 257.6(1), or the district in which the child was counted under section 257.6(1)"a"(6). For students enrolled at the Iowa 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:

a. The actual and customary costs of tuition, textbooks, materials, and fees directly related to the course taken by the eligible student.
b. Two hundred fifty dollars [$250] **(261E.7(1)).**

A student participating in the postsecondary enrollment options act program is not eligible to enroll on a full-time basis in an eligible postsecondary institution. A student enrolled on such a full-time basis shall not receive any payments under this section **(261E.7(2)).**

An eligible postsecondary institution that enrolls an eligible student under section 261E.7 shall not charge that student for tuition, textbooks, materials, or fees directly related to the course in which the student is enrolled except that the student may be required to purchase equipment that becomes the property of the student. For the purposes of this subsection, equipment shall not include textbooks. However, if the student fails to complete and receive credit for the course, the student is responsible for all costs directly related to the course as provided in subsection 261E.7(1) and shall reimburse the school district for its costs. If the student is under 18 years of age, the student's parent or legal guardian shall sign the student registration form indicating that the parent or legal guardian is responsible for all costs directly related to the course if the student fails to complete and receive credit for the course. If documentation is submitted to the school district that verifies that the student was unable to complete the course for reasons including but not limited to the student's physical incapacity, a death in the student's immediate family, or the student's move to another school district, that verification shall constitute a waiver to the requirement that the student or parent or legal guardian pay the costs of the course to the school district **(261E.7(3)).**

An eligible postsecondary institution shall make pro rata adjustments to tuition reimbursement amounts based upon federal guidelines established pursuant to 20 U.S.C. section 1091b **(261E.7(4)).**

In addition to postsecondary enrollment options act classes, Community Colleges may provide the following programs for high school age students under a written agreement with the school district:

- Programs for all students of high school age who may best serve themselves by enrolling for vocational and technical training while also enrolled in a local high school, public or private **(260C.1(5)).** It is the duty of the director to enter into contracts with local school boards within the area that have and maintain a technical or vocational high school and with private schools or colleges in the cooperative or merged areas to provide courses or program of study in addition to or as part of the curriculum made available in the community college **(260C.5(7)).**
- Programs for students of high school age to provide advanced college placement courses not taught at a student's high school while the student is also enrolled in the high school **(260C.1(6))).** It is the duty of the director to make arrangements with boards of merged areas and local school districts to permit students attending high school to participate in vocational-technical programs and advanced college placement courses and obtain credit for such participation for application toward the completion of a high school diploma. The granting of credit is subject to the approval of the director of the Department of Education **(260C.5(8)).**
- A district-to-community college sharing or concurrent enrollment program is established to be administered by the Department of Education to promote rigorous academic or career and technical pursuits and to provide a wider variety of options to high school students to enroll part-time in eligible nonsectarian courses at or through community colleges. The program shall be made available to all resident students in grades 9 through 12. Notice of the availability of the program shall be included in a school district's student registration handbook and the handbook shall identify which courses, if successfully completed, generate college credit under the program. A student and the student's parent or legal guardian shall also be made aware of this program as a part of the development of the student's core curriculum plan in accordance with section 279.61. A school district shall grant high school credit to a student enrolled in a course under this chapter if the student successfully completes the course as determined by the community college and the course was previously approved by the school board pursuant to subsection 3. The board of directors of the school district shall determine the number of high school credits that shall be granted to a student who successfully completes a course. District-to-community college sharing agreements or concurrent enrollment programs that meet the requirements of section 257.11, subsection 3, are eligible for funding under that provision. **(261E.8).**

Except for students enrolled under 261E.6 [PSEO], if a local school district pays tuition for a resident pupil of high school age, the amount of tuition shall be determined by the board of directors of the community college with the

consent of the local school board, and the pupil shall not be included in the full-time equivalent [FTE] enrollment of the community college for the purpose of computing general aid to the community college **(260C.14(2)).**

The board of any community college may, by mutual agreement with any college or university, permit any specially qualified high school student to attend advanced courses of academic instruction at the college or university. The state board of regents and the state board of education may by rule permit such students to attend any institution of higher learning under their jurisdiction. Credit earned in any such course at a college or university may be applied toward credit for high school graduation. Public school funds shall not be expended for payment of tuition or other costs for such attendance at a college or university, unless the payment is expressly permitted or required by law. The foregoing provisions shall also apply to college and universities in adjacent states when the institutions are located nearer to the homes or schools of the school district than the closest college or university within the state **(282.26).** *This provision of Code is not PSEO. This provision would happen if a student has exhausted all options of coursework provided by the high school and community college or needs greater academic rigor than is available at the high school or community college.*

Tuition from the State Board of Regents

The state board of regents shall pay to the local school boards the tuition payments and transportation costs, as otherwise authorized by statutes for the elementary or high school education of students residing on land owned by the state and under the control of the state board of regents. Such payments for the three institutions of higher learning, the state University of Iowa, the Iowa State University of science and technology and the University of Northern Iowa, shall be made from the funds of the respective institutions other than state appropriations, and for the two noncollegiate institutions, the Iowa braille and sight saving school and the state school for the deaf the payments and costs shall be paid from moneys appropriated to the state board of regents **(262.43).**

Discontinued Grades and Sharing

The board of directors of a school district by record action may discontinue any or all of grades seven through twelve and negotiate an agreement for attendance of the pupils enrolled in those grades in the schools of one or more contiguous school districts having accredited school systems. If the board designates more than one contiguous district for attendance of its pupils, the board shall draw boundary lines within the school district for determining the school districts of attendance of the pupils. The portion of a district so designated shall be contiguous to the accredited school district designated for attendance. Only entire grades may be discontinued under subsection 282.7(1) and if a grade is discontinued, all higher grades in that district shall also be discontinued. The boards of directors entering into an agreement under this section shall provide for sharing the costs and expenses as provided in sections 282.10 through 282.12 [whole grade sharing]. The agreement shall provide for transportation and authority and liability of the affected boards **(282.7(1)).**

A school district may negotiate an agreement for attendance of its pupils in a school district located in a contiguous state subject to a reciprocal agreement by the two state boards in the manner provided in 282.7(3). A school district that negotiates an agreement with a school district in a contiguous state under subsection 282.7(3) is not eligible for supplementary weighting as a result of that agreement **(282.7(3)).**

Whole grade sharing is a procedure used by school districts whereby all or a substantial portion of the pupils in any grade in two or more school districts share an educational program for all or a substantial portion of a school day under a written agreement pursuant to section 256.13, 280.15, or 282.7, subsection 1 or 3. Whole grade sharing may either be one-way or two-way sharing. One-way whole grade sharing occurs when a school district sends pupils to one or more other school districts for instruction and does not receive a substantial number of pupils from those districts in return. Two-way whole grade sharing occurs when a school district sends pupils to one or more other school districts for instruction and receives a substantial number of pupils from those school districts in return. A whole grade sharing agreement shall be signed by the boards of the districts involved in the agreement not later than February 1 of the school year preceding the school year for which the agreement is to take effect. The boards of the districts shall negotiate as part of the new or existing agreement the disposition of funding provided under chapter 284 [teacher quality] **(282.10).**

Within the 30-day period prior to the signing of the whole grade sharing agreement, the parent or guardian of an affected pupil may request the board of directors to send the pupil to another contiguous school district. For the purpose of this section, affected pupils are those who under the whole grade sharing agreement are attending or scheduled to attend the school district specified in the agreement, other than the district of residence, during the term of the agreement. The request shall be based upon one of the following:

1. That the agreement will not meet the educational program needs of the pupil.
2. That adequate consideration was not given to geographical factors.

The board shall allow or disallow the request prior to the signing of the agreement, or the request shall be deemed granted. If the board disallows the request, the board shall indicate the reasons why the request is disallowed and shall notify the parent or guardian that the decision of the board may be appealed as provide in section 282.11. The basis for the appeal shall be the same as the basis for the request to the board. An appeal shall specify a contiguous school district to which the parent or guardian wishes to send the affected pupil. If the parent or guardian appeals, the standard of review of the appeal is a preponderance of evidence that the parent's or guardian's hardship outweighs the benefits and integrity of the sharing agreement. The state board may require the district of residence to pay tuition to the contiguous school district specified by the parent or guardian, or may deny the appeal by the parent or guardian. If the state board requires the district of residence to pay tuition to the contiguous school district specified by the parent or guardian, the tuition shall be equal to the tuition established in the sharing agreement **(282.11).**

An agreement for whole grade sharing shall establish a method for determination of costs, if any, associated with the sharing agreement. For one-way sharing, the sending district shall pay no less than one-half of the district cost per pupil of the sending district. For two-way sharing, the costs shall be determined by mutual agreement of the boards. The number of pupils participating in a whole grade sharing agreement shall be determined on the date specified in subsection 257.6(1), and on third Friday of February of each year **(282.12).** The maximum tuition fee that may be charged for elementary and high school [secondary] students residing within another school district or corporation except students attending school in another district under section 282.7, subsection 1 or 3, is the district cost per pupil of the receiving district as computed in section 257.10 **(282.24).** *It should be noted that 282.24 does not include an exception for students whole grade shared under section 282.10, and therefore, the maximum tuition rate would apply.*

Two or more public school districts may jointly employ and share the services of any school personnel, or acquire and share the use of classrooms, laboratories, equipment, and facilities. If students attend classes in another school district under this section under an agreement that provides for whole grade sharing, the boards of directors of the districts entering into these agreements shall provide for sharing the costs and expenses as provided in sections 282.10 through 282.12 **(280.15).**

The boards of directors of two or more school districts may by agreement provide for attendance of pupils residing in one district in the schools of another district for the purpose of taking courses not offered in the district of their residence. The boards may also provide by agreement that the districts will combine their enrollments for one or more grades. The board of directors of districts entering into such agreements may provide for sharing the costs and expenses of the courses. If the agreement provides for whole grade sharing, the costs and expenses shall be paid as provided in sections 282.10 through 282.12 **(256.13).**

A student enrolled in ninth, tenth, or eleventh grade during the school year preceding the effective date of a dissolution proposal, who was a resident of the school district that dissolved, may enroll in a school district to which territory of the school district that dissolved was attached until the student's graduation from high school, unless the student was expelled or suspended from school and the conditions of expulsion or suspension have not been met. The student under expulsion or suspension shall not be enrolled until the board of directors of the school district to which territory of the dissolved school district was attached approves, by majority vote, the enrollment of the student. Notwithstanding section 282.24, the district of residence of the student, determined in the dissolution proposal, shall pay tuition to the school district selected by the student in an amount not to exceed the district cost per pupil of the district of residence and the school district selected by the student shall accept that tuition payment and enroll the student **(275.55A).**

The boards of directors of school districts located near the state boundaries may designate schools of equivalent standing across the state lines for attendance of both elementary and high school pupils when the public school in the adjoining state is nearer than any appropriate public school in a pupil's district of residence or in Iowa. Distance shall be measured by the nearest traveled public road. Arrangements shall be subject to reciprocal agreements made between the chief state school officers of the respective states. Notwithstanding section 282.1, arrangements between districts pursuant to the reciprocal agreements made under this section shall establish tuition and transportation fees in an amount acceptable to the affected boards, but the tuition and transportation fees shall not be less than the lower average cost per pupil for the previous school year of the two affected school districts. For the purpose of this section average cost per pupil for the previous school year is determined by dividing the district's operating expenditures for the previous school year by the number of children enrolled in the district in the previous school year on the date specified in subsection 257.6(1) **(282.8).**

Open Enrollment

It is the goal of the general assembly to permit a wide range of educational choices for children enrolled in schools in this state and to maximize ability to use those choices. It is therefore the intent that section 282.18 be construed broadly to maximize parental choice and access to educational opportunities which are not available to children because of where they live **(282.18(1)).**

For the school year commencing July 1, 1989, and each succeeding school year, a parent or guardian residing in a school district may enroll the parent's or guardian's child in a public school in another school district in the manner provided in section 282.18 [which includes a deadline of March 1 for grades 1-12 and September 1 for kindergarten] **(282.18(1)).**

The board of the receiving district shall enroll the pupil in a school in the receiving district for the following school year unless the receiving district does not have classroom spaced for the pupil **(282.18(2)).**

The superintendent of a district subject to a voluntary diversity or court-ordered desegregation plan, as recognized by rules of the state board of education, may deny a request for transfer under section 282.18 if the superintendent finds that enrollment or release of a pupil will adversely affect the district's implementation of the desegregation order or diversity plan, unless the transfer is requested by a pupil whose sibling is already participating in open enrollment to another district or unless the request for transfer is submitted to the district in a timely manner as required under subsection 2 prior to the adoption of a desegregation plan by the district. The decision is appealable **(282.18(3)).**

For requests received after March 1 of the preceding school year and until the date specified in subsection 257.6(1) [October 1], the board of the receiving district shall take action to approve the request if good cause exists. A denial of a request by the board of a receiving district is not subject to appeal. Good cause means a change in a child's residence due to a change in family residence, a change in the state in which the family residence is located, a change in a child's parents' marital status, a guardianship or custody proceeding, placement in foster care, adoption, participation in a foreign exchange program, or participation in a substance abuse or mental health treatment program, a change in the status of child's resident district such as removal of accreditation by the state board, surrender of accreditation, or permanent closure of a nonpublic school, revocation of a charter school contract as provided in section 256F.8, the failure of negotiations for a whole grade sharing, reorganization, dissolution agreement or the rejection of a current whole grade sharing agreement, or reorganization plan. If a resident district believes that a receiving district is violating this subsection the resident district may appeal **(282.18(4)).**

Open enrollment applications filed after March 1 of the preceding school year that do not qualify for good cause shall be subject to the approval of the board of the resident district and the board of the receiving district. The parent or guardian shall send notification to the district of residence and the receiving district that the parent or guardian seeks to enroll the parent's or guardian's child in the receiving district. A decision of either board to deny an application filed under this subsection involving repeated acts of harassment of the student or serious health condition of the student that the resident district cannot adequately address is subject to appeal. The state board shall exercise broad discretion to achieve just and equitable results that are in the best interest of the affect child or children **(282.18(5)).** Denial of open enrollment by the resident district also does not obligate the parent to return the child to enrollment in the resident district.

Subsection 282.18(7) states that a pupil participating in open enrollment shall be counted for state school foundation aid purposes in the pupil's district of residence. If the resident district denies the open enrollment request that was filed after March 1 that did not qualify for good cause, then the student is not under open enrollment and the district of residence cannot count the student on its certified enrollment. In addition, an enrolled student is defined as a student who is registered <u>and</u> served. If the resident district is not providing for the student's education through payment of tuition, then the student is not served by the resident district, and again the resident district is not permitted to count that student for certified enrollment. By denying open enrollment, the resident district will not be required to pay tuition for that student for open enrollment, but will also not be allowed to generate any funding for that student.

For a pupil participating in open enrollment, 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 non-English speaking weighting under subsection 280.4(3) for the previous year multiplied by the state cost per pupil for the previous year. If the pupil participating in open enrollment is also an eligible pupil under section 261E.6 [PSEO], the receiving district shall pay the tuition reimbursement amount to an eligible postsecondary institution as provided in section 261E.7 **(282.18(7)).**

For children requiring special education under chapter 256B, the board of directors of the district of residence shall pay to the receiving district the actual costs incurred in providing the appropriate special education **(282.18(8), IAC 281—17.11)**. The prior year's state cost per pupil is not relevant for open enrolled special education students because tuition must be based on actual costs. Actual costs of the current year program are calculated on current year actual costs rather than the prior year's actual costs except for any limited English proficiency weighting.

Tuition Billing Comparison on Special Education Students Who are and are not Open Enrolled

SPECIAL EDUCATION STUDENT BILLING		
	OPEN ENROLLED IN	**TUITIONED IN**
SP ED PROGRAM COSTS	(Actual cost of special education program at the appropriate level divided by student days for that level) multiplied by the student days of the student for whom this billing is being calculated.	(Actual cost of special education program at the appropriate level divided by student days for that level) multiplied by the student days of the student for whom this billing is being calculated.
GEN ED PROGRAM COSTS	((District cost per pupil of the serving district times the appropriate general purpose percentage [GPP] for the level) divided by 180 days or actual days in session) multiplied by the student days of the student for whom this billing is being calculated.	((District cost per pupil of the serving district times the appropriate general purpose percentage [GPP] for the level) divided by 180 days or actual days in session) multiplied by the student days of the student for whom this billing is being calculated.
LEP FUNDING	If moneys are received for the pupil as a result of the non-English speaking weighting under subsection 280.4(3) for the previous school year, then ((LEP weighting of prior year multiplied by the state cost per pupil for the previous year) divided by 180 days or actual days in session) multiplied by the student days of the student for whom this billing is being calculated.	Does not follow student.
TLS FUNDING	If moneys are received by the resident district for TLS funding under chapter 284, and the receiving district is participating in the TLS program, then ((the TLS state cost per pupil for the previous year) divided by 180 days or actual days in session) multiplied by the student days of the student for whom this billing is being calculated.	Does not follow student.
SUPPLEMENTARY WEIGHTING	If the concurrent enrollment or PLTW course eligible for supplementary weighting is determined to have no relationship to the pupil's disability, forward the weighting generated for the concurrent or PLTW enrollment for that student using the DCPP of the current school year.	Does not follow student.

Quarterly payments shall be made to the receiving district **(282.18(9), IAC 281—17.10(5)).** In the event that the pupil who is under open enrollment withdraws from school, moves into the district of attendance, moves out of state, moves to another district in the state of Iowa and elects to attend that district, graduates at midyear, is allowed to return to the district of residence during the school year, or other similar set of circumstances that result in the pupil no longer attending in the receiving district, payment of cost per pupil will be prorated **(IAC 281—17.10(6)).** Note that open enrollment tuition is still a per diem amount, but it is billed and paid quarterly. Also note that students with IEPs can be open enrolled, but their tuition is paid through the tuition in billing program (TIB) on a semester basis and not quarterly.

If a parent or guardian of a child, who is participating in open enrollment under section 282.18, moves to a different school district during the course of either district's academic year [after count date], the child's first district of residence shall be responsible for payment of the cost per pupil plus [LEP] weightings or special education costs to the receiving school district for the balance of the school year in which the move took place. The new district of residence shall be responsible for the payments during succeeding years **(282.18(9)).**

If a request to transfer is due to a change in family residence, change in the state in which the family residence is located, a change in a child's parents' marital status, a guardianship proceeding, placement in foster care, adoption, participation in a foreign exchange program, or participation in a substance abuse or mental health treatment program, and the child, who is the subject of the request is enrolled in any grade from kindergarten through grade twelve at the

time of the request and is not currently using any provision of open enrollment, the parent or guardian of the child shall have the option to have the child remain in the child's original district of residence under open enrollment with no interruption in the child's educational program. If a parent or guardian exercises this option, the child's new district of residence is not required to pay the amount calculated in 282.18(7) [state cost per pupil for the previous year plus LEP] until the start of the first full year of enrollment of the child **(282.18(9)).**

If open enrollment begins on or after the date specified in Iowa Code section 257.6, subsection 1, the resident district is not required to pay per pupil costs or applicable weighting or special education costs to the receiving district until the first full year of the open enrollment **(IAC 281—17.10(7)).**

Open enrollment applies to the research and development school [Malcolm Price Laboratory School] **(256G.3(1)"c").**

If a request under section 282.18 is for transfer to a laboratory school, as described in chapter 256G, the student, who is the subject of the request, shall be included in the basic enrollment of the student's district of residence and the board of directors of the district of residence shall pay to a laboratory school 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 **(282.18(15)"a").**

If a transfer of a pupil from one district to another results in a transfer from one AEA to another, the sending district shall forward a copy of the request to the sending district's AEA. The receiving district shall forward a copy of the request to the receiving district's AEA. Any moneys received by the AEA of the sending district for the pupil who is the subject of the request shall be forwarded to the receiving district's AEA **(282.18(9)).**

A district of residence may apply to the school budget review committee (SBRC) if a student was not included in the resident district's enrollment count during the fall of the year preceding the student's transfer under open enrollment **(282.18(9)).** This situation would occur if the student moved into the district after the official count date in the previous school year, or was not enrolled in school in the previous school year, or was enrolled in a nonpublic school or home schooling without dual enrollment or home school assistance in the previous school year. This section does not apply if the student was enrolled in school on the official count date in the previous year but the resident district omitted the student from the enrollment count.

If the parent or guardian of a pupil who is participating in open enrollment changes the school district of residence during the term of the agreement, the parent or guardian shall have the option to leave the pupil in the receiving district under open enrollment, to open enroll to another school district, or to enroll the pupil in the new district of residence, thus terminating the open enrollment agreement. If the choice is to leave the pupil under open enrollment or to open enroll to another school district, the original district of residence shall be responsible for payment of the cost per pupil plus any applicable weightings or special education costs for the balance of the school year, if any, in which the move took place on or after the date specified in Iowa Code section 257.6, subsection 1. The new district of residence shall be responsible for these payments during succeeding years of the agreement. If the move takes place between after the end of one school year and before the date specified in Iowa Code section 257.6, subsection 1, of the following school year, the new district of residence shall be responsible for that year's payment as well as succeeding years **(IAC 281--17.8(6)).**

If a parent or guardian moves out of the school district or residence, and the pupil is not currently under open enrollment, the parent or guardian has the option for the pupil to remain in the original district of residence as an open enrollment pupil with no interruption in the education program or to open enroll to another school district. This option is not available to the parent or guardian of a student who is entering kindergarten for the first time. The parent or guardian exercising this option shall file an open enrollment request form with the new district of residence for processing and record purposes. This request shall be made on or before the date specified in Iowa Code section 257.6, subsection 1. Timely requests under this subrule shall not be denied. If the move is on or after the date specified in Iowa Code section 257.6, subsection 1, the new district of residence is not required to pay per-pupil costs or applicable weighting or special education costs to the receiving district until the first full year of the open enrollment transfer **(IAC 281--17.8(7)).**

Open enrollment ends when a student drops out of school or when the student graduates, moves into the receiving district, moves into a third district and does not elect to continue attending in the receiving district, moves out of state, elects to attend a nonpublic school instead of the receiving district, or any circumstances not excepted below that results in the pupil no longer attending the receiving district. The exception to this rule is if the student is placed temporarily in foster care, a juvenile detention center, mental health or substance abuse treatment facility, or other similar placement. In these cases the open enrollment status will automatically be reinstated when the student returns **(IAC 281—17.8(10)).** Open enrollment tuition payment is also terminated or suspended as the open enrollment status is terminated or suspended.

Open enrollment options shall be made available for pupils at no instructional cost to their parents or guardians. Open enrollment pupils shall be considered enrolled resident pupils in the resident district and shall be included in the certified enrollment count of that district for the purposes of generating school foundation aid **(IAC 281--17.10).**

For full-time pupils, the resident district shall pay each year to the receiving district an amount equal to the state cost per pupil for the previous year plus any moneys received for the pupil as a result of non-English speaking weighting provided by Iowa Code section 280.4 **(IAC 281--17.10(1)).**

For pupils who receive competent private instruction and are dual enrolled, the resident district shall pay each year to the receiving district an amount equal to 0.1 times the state cost per pupil for the previous year plus any moneys received for the pupil as a result of non-English speaking weighting provided by Iowa Code section 280.4. However, a pupil dual enrolled in grades 9 through 12 shall be counted by the receiving district in the same manner as a shared-time pupil under Iowa Code section 257.6(1)"c" [nonpublic shared time] **(IAC 281--17.10(2)).**

For pupils who receive competent private instruction and are registered for a home school assistance program, the resident district shall pay each year to the receiving district an amount equal to .3 times the state cost per pupil for the previous year plus any moneys received for the pupil as a result of non-English speaking weighting provided by section 280.4 **(IAC 281--17.10(3)).**

The resident district may deduct any transportation assistance funds for which the pupil is eligible as provided by subrule 17.9(2**) (IAC 281--17.10(4)).**

These moneys shall be paid to the receiving district on a quarterly basis. The district cost per pupil for nonspecial education students shall be the cost calculated each year for the school year preceding the school year for which the open enrollment takes place. Costs for special education students shall be as outlined in rule 17.11 **(IAC 281—17.10(5)).**

In the event that the pupil who is under open enrollment withdraws from school, moves into the district of attendance, moves out of state, moves to another district in the state of Iowa and elects to attend that district, graduates at midyear, is allowed to return to the district of residence during the school year, or other similar set of circumstances that result in the pupil no longer attending in the receiving district, payment of the cost per pupil will be prorated [on a per diem basis for the quarter and for the year] **(IAC 281--17.10(6)).**

The resident district and the receiving district boards by mutual agreement may effectuate the change in enrollment of an open enrollment pupil at any time following receipt of a petition for transfer which is approved by the two boards. A change due to good cause is a late change in enrollment. If any change in enrollment is made on or after the date specified in Iowa Code section 257.6, subsection 1, the resident district is not required to pay per-pupil costs or applicable weighting or special education costs to the receiving district until the first full year of the open enrollment **(IAC 281--17.10(7)).**

Open enrollment provisions do not apply to a student enrolled in ninth, tenth, or eleventh grade during the school year preceding the effective date of a dissolution proposal, who was a resident of the school district that dissolved, who may enroll in a school district to which territory of the school district that dissolved was attached until the student's graduation from high school under section 275.55A.

Open enrollment provisions do not apply to eleventh and twelfth grade students who were residents of another Iowa district during the preceding school year and are enrolled in the former district of residence until the students graduate **(257.6(1)"a"(4)).** If the students are receiving a special education program pursuant to an IEP, the new district of residence counts the students and pays tuition to the former district of residence for the enrollment of the students. These students are considered tuitioned out rather than open enrolled out **(OAG #88-8-3(L)).**

Special Enrollments and Payments

Vocational Education Aid

If a school corporation maintains an approved vocational school, department, or classes in accordance with the rules adopted by the state board, and rules and standards adopted by the board of educational examiners, and the state plan for vocational education, adopted by the board for vocational education and approved by the United States department of education, the director of the department of education shall reimburse the school corporation at the end of the fiscal year for its expenditures for salaries and authorized travel of vocational teachers from federal and state funds.

However, a school corporation shall not receive from federal and state funds a larger amount than one-half the sum which has been expended by the school corporation for that particular type of program. If federal and state funds are not sufficient to make the reimbursement to the extent provided in this section, the director shall prorate the respective amounts available to the corporations entitled to reimbursement **(258.5).**

Child Living in Psychiatric Hospitals or Institutions

The public school district in which is located a psychiatric unit of a hospital licensed under chapter 135B or a psychiatric medical institution for children licensed under chapter 135H, which is not operated by the state, shall be responsible for the provision of educational services to children residing in the unit or institution. Children residing in the unit or institution shall be included in the basic enrollment of their districts of residence, as defined in subsection 282.31(4) **(282.27).**

The board of directors of each district of residence shall pay to the school district in which is located such psychiatric unit or institution, for the provision of educational services to the child, a portion of the district of residence's district cost per pupil for each of such children based upon the proportion that the time each child is provided educational services while in such unit or institution is to the total time for which the child is provided educational services during a normal school year **(282.27).**

Children Residing in State Mental Health Institutes or State Institutions

A child who resides in an institution for children under the jurisdiction of the director of human services referred to in section 218.1, subsection 3, 5, 7, or 8 [Cherokee MHI, Independence MHI, Eldora State Training School, or Iowa Juvenile Home in Toledo], and who is not enrolled in the educational program of the district of residence of the child, shall receive appropriate educational services. The institution in which the child resides shall submit a proposed program and budget based on the average daily attendance of the children residing in the institution to the Department of Education and the Department of Human Services by January 1 for the next succeeding school year. The institution shall submit an accounting for the actual cost of the program to the Department of Education by August 1 of the following school year. The approved accounting amount shall be compared with any amounts paid to the institution and any differences added to or subtracted from the October payment made for the next school year. Any amount paid shall be deducted monthly from the state foundation aid paid under section 257.16 to all school districts in the state during the subsequent fiscal year. The portion of the total amount of the approved budget that shall be deducted from the state aid of a school district shall be the same as the ratio that the budget enrollment for the budget year of the school district bears to the total budget enrollment in the state for that budget year in which the deduction is made **(282.33).** The costs of these programs shall not otherwise be billed to school districts.

Children Placed by District Court

Notwithstanding subsection 282.31(1), a child who has been identified as requiring special education, who has been placed in a facility, home, or other placement by the district court, and for whom parental rights have been terminated by the district court, shall be provided special education programs and services on the same basis as the programs and services are provided for children requiring special education who are residents of the school district in which the child has been placed. The special education instructional costs shall be paid as provided in section 282.31, subsection 2 or 3 **(282.29).**

Interstate Compact--Children Placed by District Court Out of State

Sending agency means a party state, officer or employee thereof; a subdivision of a party state, or officer or employee thereof; a court of a party state; a person, corporation, association, charitable agency or other entity which sends, brings, or causes to be sent or brought any child to another party state **(232.158(2)"b").**

Receiving state means the state to which a child is sent, brought, or caused to be sent or brought, whether by public authorities or private persons or agencies, and whether for placement with state or local public authorities or for placement with private agencies or persons **(232.158)(2)"c").**

The sending agency shall retain jurisdiction over the child sufficient to determine all matters in relation to the custody, supervision, care, treatment and disposition of the child which it would have had if the child had remained in the sending agency's state, until the child is adopted, reaches majority, becomes self-supporting or is discharged with the concurrence of the appropriate authority in the receiving state. The sending agency shall continue to have financial responsibility for support and maintenance of the child during the period of the placement **(232.158(5)"a").**

The appropriate public authorities under the interstate compact is Iowa refers to the state department of human services **(232.160).**

Financial responsibility for any child placed pursuant to the provisions of the interstate compact on the placement of children shall be determined in accordance with the provisions in article V of 232.158 **(232.159).** The fee negotiated by the resident state and the out-of-state agency includes all services provided to that child, including educational services except the additional costs of special education services. No school district shall pay any charges related to students placed out of state except for the additional costs of special education services.

Child Living in a Substance Abuse or Foster Care Placement

A child who is living in a facility that provides residential treatment as *"facility"* is defined in section 125.2, which is located in a school district other than the school district in which the child resided before entering the facility may enroll in and attend an accredited school in the school district in which the child is living. A child who is living in a licensed individual or agency child foster care facility, as defined in section 237.1, or in an unlicensed relative foster care placement, shall remain enrolled in and attend an accredited school in the school district in which the child resided and is enrolled at the time of placement, unless it is determined by the juvenile court or the public or private agency of this state that has responsibility for the child's placement that remaining in such school is not in the best interests of the child. If such a determination is made, the child may attend an accredited school located in the school district in which the child is living and not in the school district in which the child resided prior to receiving foster care. The instructional costs for students who do not require special education shall be paid as provided in section 282.31, subsection 1, paragraph *"b"* or for students who require special education shall be paid as provided in section 282.31, subsections 2 or 3**(282.19).**

Facility means an institution, a detoxification center, or an installation providing care, maintenance and treatment for persons with substance-related disorders licensed by the Iowa Department of Public Health under section 125.13, hospitals licensed under chapter 135B, or the state mental health institutes designated by chapter 226 [Mount Pleasant, Independence, Clarinda, and Cherokee] **(125.2(7)).**

"Child foster care" means the provision of parental nurturing, including but not limited to the furnishing of food, lodging, training, education, supervision, treatment or other care, to a child on a full-time basis by a person other than a relative or guardian of the child, but does not include:

a. Care furnished by an individual person who receives the child of a personal friend as an occasional and personal guest in the individual person's home, free of charge and not as a business.
b. Care furnished by an individual person with whom a child has been placed for lawful adoption, unless that adoption is not completed within two years after placement.
c. Care furnished by a private boarding school subject to approval by the state board of education pursuant to section 256.11.
d. Child care furnished by a child care center, a child development home, or a child care home as defined in section 237A.1.
e. Care furnished in a hospital licensed under chapter 135B or care furnished in a nursing facility licensed under chapter 135C **(237.1(4)).**

The definition of "facility" and "licensee" includes that of a licensed foster parent and foster parent home even if it is a regular family dwelling with only one foster child **(AG, Informal advice, September 10, 1992).**

The Department of Human Services, as custodians for a child, has the authority to sign the consent forms necessary for the child to take part in school activities, get a driver's license and obtain certain types of medical care **(OAG #84-12-9(L)).**

School districts in which any licensed foster care, residential treatment for substance abusers or other residential facilities not operated by the state is located are responsible for providing the educational program regardless of the residency of the students. A facility does not have the authority to provide an educational program unless contracted by the district to do so.

A child who lives in a facility or home pursuant to section 282.19, and who does not require special education and who is not enrolled in the educational program of the district of residence of the child, shall be included in the basic enrollment of the school district in which the facility or home is located **(282.31(1)"b"(1)).**

However, on June 30 of a school year, if the board of directors of a school district determines that the number of children under this paragraph who were counted in the basic enrollment of the school district on the official count date

in that school year is fewer than the sum of the number of months all children were enrolled in the school district under this paragraph during the school year divided by nine, the secretary of the school district may submit a claim to the Department of Education by August 1 following the school year for an amount equal to the district cost per pupil of the district for the previous school year multiplied by the difference between the number of children counted and the number of children calculated by the number of months of enrollment [or fraction thereof]. The amount of the claim shall be paid by the Department of Administrative Services to the school district by October 1. The Department of Administrative Services shall transfer the total amount of the approved claim of a school district from the moneys appropriated under section 257.16 and the amount paid shall be deducted monthly from the state foundation aid paid to all school districts in the state during the remainder of the subsequent fiscal year **(282.31(1)"b"(2)).**

The days of enrollment shall only include the regular school session, and shall not include days of summer session **(OAG 93-1-21(L)).**

The actual special education instructional costs incurred for a child that lives in a facility pursuant to section 282.19 or who have been placed in a facility or home by the district court, who requires special education and who is not enrolled in the educational program of the district of residence of the child but who receives an educational program from the district in which the facility or home is located, shall be paid by the district of residence of the child to the district in which the facility or home is located, and the costs shall include the cost of transportation **(282.31(2)"a").**

A child shall not be denied special education programs and services because of a dispute over the determination of district of residence of the child. The director of the Department of Education shall determine the district of residence when a dispute arises regarding the determination of the district of residence for a child who requires special education pursuant to this subsection **(282.31(2)"b").**

The actual special education instructional costs, including transportation, for a child who requires special education shall be paid by the Department of Administrative Services to the school district in which the facility or home is located, only when a district of residence cannot be determined, and the child was not included in the weighted enrollment of any district pursuant to section 256B.9, and the payment pursuant to subsection 2, paragraph "a" was not made by any district. The district shall submit a proposed program and budget to the Department of Education by January 1 for the next succeeding school year. The district shall submit a claim by August 1 following the school year for the actual cost of the program. The total amount of the approved claim shall be paid by the Department of Administrative Services to the school district by October 1. The total amount paid by the Department of Administrative Services shall be deducted monthly from the state foundation aid paid under section 257.16 to all school districts in the state during the subsequent fiscal year. The portion of the total amount of the approved claims that shall be deducted from the state aid of a school district shall be the same as the ratio that the budget enrollment for the budget year of the school district bears to the total budget enrollment in the state for the budget year in which the deduction is made **(282.31(3)).**

For purposes of funding juvenile home and foster care programs, district of residence means the school district in which the parent or legal guardian of the child resides or the district in which the district court is located if the district court is the guardian of the child **(282.31(4)).**

Programs may be provided during the summer and funded under section 282.31 if the school district or AEA determines a valid educational reason to do so **(282.31(5)).**

For eligible individuals placed by the district court, and for whom parental rights have been terminated by the district court, the school district in which the facility or home is located must provide special education. Costs shall be certified to the director of the Department of Education by August 1 of each year for the preceding fiscal year by the director of the AEA in which the pupil has been placed. Payment will be made from the general fund of the state (IAC **281--41.907(6)).**

A local school district may appeal a decision made pursuant to section 282.31 to the state board of education. The decision of the state board is final **(282.32).**

Child Living in a Shelter Care Home or Juvenile Detention Home

An AEA shall provide or make provision for an appropriate educational program for each child living in the following types of facilities located within its boundaries:

1) An approved or licensed shelter care home. A juvenile shelter care home means a physically unrestricting facility used only for the shelter care of children **(232.2(34)).**

2) An approved juvenile detention home. A juvenile detention home means a physically restricting facility used only for the detention of children **(232.2(32)).**

The AEA shall provide the educational program by any one of, but not limited to, the following:
1) Providing for the enrollment of the child in the district of residence of the child, subject to the approval of the district in which the child is living.
2) Cooperating with the district of residence of the child and obtaining the course of study and textbooks of the child for use in the special facility into which the child has been placed.
3) Providing for the enrollment of the child in the district in which the child is living, subject to the approval of the district in which the child is living.

An AEA shall not provide educational services to a facility unless the facility makes a request for educational services to the AEA by either of the following dates:
1) December 1 of the school year prior to the beginning of the school year for which the services are being requested.
2) Ninety (90) days prior to the beginning of the time for which the services are being requested **(282.30(1)).**

The AEA where the child is living, the school district of residence, the other appropriate AEA or agencies, and other appropriate agencies involved with the care or placement of the child shall cooperate with the school district where the child is living in sharing educational information, textbooks, curriculum, assignments, and materials in order to plan and to provide for the appropriate education of the child living in such facility **(282.30(2)).**

A child who lives in a facility [juvenile shelter care home or juvenile detention home] and who is not enrolled in the educational program of the district of residence of the child, shall receive appropriate educational services. The AEA shall submit a proposed program and budget to the Department of Education by January 1 for the next succeeding school year. The Department of Administrative Services shall pay the approved budget amount for an AEA in monthly installments beginning September 15 and ending June 15 of the next succeeding school year. The AEA shall submit an accounting for the actual cost of the program to the Department of Education by August 1 of the following school year. The approved accounting amount shall be compared with any amounts paid by the Department of Administrative Services to the AEA and any differences added to or subtracted from the October payment made for the next school year. Any amount paid by the Department of Administrative Services shall be deducted monthly from the state foundation aid paid under section 257.16 to all school districts in the state during the subsequent fiscal year. The portion of the total amount of the approved budget that shall be deducted from the state aid of a school district shall be the same as the ratio that the budget enrollment for the budget year of the school district bears to the total budget enrollment in the state for that budget year in which the deduction is made **(282.31(1)"a").**

If juvenile home students not requiring special education attend a local school district, other than the district of residence, tuition shall be calculated in the manner prescribed in Iowa Code section 282.24 for determining tuition costs for any nonresident student attending a local school district. In lieu of paying tuition to the local school district for these students, the AEA may request the local school district to account for these students through the foster care facility claim process **(IAC 281—63.16(2)(a)).**

Tuition for students provided a special education program pursuant to an IEP shall be paid by the district of residence, in accordance with the rules of special education and pursuant to Iowa Code chapter 282, to the district in which the juvenile home is located or to the AEA, whichever is providing the special education. The district in which the juvenile home is located or the AEA, whichever is providing the special education, shall notify the district of residence if the child was being served on official count date by the district in which the home is located or by the AEA. The district in which the juvenile home is located or the AEA, whichever is providing the special education, shall also notify the district of residence if the child was being served on the official special education headcount date by the district in which the home is located or by the AEA **(IAC 281—63.16(2)(b)).**

An AEA may appeal a decision made pursuant to section 282.31 to the state board of education. The decision of the state board is final **(282.32).**

Day Programs

Students placed in day programs are counted by the resident district if placed by the resident district, DHS, or the court system, and should not be counted as residents of the district in which the facility is locate. The resident district [or the parent if parent-placed], pays the tuition **(15 DoE Appeal Dec. 181).**

Student Fees

It is the policy of the department of education that no Iowa student enrolled in a public school be excluded from participation in or denied the benefits of course offerings and related activities due to the student's or the student's parent's or guardian's financial inability to pay a fee associated with the class, program, or activity **(IAC 281--18.1).**

The board of directors of a pubic school district shall adopt a policy regarding the charging and collecting of fees for course offerings and related activities, and for transportation provided to resident students who are not entitled to transportation under Iowa Code section 285.1. The policy established by the board of directors shall apply to any fees charged. The board shall require that procedures be developed to implement the policy pursuant to these rules **(IAC 281—18.2).**

The policy required by rule 18.2 shall include provisions for granting a waiver, partial waiver, or temporary waiver of student fees upon application by the student. The policy shall include a provision stating that when an application for any fee waiver is granted, the fee or fees waived under the application are not collectable **(IAC 281—18.3).**

Fines assessed for damage or loss to school property are not fees and need not be waived **(IAC 281--18.4).**

Nothing is this chapter shall be construed to authorize the charging of a fee for which there is no authority in law **(IAC 281—18.4).**

Iowa Code expressly authorizes the following fees:

- Textbooks **(301.1).**
- School supplies **(301.1).**
- Summer school programs **(282.6).**
- Driver education programs **(282.6).**
- Transportation fees for resident students who are not otherwise entitled to free transportation **(285.1(1)).**
- Eye protective devices **(280.10).**
- Ear protective devices **(280.11).**
- School meals **(283A).**
- Nonresident student tuition **(282.1).**

The board of directors of each and every school district is authorized and empowered to contract for and buy books and any and all other necessary school supplies at contract prices, and to sell the same to the pupils of their respective districts at cost, loan such textbooks to such pupils free, or rent them to such pupils at such reasonable fee as the board shall fix, and the money so received shall be returned to the general fund **(301.1).**

The board shall hold pupils responsible for any damage to, loss of, or failure to return any such books, and shall adopt such rules and regulations as may be reasonable and necessary for the keeping and preservation thereof. Any pupil shall be allowed to purchase any textbook used in the school at cost. No pupil already supplied with textbooks shall be supplied with others without charge until needed **(301.26).**

Fees may be charged resident pupils to cover instructional costs for a summer school program or driver education program. The board of education may, in a hardship case, exempt a student from payment of the fees **(282.6).**

Boards in their discretion may provide transportation for some or all resident pupils attending public school or pupils who attend nonpublic school who are not entitled to transportation. Boards in their discretion may collect from the parent or guardian of the pupil not more than the pro rata cost for such optional transportation **(285.1(1)"c").**

Boards in districts operating buses may transport nonresident pupils who attend public school, kindergarten through junior college, who are not entitled to free transportation provided they collect the pro rata cost of transportation from the parents **(285.1(11)).**

The board of directors of each local public school district shall provide the safety devices required for eye-protection. Such devices may be paid for from the general fund, but the board may require students and teachers to pay for the safety devices and shall make them available to students and teachers at no more than the actual cost to the district **(280.10).**

The board of directors of each local public school district shall provide the safety devices required for ear-protection. Such devices may be paid for from the general fund, but the board may require students and teachers to pay for the safety devices and shall make them available to students and teachers at no more than the actual cost to the district **(280.11).**

A school breakfast or lunch program means a program under which breakfasts or lunches are served by any public school on a nonprofit basis to children in attendance **(283A.1(4)).** School boards may use gifts, funds disbursed to them under the provisions of Chapter 283A, funds received from the sale of school breakfasts or lunches, and any other funds legally available for the purpose of operating a school breakfast or lunch program **(283A.2(1)).**

Nonresident children shall be charged the maximum tuition rate with the exception that those residing temporarily in a school corporation may attend school in the corporation upon terms prescribed by the board. A school district discontinuing grades under whole grade sharing shall be charged tuition as provided in section 282.24, subsection 1 **(282.1).**

A board may require a fee for special work in music but not for regular courses established by the board **(OAG #27-6-21).**

All facilities, supplies, and other items which are necessary or essential to instruction must be provided free of charge [except as expressly allowed by Code] in a tuition-free school which is required by law. A school district may purchase other supplies and distribute them to students, but they must be provided for free, rented for a reasonable fee, or sold at cost **(OAG #79-12-22).**

Public schools may not charge fees for courses offered as part of their educational program [except as expressly allowed by Code] as such fees constitute tuition. Schools may not charge fees for extracurricular activities as no express or necessarily implied statutory authority exists for such fees **(OAG #81-8-29).**

A school district may not assess fees for items which are necessary or essential to the instruction of a class unless such a fee is specifically authorized by the Code; however, a district may assess fees for school supplies which represent the cost of the item or a reasonable rental fee. The cost of items which are necessary or essential to the instruction of a class must be properly characterized as tuition rather than school supplies. Examples are art supplies for art classes and chemicals for science classes. In contract, pens and paper used by students to take notes would be properly characterized as school supplies **(OAG #93-7-3(L)).**

The following questions and answers on student fees has been developed by the Department:

Question: Can a district charge an annual party fee to students to cover the costs of classroom celebrations?
Answer: No. That is not a fee authorized by Code.

Question: Can high school student clubs charge membership dues?
Answer: If joining the club is voluntary and it is not necessary for some classroom purpose, then yes, the club can charge dues to students who want to join the club.

Question: Our band goes on a trip every 4 years. They fund-raise those four years to pay for the cost of the trip (does not include spending $). One of our students has raised money above and beyond, as she was raising the extra money thinking her mother would go along as a chaperone and this would help with her mothers' expenses. This mother was not selected to go and wants her daughter to have the excess money raised as her "spending money". Can the district do this?
Answer: No. Money cannot be given to a student nor used for that student's personal benefit. All of the money raised belongs to the district, is under the control of the board, and needs to be used according to law, board policy, and what was publicized during the fundraisers.

Question: Can students be required to pay class dues in order to participate in events like Prom?
Answer: Class dues are not mandatory dues. There is no way to compel any accountability related to payment or nonpayment, and there can be no repercussion related to nonpayment.

Question: May a district charge a participation fee to students for student activities or student athletics?
Answer: No. Students cannot be charged to participate in district-sponsored or provided activities. However, a district could have a sharing agreement with another district under certain circumstances and charge the resident district for the cost of the student participating.

Question: Can a district charge a field trip fee to students for the year's anticipated field trips?
Answer: No. That is not a fee authorized by Iowa Code.

Question: Can a board require parents to pay a fee for children to go on a field trip that is scheduled during regular school hours?

Answer: No. Any field trip offered on a day of school and for which the students have been counted as present and the school day has been counted as a day of instruction, would be paid by the district instead of a student fee.

Question: Can a board require parents to pay a fee for children to go on a field trip that is not part of the school day and participation is voluntary and is not connected to the classroom?
Answer: Yes. The parents could be charged actual costs for their students to participate in an optional field trip outside of school instruction. For example, weekend enrichment or day camp activities.

Question: Can a district require students to bring a sack lunch or to pay a fee for a district-provided sack lunch to go on a field trip that is scheduled during regular school hours?
Answer: No. If the day of the field trip is a day of attendance, the district is required to provide the school lunch program the same as any other day. The district could provide a sack lunch from the school's kitchen, or purchase a lunch during the field trip for students. The student may, but cannot be required to, bring a sack lunch from home or bring money to purchase lunch if there is a place to purchase lunch during the field trip.

Question: May organizations donate money for field trips?
Answer: Yes. Organizations may raise funds and donate that money to the district to cover costs of field trips.

Question: May the district share costs with students for a field trip during the school day? For example, the district pays for the ski slope entrance fee and transportation, but requires the students to pay for ski rental and lift costs once at the ski slope location?
Answer: No. If the intent of the field trip is clearly to go skiing, and it is held during a school day, then the school should pay the costs of skiing. However, the students could be required to pay for optional activities available at the slopes, unrelated to skiing, such as snow tubing or snowboarding equipment and fees.

Question: May a district take students to an etiquette dinner where the sole purpose is to learn table manners, and require the students to share the costs of the meal?
Answer: If the trip occurs during the school day, the district may not charge a fee and must cover the costs. If the meal occurs after school hours and is optional, then the district may charge a fee for the entire meal. The district may want to consider using food from the school lunch program for the meal and having someone come to the school to provide the etiquette lesson.

Question: If a district makes all field trips optional, and provides alternatives for students at school during the field trips, is it then permissible to charge a fee to those students that chose to go on the field trip?
Answer: No. If the field trip is during the school day and students that go on the field trip are counted as in attendance for a day of school, there can be no charge to the students for the trip, whether it is mandatory or optional.

Question: Can we charge a late fee to parents that do not attend our registration day and come in later to register their children for school.
Answer: No.

Question: Is there a limit on how high a fee could be, such as a textbook fee?
Answer: There is not a dollar amount in Code. Instead Iowa Code chapter 301 refers to "cost" when selling and "reasonable" for fees. Reading "reasonable" and "cost" together would suggest that a fee should be no more than the cost spread over the years the textbook is expected to be used (similar to straight line depreciation) and could be less.

Question: Can a district charge a rental fee for students to use football helmets and pads after the season is over for a post tournament football tournament that the school is not associated with?
Answer: Yes. This is equivalent to a normal rental fee for using district equipment by outside parties. The fee would be allowable as long as it is a reasonable fee and your district normally charges such fees for rental of school equipment by the community.

If your district does not normally charge rent for the community using school equipment, then the district could consider a deposit instead of a rental fee to cover any repair of damage if necessary and then return the deposit when the equipment is returned in good shape.

Question: Does Iowa Code section 279.8A give districts authority to charge parking fees, sell parking permits, or assess fines?
Answer: Iowa Code section 279.8A gives boards the authority to regulate parking on district property. Regulating parking can be accomplished without any fee charges to students or staff. However, the board can charge a fine for damage that occurred as a result of something the individual did. The fine could not include a penalty, such as a

punitive amount, where the violation did not cause the district to incur a cost as a result of the violation by the individual.

QUICK REFERNCE TUITION CHART
All tuition is per diem, and per portion of day if less than full day, and paid from General Fund.

No other funding follows students unless authorized in Iowa Code.

(1) Chapter 284 funding is negotiated and follows only in Whole Grade Sharing (WGS).
(2) As an exception to (1), Teacher Leadership Supplement (TLS) will follow open enrolled out students in certain situations.
(3) Supplementary Weighting for concurrent enrollment courses (only) (CCSW) is counted by resident district and is paid to serving district as the current year's weighting times the current year's district cost per pupil of the resident district on open enrolled out students.
(4) Limited English proficiency (LEP) weighting is counted by resident district and is paid to the serving district on open enrolled out students. Payment is the prior year's LEP weighting times the prior year's state cost per pupil.

TUITION TYPE	COST BASIS	FOLLOWS TUITION	DUE	CODE
Regular Education	Maximum fee chargeable is the district cost per pupil of the receiving district.		Billed on or before February 15 and July 15.	282.20, 282.24, many OAGs
Special Education	Actual costs for this student's educational program pursuant to IEP in the current year.		Billed on or before February 15 and July 15.	282.20, 282.24, 256B
Regular Education, Whole grade sharing, one-way.	Minimum fee chargeable is ½ the district cost per pupil of the receiving district. Maximum fee chargeable is the district cost per pupil of the receiving district.	Chapter 284 funding is negotiated	Billed on or before February 15 and July 15.	282.20, 282.24, 282.12
Regular Education, Whole grade sharing, two-way.	Method for determination of costs shall be established by mutual agreement of boards, but may not exceed the district cost per pupil of the receiving district.	Chapter 284 funding is negotiated	Billed on or before February 15 and July 15.	282.20, 282.24, 282.12
Special Education in same grades where regular education is Whole grade shared, one-way and two-way.	Special Education is a separate contract, not part of the WGS agreement. Actual costs for this student's educational program pursuant to IEP in the current year. (Same method as those not whole grade shared.)	Chapter 284 funding is negotiated	Billed on or before February 15 and July 15.	282.20, 282.24, 282.12, 256B
Regular Education, from or to adjoining state under a written contract.	As negotiated by boards pursuant to state agreement but not less than the lower average cost per pupil of the two districts for the prior year. Generally average costs = total general fund expenditures / ADM.	None.	Billed on or before February 15 and July 15.	282.20, 282.8, 282.7(3)
Special Education, Placed out-of-state.	Actual costs for this student's educational program pursuant to IEP in the current year (net of GPP). Does not include custodial costs.	None.	Billed on or before February 15 and July 15.	282.20, 282.24, 256B

Regular Education, Placed out-of-state by any entity other than resident district.	None.	None.	None.	232.159
Regular Education, Parental Placement other than a PMIC.	None.	None.	Parent pays.	
Regular Education, Open Enrollment, Full time pupil.	State cost per pupil for the prior year.	LEP, CCSW, TLS	Sending district shall pay quarterly; however a split quarter is prorated on a per diem basis.	282.18
Regular Education, Open Enrollment, dual enrolled K-8 grade student, or dual enrolled for extracurricular activities and is 9-12 grade student.	Amount equal to 0.1 times the state cost per pupil for the prior year.	LEP, TLS	Sending district shall pay quarterly; however a split quarter is prorated on a per diem basis.	282.18, 257.6(1)"a"(6)
Regular Education, Open Enrollment, 9-12 grade student, dual enrolled for academic classes.	No tuition paid. The receiving district counts these students on an FTE basis and does not bill for tuition.	None paid. The receiving district counts these students and does not bill for tuition.	None.	282.18, 257.6(1)"a"(3)
Regular Education, Open Enrollment, home school assistance program pupil.	Amount equal to 0.3 times the state cost per pupil for the prior year.	LEP, TLS at 0.3	Sending district shall pay quarterly; however a split quarter is prorated on a per diem basis.	282.18, 257.6(1)"a"(5)
Special Education, Open Enrollment.	Actual costs for this student's educational program pursuant to IEP in the current year.	LEP, CCSW, TLS	Sending district shall pay quarterly; however in practice, billed on or before February 15 and July 15	282.20, 282.24, 256B
Special Education, attending accredited nonpublic school located within the district.	Actual costs for this student's educational program pursuant to IEP in the current year provided by the school district in which the nonpublic school is located. No general education percentage (GPP) may be billed to the resident district. [If special education is provided in the public schools, the district in which the nonpublic school is located counts student for nonpublic shared-time and reduced from billing.]	None.	Billed on or before February 15 and July 15.	282.20, 282.24, 257.6(1)"a"(3), 256B

Postsecondary Enrollment Options Act (PSEO).	Lower of $250 per student per course or the actual and customary costs of tuition, textbooks, materials, and fees directly related to the course. If the student does not complete the course, then none is paid.	None.	Postsecondary institutions shall bill by May 1; district shall pay by June 30.	261E.6
Community College, contract, not PSEO.	As determined by board of the Community College with the consent of the local school board.	None.	As determined by boards.	260C.14(2)
College or University, Advanced Academic Coursework, not PSEO and not Community College.	None.	None.	Paid by student's parents or guardians.	282.26
Child Living in Psychiatric Hospital or Psychiatric Medical Institute for Children (PMIC), Not operated by the state.	District cost per pupil of the resident district. State hospitals and state PMICs cannot bill districts or AEAs.	None.	Billed on or before February 15 and July 15.	282.20, 282.24, 282.27
Child Living in a Mental Health Institute (MHI).	None.	None.	None.	282.33
Special Education, Child Enrolled in Iowa School for the Deaf or Iowa Braille and Sightsaving School AND the resident district is providing for that child an interpreter, an aide, or assistive technology.	Actual cost to provide the interpreter, aide, or assistive technology for that student. No other costs can be billed. No general purpose percentage (GPP) can be billed. Billed to resident district by AEA in which the state institution is located.	None.	Billed on or before February 15 and July 15.	282.20
Special Education, Child Living in an Iowa prison or correctional facility.	Actual cost to provide the special education instruction pursuant to IEP. No other costs can be billed. No general purpose percentage (GPP) can be billed.	None.	Billed on or before February 15 and July 15.	282.20, 282.24, 256B
Regular Education, Child Living in an Iowa prison or correctional facility.	None.	None.	None.	
Regular Education or Special Education, Child Living at the Iowa Juvenile Home or at the State Training School	None.	None.	None.	
Regular Education, Child Living in Foster Care, Substance Abuse Treatment or other Residential Facility located in the district; Child was not resident of the district prior to entering facility care.	Receiving district files claim with DE if aggregate days of service to all such pupils exceeds the number of such pupils present and counted on count date times 180 days. Does not bill resident district.	None.	Receiving district shall file claim by August 1.	282.31(1)"b", 282.19, 282.20, 282.24

Special Education, Child Living in Foster Care, Substance Abuse Treatment or other Residential Facility located in the district; Child was not resident of the district prior to entering facility care. District of residence can be determined or has been determined by director of DE.	Actual costs for this student's educational program pursuant to IEP in the current year served by district in which facility is located. Billed to resident district.	None.	Billed on or before February 15 and July 15.	282.20, 282.24, 282.31(2), 282.19, 256B
Special Education, Child Living in Foster Care, Substance Abuse Treatment or other Residential Facility located in the district; District of residence cannot be determined and no district receives weighting for this child by counting this child in current year's weighted enrollment.	Receiving district files claim with DE for the actual costs for this student's educational program pursuant to IEP in the current year served by district in which facility is located. Does not include custodial costs. Does not bill any other district for the days the child had no district of residence determined.	None.	Receiving district shall file claim by August 1.	282.29, 282.31(3), 282.19, 256B
Special Education, Child Placed by District Court, (Parental rights terminated) and no district receives weighing for this child by counting this child in current year's weighted enrollment.	Receiving district files claim with DE for the actual costs for this student's educational program pursuant to IEP in the current year served by district in which the child was placed. Does not include custodial costs. Does not bill any other district for the days the child had parental rights terminated.	None.	Receiving district shall file claim by August 1.	282.29, 282.31(3), 256B
District has a written purchased services contract with residential facility located within the district to provide educational services for students residing in the residential facility, not operated by the state.	Receiving district counts students for certified enrollment. Pays facility for instructional costs as negotiated in the written contract—this is not a tuition payment.	None.	As negotiated in the written contract.	282.31; 256C
District has a written purchased services contract with residential facility located within the district to provide educational services for students attending a day treatment program, not operated by the state.	Actual costs for this student's educational program pursuant to IEP in the current year served by district in which facility is located. Billed to resident district. If no IEP, then district cost per pupil divided by 180 days or days in session times days served billed to resident district.	None.	Billed on or before February 15 and July 15.	282.20, 282.24, 282.31(2), 282.19, 256B

District operates a special purpose day program for certain students to which other districts send students.	Actual costs for the student's educational program pursuant to IEP in the current year served by district in which facility is located. Billed to resident district. If no IEP, then district cost per pupil divided by 180 days or days in session times days served billed to resident district.	None.	Billed on or before February 15 and July 15.	282.20, 282.24, 282.31(2), 282.19, 256B
Special Education, living in youth group home, nursing home, or other supported community living facilities located within the district.	This situation does not create residency. Actual costs for the student's educational program pursuant to IEP in the current year served by district in which facility is located is billed to resident district.	None.	Billed on or before February 15 and July 15.	282.20, 282.24, 282.31(2), 282.19, 256B
District with other districts jointly administer a program for certain students (such as an alternative school); called a consortium.	This is not tuition. The program is the program of each member school district. The division of shared costs is based on some reasonable method pursuant to a written agreement for district with students in the program. One member district will act as the fiscal agent.	Additional programs could be jointly administered, such as LEP, etc. Will be written into agreement.	Generally billed on or before February 15 and July 15.	
Regular Education, Child Living in Juvenile Home Shelter or Detention Care located in the AEA.	Receiving AEA files claim with DE.	None.	Receiving AEA shall file claim by August 1.	282.31, 282.19, 282.20, 282.24; IAC 281--63
Special Education, Child Living in Juvenile Home Shelter or Detention Care located in the AEA.	Actual costs for this student's educational program pursuant to IEP in the current year served by AEA in which facility is located. Billed to resident district.	None.	Billed on or before February 15 and July 15.	282.20, 282.24, 282.31, 282.19, 256B; IAC 281--63
Special Education, Child Living in Juvenile Home Shelter or Detention Care located in the AEA. District of residence cannot be determined and no district receives weighting for this child by counting this child in current year's weighted enrollment.	Receiving AEA files claim with DE for the actual costs for this student's educational program pursuant to IEP in the current year served by AEA in which facility is located. Does not include custodial costs. Does <u>not</u> bill any other district for days the district of residence could not be determined.	None.	Receiving AEA shall file claim by August 1.	282.29, 282.31, 282.19, 256B

Special Education, Child Living in Juvenile Home Shelter or Detention Care located in the AEA. Child Placed by District Court, (Parental rights terminated) and no district receives weighing for this child by counting this child in weighted enrollment.	Receiving AEA files claim with DE for the actual costs for this student's educational program pursuant to IEP in the current year served by AEA in which the child was placed. Does not include custodial costs. Does not bill any other district for days on which parental rights were terminated.	None.	Receiving AEA shall file claim by August 1.	282.29, 282.31, 256B

CHAPTER 5

School Foundation Program

Iowa Code chapter 257 is dedicated to financing of school program through the School Foundation Formula Program. The authorized budget refers to the financing of school programs in the general fund. Many definitions for Iowa School Finance terminology can be found in section 257.2.

The provisions of chapter 257 shall be subject to legislative review at least every five years. The first such report shall be submitted to the general assembly no later than January 1, 2005, with subsequent reports developed and submitted by January 1 at least every fifth year thereafter **(257.1(4)).**

The department of education shall annually prepare a report regarding school finance provisions or programs receiving a standing appropriation, including supplementary weighting programs. The report shall provide information regarding amounts received or accessed by school districts pursuant to the provisions or programs, whether the amounts received represent an increase or decrease over amounts received during the previous budget year and the percentage increase or decrease, conclusions regarding the adequacy of amounts received by school districts and whether the amounts received are equitable between school districts based upon input from the school districts and analysis by the department, and the rationale for current trends being observed by the department and projections regarding possible trends in the future. The report shall be submitted to the general assembly by January 1 each year, and copies of the report shall be forwarded to the chairpersons and members of the committee on education in the senate and in the house of representatives **(257.11(12)).**

School Finance Models

School budgets and the ways they are financed vary from state to state, but the basic philosophy of a school finance model is that education should not be a function of where a student lives. Every state has different formulas and systems for financing education. The majority, including Iowa, use some version of a foundation program as the basis of their school funding systems, where responsibility for providing a level of funding necessary for a basic education is shared between the state and local districts. Funds are distributed to school districts on a per-pupil basis (called horizontal equity) and categorically (called vertical equity). But beyond this there are few similarities in state mechanisms for funding education. One way to better understand school finance is to think of it in terms of the adequacy and equity of resources. Adequacy is based on the principle that states should provide enough funding for all students to be able to meet academic expectations. The notion of equity in school funding focuses on both student equity and taxpayer equity. In equity for students, horizontal equity means that there is an equal amount provided for each child's education. Horizontal equity treats equals equally. Vertical equity ensures that there is enough additional funding provided on top of the basic per pupil amount so that identified groups of students that experts agree cost more to educate are given additional instruction. Vertical equity treats unequals unequally or inequitably. In equity for taxpayers the focus is on equalizing funding to close the gap between local districts' abilities to raise revenues. Since local funds are commonly based at least in part on property taxes, less wealthy communities are not able to raise as much money as wealthier districts, potentially leaving their children at a considerable disadvantage unless the state equalizes the foundation amount per pupil. Equalizing means that state aid per pupil is allocated to districts in inverse relationship to their wealth, while still providing some state aid to the property tax wealthiest districts. The higher the share of funding that states provide for education, and the more that states target that money, the better the chances for increasing equity for both students and taxpayers within the system. The basic structure of funding a foundation formula is simple: a state sets a base dollar amount to cover the minimum education needs of one student. Next, a local property tax effort is determined. The state makes up the difference between the amount of revenue generated by the local effort property tax and the amount guaranteed as the foundation. Finally, a foundation formula will also address the desire of local districts to contribute additional funding for the education of their children with a reasonable, but controlled, opportunity to participate in a discretionary funding program.

A good school finance plan has long-term sustainability and includes horizontal equity, vertical equity, adequacy, taxpayer equity and equalized fiscal capacity (equal minimum local effort with state funding to equalize the local effort up to the foundation level per pupil), property tax relief, and controlled local discretionary effort.

Iowa's Finance Formula

All funding for schools as defined under Iowa statutes follows Dillon's Rule, not Home Rule. Thus, only the funding and expenditures that are expressly permitted are allowed. All funding is controlled through formula, levy amount, or express purpose.

The basic features of Iowa's method for financing public elementary and secondary education includes the funding components that experts believe should be included in a good school finance plan. Iowa's finance formula includes a uniform levy requirement, establishes a state foundation base, budgets on the number of students enrolled, provides for minimum state aid to each district, equalizes spending per pupil, provides property tax relief, provides for local discretion, provides some equalization to discretionary local revenues, and provides for increased use of income taxes as an alternative local source of revenue. In addition, Iowa's finance formula includes establishing a maximum on each budget and a governor-appointed body to serve as a control and safety value for districts on budgetary issues. Districts that deficit spend must appear before the School Budget Review Committee to present a corrective action plan that demonstrates the district has either increased its revenues or decreased its expenditures to remain within the statutorily set maximum spending authority.

The AEAs are funded under a "flow through" concept whereby the local district generates an amount per pupil that is forwarded to each agency.

Foundation State Aid

For a budget year, each school district in the state is entitled to receive foundation aid, in an amount per pupil equal to the difference between the amount per pupil of foundation property tax in the district, and the combined foundation base per pupil or the combined district cost per pupil, whichever is less. However, if the amount of foundation aid received by a school district under chapter 257 is less than three hundred dollars ($300) per pupil, the district is entitled to receive three hundred dollars per pupil unless the receipt of three hundred dollars per pupil plus the per pupil amount raised by the foundation property tax exceeds the combined district cost per pupil of the district for the budget year. In that case, the district is entitled to receive an amount per pupil equal to the difference between the per pupil amount raised by the foundation property tax for the budget year and the combined district cost per pupil for the budget year **(257.1(2)"a").**

For the budget year commencing July 1, 1999, and for each succeeding budget year the regular program foundation base per pupil is 87.5% of the regular program state cost per pupil. For the budget year commencing July 1, 1991, and for each succeeding budget year the special education support services foundation base is 79% of the special education support services state cost per pupil. The combined foundation base is the sum of the regular program foundation base, the special education support services foundation base, the total teacher salary supplement district cost, the total professional development supplement district cost, the total early intervention supplement district cost, the total teacher leadership supplement district cost, the total AEA teacher salary supplement district cost, and the total AEA professional development supplement district cost **(257.1(2)"b").**

For the budget year commencing July 1, 1999, the department of management shall add the amount of the additional budget adjustment computed in section 257.14, subsection 1, to the combined foundation base **(257.1(2)"c").**

There is appropriated each year from the general fund of the state an amount necessary to pay the foundation aid under chapter 257, the preschool foundation aid under chapter 256C, supplementary aid under section 257.4, subsection 2, and adjusted additional property tax levy aid under section 257.15, subsection 4. All state aids paid under chapter 257, unless otherwise stated, shall be paid in monthly installments beginning on September 15 of a budget year and ending on or about June 15 of the budget year as determined by the department of management, taking into consideration the relative budget and cash position of the state resources. All moneys received by a school district from the state under chapter 257 shall be deposited in the general fund of the school district, and may be used for any school general fund purpose unless otherwise provided by law [i.e. categorical funding] **(257.16).**

Notwithstanding any provision to the contrary, if the governor orders budget reductions in accordance with section 8.31, the teacher salary supplement district cost, the professional development supplement district cost, and the early intervention supplement district cost as calculated under section 257.10, subsections 9, 10, 11, and 12, and the AEA teacher salary supplement district cost and the AEA professional development supplement district cost as calculated under section 257.37A, subsections 1 and 2, shall be paid in full as calculated and the reductions in the appropriations provided in accordance with this section shall be reduced from the remaining moneys appropriated pursuant to this section and shall be distributed on a per pupil basis calculated with the weighted enrollment determined in accordance with section 257.6, subsection 5. **(257.16(4)).**

Foundation Property Tax

Except as provided in subsections 257.3(2) and (3), a school district shall cause to be levied each year, for the school general fund, a foundation property tax equal to five dollars and forty cents [$5.40] per thousand dollars of assessed valuation on all taxable property in the district **(257.3(1)).**

a. Notwithstanding subsection 1, a reorganized school district shall cause a foundation property tax of four dollars and forty cents per thousand dollars of assessed valuation to be levied on all taxable property which, in the year preceding a reorganization, was within a school district affected by the reorganization as defined in section 275.1, or in the year preceding a dissolution was a part of a school district that dissolved if the dissolution proposal has been approved by the director of the department of education pursuant to section 275.55.
b. In succeeding school years, the foundation property tax levy on that portion shall be increased to the rate of four dollars and ninety cents per thousand dollars of assessed valuation the first succeeding year, five dollars and fifteen cents per thousand dollars of assessed valuation the second succeeding year, and five dollars and forty cents per thousand dollars of assessed valuation the third succeeding year and each year thereafter.
c. The foundation property tax levy reduction pursuant to this subsection shall be available if either of the following apply:
    1) In years preceding the reorganization or dissolution, the school district affected by the reorganization or the school district that dissolved had a certified enrollment of fewer than 600 pupils.
    2) In the year preceding the reorganization or dissolution, the school district affected by the reorganization or the school district that dissolved had a certified enrollment of 600 pupils or greater, and entered into a reorganization or dissolution with one or more school districts with a certified enrollment of fewer than 600 pupils. The amount of foundation property tax reduction received by a school district qualifying for the reduction pursuant to this subparagraph shall not exceed the highest reduction amount provided in paragraphs "a" and "b" received by any of the school districts with a certified enrollment of fewer than 600 pupils involved in the reorganization pursuant to subparagraph 1 of this paragraph "c".
d. For purposes of this section, a reorganized school district is one which absorbs at least 30% of the enrollment of the school district affected by a reorganization or dissolved during a dissolution and in which action to bring about a reorganization or dissolution is initiated by a vote of the board of directors or jointly by the affected boards of directors to take effect on or after July 1, 2007, and on or before July 1, 2014. Each district which initiated, by a vote of the board of directors or jointly by the affected boards, action to bring about a reorganization or dissolution to take effect on or after July 1, 2007, and on or before July 1, 2014, shall certify the date and the nature of the action taken to the department of education by January 1 of the year in which the reorganization or dissolution takes effect **(257.3(2)).**

Additional Property Tax & Property Tax Adjustment Aid

A school district shall cause an additional property tax to be levied each year. The rate of the additional property tax levy in a school district shall be determined by the department of management and shall be calculated to raise the difference between the combined district cost for the budget year and the sum of the following:

(1) The products of the regular program foundation base per pupil times the weighted enrollment in the district.
(2) The product of special education support services foundation base per pupil times the special education support services weighted enrollment in the district.
(3) The total teacher salary supplement district cost.
(4) The total professional development supplement district cost.
(5) The total early intervention supplement district cost.
(6) The total AEA teacher salary supplement district cost.
(7) The total AEA professional development supplement district cost.
(8) The amount of the school district property tax replacement payment to be received by the school district under section 257.16B.
(9) The total teacher leadership supplement district cost **(257.4(1)"a").**

This section of the foundation formula provides for additional property tax relief. Additional state aid is provided for the districts with the highest formula driven additional levy rates. The calculation establishes a maximum property tax rate on a specific portion of the school district budgets (the additional levy portion of the regular program, special education and supplemental weighting costs). Funding from a state appropriation and from the Property Equity and Relief Fund is used to reduce the property taxes in districts with rates above that maximum. The Property Equity and Relief funding is revenue generated from the statewide penny that is in excess of the amount distributed to school districts based on the distribution formula used for SILO funds.

For the budget year beginning July 1, 2008, and succeeding budget years, the department of management shall annually determine an adjusted additional property tax levy and a statewide maximum adjusted additional property tax levy rate, not to exceed the statewide average additional property tax levy rate, calculated by dividing the total adjusted additional property tax levy dollars statewide by the statewide total net taxable valuation. For purposes of this paragraph, the

adjusted additional property tax levy shall be that portion of the additional property tax levy corresponding to the state cost per pupil multiplied by a school district's weighted enrollment, and then multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to section 257.1, and then reduced by the amount of the property tax replacement payment to be received under section 257.16B. The district shall receive adjusted additional property tax levy aid in an amount equal to the difference between the adjusted additional property tax levy rate and the statewide maximum adjusted additional property tax levy rate, as applied per thousand dollars of assessed valuation on all taxable property in the district. The statewide maximum adjusted additional property tax levy rate shall be annually determined by the department taking into account amounts allocated pursuant to section 257.15, subsection 4, and the balance of the property tax equity and relief fund created in section 257.16A at the end of the calendar year **(257.4(1)"b").**

For the budget year beginning July 1, 1992, and succeeding budget years, the department of education shall pay property tax adjustment aid to a school district equal to the amount paid to the district for the base year less an amount equal to the product of the percent by which the taxable valuation in the district increased, if the taxable valuation increased, from January 1 of the year prior to the base year to January 1 of the base year and the property tax adjustment aid. The department of management shall adjust the rate of the additional property tax accordingly and notify the department of education of the amount of aid to be paid to each district from moneys appropriated for property tax adjustment aid **(257.15(2)).** There is appropriated from the general fund of the state to the department of education, for each fiscal year, an amount necessary to pay property tax adjustment aid to school districts. Property tax adjustment aid shall be paid to school districts in the manner provided in section 257.16 **(257.15(3)).** The department of management shall allocate from amounts appropriated pursuant to section 257.16, subsection 1, and from funds appropriated from the property tax equity and relief fund created in section 257.16A for the purpose of calculating the statewide maximum adjusted additional property tax levy rate and providing adjusted additional property tax levy aid as provided in section 257.4, subsection 1, paragraph *"b"*, an amount equal to the sum of subparagraphs (1) and (2) as follows:

(1) From the amount appropriated from the general fund of the state pursuant to section 257.16, subsection 1, equal to the following:

(a) For the budget year beginning July 1, 2006, six million dollars.
(b) For the budget year beginning July 1, 2007, twelve million dollars.
(c) For the budget year beginning July 1, 2008, eighteen million dollars.
(d) For the budget year beginning July 1, 2009, and succeeding budget years, twenty-four million dollars.

(2) From the amount appropriated from the property tax equity and relief fund created in section 257.16A **(257.15(4)"a").**

After lowering all school district additional property tax levy rates to the statewide maximum adjusted additional property tax levy rate under paragraph *"a"*, the department of management shall use any remaining funds at the end of the calendar year to further lower additional property taxes by increasing for the budget year beginning the following July 1, the state foundation base percentage. Moneys used pursuant to this paragraph shall supplant an equal amount of the appropriation made from the general fund of the state pursuant to section 257.16 that represents the increase in state foundation aid **(257.15(4)"b").**

A property tax equity and relief fund is created as a separate and distinct fund in the state treasury under the control of the department of management. Moneys in the fund include revenues credited to the fund, appropriations made to the fund, and other moneys deposited into the fund. There is appropriated annually all moneys in the fund to the department of management for purposes of section 257.15, subsection 4. Notwithstanding section 8.33, any moneys remaining in the property tax equity and relief fund at the end of a fiscal year shall not revert to any other fund but shall remain in the property tax equity and relief fund for use as provided in this section for the following fiscal year **(257.16A).**

Budget Enrollment

Basic enrollment for a budget year is a district's actual enrollment for the base year. Basic enrollment for the base year is a district's actual enrollment for the year preceding the base year **(257.6(2)).** Budget enrollment for the budget year is the basic enrollment for the budget year **(257.6(4)).** Actual enrollment is determined annually on October 1, or the first Monday in October if October 1 falls on a Saturday or Sunday **(257.6(1)"a").**

The department of management shall adjust the enrollment of the school district for the audit year based upon reports filed under section 11.6, and shall further adjust the budget of the second year succeeding the audit year for the property tax and state aid portions of the reported differences in enrollments for the year succeeding the audit year **(257.6(1)"c").**

For the school year beginning July 1, 2008, and each succeeding school year, a student shall not be included in a district's enrollment for purposes of chapter 257 or considered an eligible pupil under section 261E.6 [PSEO] if the student meets all of the following:

a. Was eligible to receive a diploma with the class in which they were enrolled and that class graduated in the previous school year.
b. Continues enrollment in the district to take courses either provided by the district, offered by community colleges under the provisions of section 257.11 [supplementary weighting], or to take courses under the provisions of section 261E.6 [PSEO] **(257.6(6)).**

Regular Program District Cost

The regular program district cost per pupil for each school district for a budget year is the regular program district cost per pupil for the base year plus the regular program supplemental state aid for the budget year except as otherwise provided in this subsection **(257.10(2).** The regular program district cost per pupil for each school district is between 100% and 105% of the state regular program cost per pupil.

Regular program district cost for a school district for a budget year is equal to the regular program district cost per pupil for the budget year multiplied by the budget enrollment for the budget year **(257.10(6)).**

Combined District Cost

Combined district cost per pupil for a school district is the sum of the regular program district cost per pupil and the special education support services district cost per pupil. Combined district cost per pupil does not include a modified supplemental amount added for school districts that have a negative balance of funds raised for special education instruction programs, a modified supplemental amount granted by the SBRC for a single school year, or a modified supplemental amount added for programs for dropout prevention **(257.10(5)).**

Combined district cost is the sum of the regular program district cost per pupil multiplied by the weighted enrollment, the special education support services district cost, the total teacher salary supplement district cost, the total professional development supplement district cost, the total early intervention supplement district cost, and the total teacher leadership supplement cost, plus the sum of the additional district cost allocated to the district to fund media services and educational services provided through the AEA, the AEA total teacher salary supplement district cost and the AEA total professional development supplement district cost **(257.10(8)"a").** A school district may increase its combined district cost for the budget year to the extent that an excess tax levy is authorized by the school budget review committee [SBRC] **(257.10(8)"b**"). This excess tax levy referred to is a modified supplemental amount for the returning dropout and dropout prevention program. As a practical matter, other than the modified supplemental amount for the returning dropout and dropout prevention program, the SBRC can only grant a modified supplemental amount for the fiscal year in which the request is made and the expenditure is made, so those amounts would be in the base year rather than the budget year. Only the returning dropout and dropout prevention program modified supplemental amount is applicable to the subsequent (or budget) year.

Weighted Enrollment

Weighted enrollment is the budget enrollment plus the district's additional enrollment because of special education calculated on November 1 of the base year plus additional pupils added due to the application of the supplementary weighting. Weighted enrollment for special education support services costs is equal to the weighted enrollment minus the additional pupils added due to the application of the supplementary weighting **(257.6(5)).**

Special Education Weighting

"Children requiring special education" means persons under twenty-one [21] years of age, including children under five [5] years of age, who have a disability in obtaining an education because of a head injury, autism, behavioral disorder, or physical, mental, communication, or learning disability, as defined by the rules of the department of education. If a child requiring special education reaches the age of twenty-one [21] during an academic year, the child may elect to receive special education services until the end of the academic year **(256B.2(1)).**

An area education agency director of special education may request approval from the department of education to continue the special education program of a person beyond the person's twenty-first birthday if the person had an accident or prolonged illness that resulted in delays in the initiation of or interruptions in that person's special education program. Approval may be granted by the department to continue the special education program of that person for up to three years or until the person's twenty-fourth birthday **(256B.8).**

In order to provide funds for the excess costs of instruction of children requiring special education, above the costs of instruction of pupils in a regular curriculum, a special education weighting plan for determining enrollment in each school district is adopted **(256B.9(1)).**

The weighting for each category of child multiplied by the number of children in each category in the enrollment of a school district, as identified and certified by the director of special education for the AEA, determines the weighted enrollment to be used in that district for purposes of computations required under the state school foundation plan in chapter 257 **(256B.9(2)).**

A school district shall determine its additional enrollment because of special education, as defined in section 257.6, by November 1 of each year and shall certify its additional enrollment because of special education to the department of education by November 15 of each year, and the department shall promptly forward the information to the department of management. For the purposes of chapter 257, additional enrollment because of special education is determined by multiplying the weighting of each category of child under section 256B.9 times the number of children in each category totaled for all categories minus the total number of children in all categories **(257.6(3)).**

On December 1, 1987, and no later than December 1 every two years thereafter, for the school year commencing the following July 1, the director of the department of education shall report to the school budget review committee the average costs of providing instruction for children requiring special education in the categories of the weighting plan established under this section, and for providing services to nonpublic school students pursuant to section 256.12, subsection 2, and the director of the department of education shall make recommendations to the school budget review committee for needed alterations to make the weighting plan suitable for subsequent school years. The school budget review committee shall establish the weighting plan for each school year and shall report the plan to the director of the department of education. The school budget review committee may establish weights to the nearest hundredth. The school budget review committee shall not alter the weighting assigned to pupils in a regular curriculum, but it may increase or decrease the weighting assigned to each category of children requiring special education by not more than two- tenths of the weighting assigned to pupils in a regular curriculum. The state board of education shall adopt rules under chapter 17A to implement the weighting plan for each year and to assist in identification and proper indexing of each child in the state who requires special education **(256B.9(4)).**

The SBRC shall review the recommendations of the director of the department of education relating to the special education weighting plan, and shall establish a weighting plan for each school year pursuant to section 256B.9, and report the plan to the director of the department of education **(257.31(12)).**

Supplementary Weighting

In order to provide additional funds for school districts which send their resident pupils to another school district, which jointly employ and share the services of teachers under section 280.15, or which use the services of a teacher employed by another school district, a supplementary weighting plan for determining enrollment is adopted in section 257.11 **(257.11(2)"a").** In order to provide additional funds for school districts which send their resident high school pupils to a community college for college-level classes, a supplementary weighting plan for determining enrollment is adopted **(257.11(3)"a").** A pupil eligible for the weighting plan provided in section 256B.9 is not eligible for supplementary weighting pursuant to section 257.11 unless it is determined that the course generating the supplementary weighting has no relationship to the pupil's disability. A pupil attending an alternative program or an at-risk pupils' program, including alternative high school programs, is not eligible for supplementary weighting under these plans **(257.11(10)).** See below for special supplementary weighting available for ICN classes and at risk/alternative schools/programs.

If the school budget review committee certifies to the department of management that the shared classes or teachers would otherwise not be implemented without the assignment of additional weighting, pupils attending classes in another school district, attending classes taught by a teacher who is employed jointly under section 280.15, or attending classes taught by a teacher who is employed by another school district are assigned a weighting of forty-eight hundredths (0.48) of the percentage of the pupil's school day during which the pupil attends classes in another district, attends classes taught by a teacher who is jointly employed under section 280.15, or attends classes taught by a teacher who is employed by another school district **(257.11(2)"b").** If the SBRC certifies to the department of management that the class would not otherwise be implemented without the assignment of additional weighting, pupils attending a community college-offered class or attending a class taught by a community college-employed instructor are assigned a weighting of the percentage of the pupil's school day during which the pupil attends class in the community college or attends a class taught by a community college-employed instructor times seventy hundredths (0.70) for career and technical courses or forty-six hundredths (0.46) for liberal arts and sciences courses **(257.11(3)"b").**

School districts participating in [sending students to] regional academies are eligible for supplementary weighting as provided in section 257.11, subsection 2 [sending resident students to another district for classes]. [Beginning July 1, 2012], the school districts participating in the regional academy shall enter into an agreement on how the funding generated by the supplementary weighting received shall be used and shall submit the agreement to the Department of Education for approval **(261E.9(3**)). This is also true if the district is sending resident students to a career academy offered by another school district where the courses are not concurrent enrollment.

For detailed information on eligibility for various supplementary weightings, refer to Iowa Administrative Code chapter 281—97.

Concurrent Enrollment Supplementary Weighting

Concurrent enrollment means any course offered to students in grades 9 through 12 during the regular school year approved by the board of directors of a school district through a contractual agreement between a community college and the school district that meets the provisions of section 257.11(3) **(261E.2(1)).**

The following requirements shall be met for the purposes of assigning an additional weighting for classes offered through a sharing agreement between a school district and community college. The class must be:

1) Supplementing, not supplanting, high school courses required to be offered pursuant to section 256.11, subsection 5.
2) Included in the community college catalog or an amendment or addendum to the catalog.
3) Open to all registered community college students, not just high school students. The class may be offered in a high school attendance center.
4) For college credit and the credit must apply toward an associate of arts or associate of science degree, or toward an associate of applied arts or associate of applied science degree, or toward completion of a college diploma program.
5) Taught by an instructor employed or contracted by a community college who meets the requirements of section 261E.3, subsection 2.
6) Taught utilizing the community college course syllabus.
7) Taught in such a manner as to result in student work and student assessment which meet college-level expectations **(257.11(3)"b").**

A school district shall ensure that any course made available to a student through any sharing agreement between the school district and a community college or any other entity providing course programming pursuant to this section to students enrolled in the school district meets the expectations contained in the core curriculum adopted pursuant to section 256.7, subsection 26. The school district shall ensure that any course that has the capacity to generate college credit shall be equivalent to college-level work **(257.11(11)).**

The community college may offer programs for students of high school age to provide advanced college courses not taught at a student's high school while the student is also enrolled in the high school **(260C.6).**

A district-to-community college sharing or concurrent enrollment program is established to be administered by the department to promote rigorous academic or career and technical pursuits and to provide a wider variety of options to high school students to enroll part-time in eligible nonsectarian courses at or through community colleges established under chapter 260C. The program shall be made available to all resident students in grades nine through twelve **(261E.8(1)).** A student may make application to a community college and the school district to allow the student to enroll for college credit in a nonsectarian course offered by the community college. A comparable course, as defined in rules adopted by the board of directors of the school district, must not be offered by the school district or accredited nonpublic school which the student attends. The school board shall annually approve courses to be made available for high school credit using locally developed criteria that establishes which courses will provide the student with academic rigor and will prepare the student adequately for transition to a postsecondary institution. If an eligible postsecondary institution accepts a student for enrollment under this section, the school district, in collaboration with the community college, shall send written notice to the student, the student's parent or legal guardian in the case of a minor child, and the student's school district. The notice shall list the course, the clock hours the student will be attending the course, and the number of hours of college credit that the student will receive from the community college upon successful completion of the course **(261E.8(3)).** District-to-community college sharing agreements or concurrent enrollment programs that meet the requirements of section 257.11, subsection 3, are eligible for funding under that provision **(261E.8(6)).**

A career academy course may qualify as a concurrent enrollment course if its meets the requirements of 261E.8 **(261E.10(2)).** District-to-community college sharing agreements or concurrent enrollment programs that meet the

requirements of section 257.11(3) are eligible for funding under supplementary weighting **(261E.8(6)).** A career academy is not a regional academy **(IAC 281—97.4(6)).**

A course may be delivered via internet-based technologies. An internet-based course may qualify for additional supplementary weighting if it meets the requirements of section 261E.8 or section 261E.10 [which are the requirements of section 257.11(3)] **(261E.11).**

Except for students enrolled under section 261E.6 [PSEO], if a local school district pays tuition for a resident pupil of high school age, the limitation on tuition to the community college for residents of Iowa shall not apply, the amount of tuition shall be determined by the board of directors of the community college with the consent of the local school board, and the pupil shall not be included in the full-time equivalent [FTE] enrollment of the community college for the purpose of computing general aid to the community college [from the state] **(260C.14(2)).**

Determination of whether a course offered by a community college using local school facilities may be considered a community college course for weighting purposes should be made on a case-by-case basis. In order to receive supplementary weighting, there must be factors which establish that a class offered outside community college facilities is nonetheless a class "in a community college," rather than a district offering **(OAG #98-7-2(L)).**

ICN Classes Supplementary Weighting

For the purposes of supplementary weighting, *"virtual class"* means either of the following:

1) A class provided by a school district to a pupil in another school district via the Iowa communications network's video services.
2) A class provided by a community college to a pupil in a school district via the Iowa communications network's video services **(257.11(8)"d")**.

A school district that provides a virtual class to a pupil in another school district and the school district receiving that virtual class for a pupil shall each receive a supplemental weighting of one-twentieth (0.05) of the percentage of the pupil's school day during which the pupil attends the virtual class **(257.11(8)"a").** A school district receiving a virtual class for a pupil from a community college, which class meets the sharing agreement requirements for concurrent enrollment, shall receive a supplementary funding weighting of one-twentieth of the percentage of the pupil's school day during which the pupil attends the virtual class **(257.11(8)"c").** If a class is a virtual class, it is only eligible for the 0.05 supplementary weighting—it is not eligible for the district-to-district supplementary weighting or the district-to-community college weighting that would be a higher amount.

A school district that provides [Senior year plus (SYP)] courses delivered via the ICN shall receive supplementary funding as provided in section 257.11, subsection 7 **(261E.11).**

Fifty percent (50%) of the funding the school district providing the virtual class receives as a result of this subsection shall be reserved as additional pay for the virtual classroom instructor. If an instructor's contract provides additional pay for teaching a virtual class, the instructor shall receive the greater amount of either the amount provided for in this paragraph or the amount provided for in the instructor's contract **(257.11(8)"c").** .

At Risk Programs Supplementary Weighting

In order to provide additional funding to school districts for programs serving at-risk pupils and alternative school pupils in secondary schools, a supplementary weighting plan for at-risk pupils is adopted. A supplementary weighting of forty-eight ten-thousandths per pupil shall be assigned to the percentage of pupils in a school district enrolled in grades one through six, as reported by the school district on the basic educational data survey for the base year, who are eligible for free and reduced price meals under the federal National School Lunch Act and the federal Child Nutrition Act of 1966, 42 U.S.C. § 1751-1785, multiplied by the budget enrollment in the school district; and a supplementary weighting of one hundred fifty-six one-hundred-thousandths per pupil shall be assigned to pupils included in the budget enrollment of the school district. Amounts received as supplementary weighting for at-risk pupils shall be utilized by a school district to develop or maintain at-risk pupils' programs, which may include alternative school programs **(277.11(4)"a").** This at risk supplementary weighting is formula driven and is not included on the certified supplementary weighting form.

Whole-Grade Sharing Supplementary Weighting

Pupils attending class for all or a substantial portion of a school day pursuant to a whole grade sharing agreement executed under sections 282.10 through 282.12 shall be eligible for supplementary weighting pursuant to this

subsection. A school district which executes a whole grade sharing agreement and which adopts a resolution jointly with other affected boards to study the question of undergoing a reorganization or dissolution to take effect on or before July 1, 2014, shall receive a weighting of one-tenth of the percentage of the pupil's school day during which the pupil attends classes in another district, attends classes taught by a teacher who is jointly employed under section 280.15, or attends classes taught by a teacher who is employed by another school district. A district shall be eligible for supplementary weighting pursuant to this paragraph for a maximum of three years. Receipt of supplementary weighting for a second and third year shall be conditioned upon submission of information resulting from the study to the school budget review committee [SBRC] indicating progress toward the objective of reorganization on or before July 1, 2014 **(257.11(2)"c").**

A school district may negotiate an agreement for attendance of its pupils in a school district located in a contiguous state. A school district that negotiates an agreement with a school district in a contiguous state is not eligible for supplementary weighting as a result of that agreement **(282.7(3)).**

Regional Academy Supplementary Weighting

A school district which hosts a regional academy shall be eligible to assign its resident students attending classes at the academy a weighting of one-tenth of the percentage of the student's school day during which the student attends classes at the regional academy. The maximum amount of additional weighting for which a school district hosting a regional academy shall be eligible is an amount corresponding to thirty additional students. The minimum amount of additional weighting for which a school district establishing a regional academy shall be eligible is an amount corresponding to fifteen additional students if the academy provides both advanced-level courses and career and technical courses **(257.11(2)"d").**

A regional academy is a program established by a school district to which multiple school districts send students in grades nine [seven beginning July 1, 2012] through twelve **(261E.9(1)).** A regional academy shall include in its curriculum advanced level courses. A regional academy may include in its curriculum virtual or internet-based coursework and courses delivered via the ICN, career and technical courses, core curriculum coursework, courses required pursuant to section 256.7(26), or section 256.11(4 and 5), and asynchronous learning networks **(261E.9(2)).** A school district that provides [Senior year plus (SYP)] courses delivered via the ICN shall receive supplementary funding as provided in section 257.11, subsection 7 **(261E.11).** The secondary curriculum career and technical courses could be a career academy provided by the school district as long as it is not concurrent enrollment **(261E.10(3)).** As a practical matter, even though a regional academy may include ICN courses, those are actually separate from the regional academy for supplementary weighting purposes. Each type of sharing is covered by a different part of Code and has a different weighting.

Beginning on July 1, 2012, a school district establishing a regional academy may collaborate and partner with, enter into an agreement pursuant to chapter 28E with, or enter into a contract with, one or more school districts, AEAs, community colleges, accredited public and private postsecondary institutions, accredited nonpublic schools, businesses, and private agencies located within or outside of the state. The purpose of a regional academy established pursuant to this section shall be to build a culture of innovation for students and community, to diversify educational and economic opportunities by engaging in learning experiences that involve students in complex, real-world projects, and to develop regional or global innovation networks. If a school district establishing a regional academy in accordance with this section submits a plan to the Department of Education for approval that demonstrates how the regional academy will increase and assess student achievement or increase and access competency-based learning opportunities for students, the Department may waive or modify any statutory or regulatory provision applicable to school districts except the Department shall not waive or modify any statutory or regulatory provision relating to requirements applicable to school districts under chapters 11, 21, 22, 216, 216A, 256B, 279, 284, and 285; or relating to contracts with and discharge of teachers and administrators under chapters 20 and 279; or relating to audit requirements under section 256.9, subsection 20, and section 279.29. **(261E.9(1)).**

School districts that are sending students to a regional academy qualify for supplementary weighting under district-to-district sharing. School districts participating in [sending resident students to] regional academies are eligible for supplementary weighting as provided in section 257.11, subsection 2. Beginning July 1, 2012, the school districts participating in the regional academy shall enter into an agreement on how the funding generated by the supplementary weighting received shall be used and shall submit the agreement to the Department of Education for approval **(261E.9(3)).**

Shared Operational Function Supplementary Weighting

In order to provide additional funding to increase student opportunities and redirect more resources to student programming for school districts that share operational functions, a supplementary weighting of two hundredths [0.02] per pupil shall be assigned to pupils enrolled in a district that shares with a political subdivision one or more operational functions of a curriculum director, school administration manager, social worker, school nurse, school counselor, or school librarian, or one or more operational functions in the areas of superintendent management, business management, human resources, transportation, or operation and maintenance for at least twenty percent [20%] of the school year. The additional weighting shall be assigned for each discrete operational function shared.
The operational function sharing arrangement does not need to be a newly implemented sharing arrangement to receive supplementary weighting under this subsection. However, to receive supplementary weighting under this subsection for an ongoing operational function sharing arrangement that began before July 1, 2014, the district shall submit information to the department documenting the cost savings directly attributable to the shared operational functions and describe the district's consideration of additional shared operational functions. The additional weighting shall be assigned for each discrete operational function shared. For the purposes of this section, *"political subdivision"* means a city, township, county, school corporation, merged area, AEA, institution governed by the state board of regents, or any other governmental subdivision **(257.11(7)"a**"). Note that there actually are no other governmental subdivisions than those listed.

School districts that share operational functions with other school districts are not required to be contiguous school districts. If two or more districts sharing operational functions are not contiguous to each other, the districts separating those districts are not required to be a party to the operational functions sharing arrangement **(257.11(7)"b").**

Supplementary weighting pursuant to this subsection shall be available to a school district for a maximum of five years during the period commencing with the budget year beginning July 1, 2014, through the budget year beginning July 1, 2019. The minimum amount of additional weighting for which a school district shall be eligible is an amount equivalent to ten additional pupils, and the maximum amount of additional weighting for which a school district shall be eligible is an amount equivalent to forty additional pupils. Receipt of supplementary weighting by a school district pursuant to this subsection for more than one year shall be contingent upon the annual submission of information by the district to the department documenting cost savings directly attributable to the shared operational functions. Criteria for determining the number of years for which supplementary weighting shall be received pursuant to this subsection, subject to the five-year maximum, and for determining qualification of operational functions for supplementary weighting shall be determined by the department by rule, through consideration of long-term savings by the school district or increased student opportunities. **(257.11(7)"c").**

Supplementary weighting pursuant to this subsection shall be available to an AEA for a maximum of five [5] years during the period commencing with the budget year beginning July 1, 2014, through the budget year beginning July 1, 2019. The minimum amount of additional funding for which an AEA shall be eligible is fifty thousand dollars [$50,000], and the maximum amount of additional funding for which an AEA shall be eligible is two hundred thousand dollars [$200,000]. The department of management shall annually set a weighting for each AEA to generate the approved operational sharing expense using the AEA's special education cost per pupil amount and foundation level. Receipt of supplementary weighting by an AEA for more than one year shall be contingent upon the annual submission of information by the district to the department documenting cost savings directly attributable to the shared operational functions. Criteria for determining the number of years for which supplementary weighting shall be received pursuant to this subsection, subject to the five-year maximum, and the amount generated by the supplementary weighting, and for determining qualification of operational functions for supplementary weighting shall be determined by the department by rule, through consideration of long-term savings by the AEA or increased student opportunities. **(257.11(7)"d").**

Supplementary weighting for operational function sharing is repealed effective July 1, 2020 **(257.11(7)"e").**

Reorganization Incentive Supplementary Weighting

Each district which initiated, by a vote of the board of directors or jointly by the affected boards, action to bring about a reorganization or dissolution to take effect on or after July 1, 2007, and on or before July 1, 2014, shall certify the date and the nature of the action taken to the Department of Education by January 1 of the year in which the reorganization or dissolution takes effect **(257.3(2)"d", 257.11A(2)).**

In determining weighted enrollment under section 257.6, if the board of directors of a school district has approved a contract for sharing pursuant to section 257.11 and the school district has approved an action to bring about a reorganization to take effect on or after July 1, 2007, and on or before July 1, 2014, the reorganized school district shall include, for a period of three years following the effective date of the reorganization, additional pupils added by the application of the supplementary weighting plan, equal to the pupils added by the application of the supplementary weighting plan in the year preceding the reorganization. For the purposes of this subsection, the weighted enrollment

for the period of three years following the effective date of reorganization shall include the supplementary weighting in the base year used for determining the combined district cost for the first year of the reorganization. However, the weighting shall be reduced by the supplementary weighting added for a pupil whose residency is not within the reorganized district. For purposes of this section, a reorganized district is one in which the reorganization was approved in an election pursuant to sections 275.18 and 275.20 and takes effect on or after July 1, 2007, and on or before July 1, 2014. **(257.11A(1), 257.11A(2)).**

Limited English Proficient Weighting

Even though limited English proficient weighting is technically not called supplementary weighting, it functions in the same way.

When the student is limited English proficient, public schools shall provide special instruction, which shall include but need not be limited to either instruction in English as a second language or transitional bilingual instruction until the student is fully English proficient or demonstrates a functional ability to speak, read, write, and understand the English language **(280.4(1)).** In order to provide funds for the excess costs of instruction of limited English proficient students above the costs of instruction of pupils in a regular curriculum, students identified as limited English proficient shall be assigned an additional weighting of 0.22 that shall be included in the weighted enrollment of the school district of residence for a period not exceeding five years **(280.4(3)).**

Gifted and Talented Program Funding

Gifted and talented program funding is not funding in addition to the regular program district cost, but rather is a portion of the calculated district cost. Effectively, the 25% portion and the 75% portion of the gifted and talented program budget after subtracting funds received from other sources (including carryforward from a previous year) are both paid from the regular program district cost.

The budget of an approved gifted and talented children program for a school district, after subtracting funds received from other sources for that purpose, shall be funded annually on a basis of one-fourth or more from the district cost of the school district. The remaining portion of the budget shall be funded by the thirty-eight dollar increase in supplemental state aid, as defined in section 257.2, Code 2014, for the school budget year beginning July 1, 1999, multiplied by a district's budget enrollment. The thirty-eight dollar increase for the school budget year beginning July 1, 1999, shall increase in subsequent years by each year's state percent of growth. School districts shall annually report the amount expended for a gifted and talented program to the department of education. The proportion of a school district's budget which corresponds to the thirty-eight dollar increase in supplemental state aid, as defined in section 257.2, Code 2014, for the school budget year beginning July 1, 1999, added to the 25% amount and funds received from other sources for the gifted and talented program, shall be utilized exclusively for a school district's gifted and talented program. If any portion of the gifted and talented program budget remains unexpended at the end of the budget year, the remainder shall be carried over to the subsequent budget year and added to the gifted and talented program budget for that year **(257.46).**

Adjustment in State Foundation Aid for Repayment of Property Taxes

If a school district is required to repay property taxes paid for school taxes levied on property originally assessed at five million dollars or more because the assessment was subsequently reduced by the action of the property assessment appeal board or judicial action and the amount of the reduction in the assessment equals at least one hundred thousand dollars or two percent of the assessed value of all taxable property in the district prior to the reduction, whichever is less, the school district is eligible for an adjustment in state foundation aid. To receive the adjustment in state foundation aid, the school district shall apply to the department of management prior to the beginning of the budget year following the budget year in which the repayment of the property taxes occurred. The department of management shall determine the amount of adjustment in state foundation aid. The department of management shall determine the amount of state foundation aid which the school district would have received under section 257.1 if the amount of the school district's foundation property tax was determined using the reduced assessment of the applicable property. The difference between the amount of the state foundation aid using the reduced assessment and the amount of state foundation aid actually received under section 257.1 equals the amount of the adjustment in state foundation aid to be paid to the school district. The adjustment in state foundation aid shall be paid as provided in section 257.16 [with regular state aid]. If the application to receive an adjustment in state aid was filed prior to April 15, the adjustment shall be paid in the budget year. If the application is made after April 15, the adjustment shall be paid in the following budget year **(257.12).**

Budget Adjustment (Guarantee)

A district shall be eligible for a budget adjustment corresponding to the following schedule:

- For the budget year commencing July 1, 2010, the greater of the difference between the regular program district cost for the budget year and one hundred one percent of the regular program district cost for the base year, or thirty percent of the amount by which the budget guarantee as calculated for the budget year beginning July 1, 2003, exceeds the adjusted guarantee amount. For purposes of this subparagraph, the *"adjusted guarantee amount"* means the amount which would be applicable for the budget year beginning July 1, 2010, if the budget guarantee were determined for that budget year as calculated for the budget year beginning July 1, 2003.
- For the budget year commencing July 1, 2011, the greater of the difference between the regular program district cost for the budget year and one hundred one percent of the regular program district cost for the base year, or twenty percent of the amount by which the budget guarantee as calculated for the budget year beginning July 1, 2003, exceeds the adjusted guarantee amount. For purposes of this subparagraph, the *"adjusted guarantee amount"* means the amount which would be applicable for the budget year beginning July 1, 2011, if the budget guarantee were determined for that budget year as calculated for the budget year beginning July 1, 2003.
- For the budget year commencing July 1, 2012, the greater of the difference between the regular program district cost for the budget year and one hundred one percent of the regular program district cost for the base year, or ten percent of the amount by which the budget guarantee as calculated for the budget year beginning July 1, 2003, exceeds the adjusted guarantee amount. For purposes of this subparagraph, the *"adjusted guarantee amount"* means the amount which would be applicable for the budget year beginning July 1, 2012, if the budget guarantee were determined for that budget year as calculated for the budget year beginning July 1, 2003.
- For the budget year commencing July 1, 2013, and each budget year thereafter, the difference between the regular program district cost for the budget year and one hundred one percent of the regular program district cost for the base year **(257.14(3)"a").**

The board of directors of a school district that wishes to receive a budget adjustment pursuant to this subsection shall adopt a resolution to receive the budget adjustment by May 15, annually, and shall notify the department of management of the adoption of the resolution and the amount of the budget adjustment to be received **(257.14(3)"b").**

The budget adjustment is all local property tax.

Authorized Expenditures

The authorized expenditures of a school district during a base year shall not exceed the lesser of the budget for that year certified under section 24.17 plus any allowable amendments permitted in section 257.7, or the authorized budget **(257.7(1)).**

Authorized Budget (Maximum Budget Authority)

Authorized budget means the sum of the combined district cost for that year, the actual miscellaneous income received for that year, and the actual unspent balance from the preceding year **(257.7(1)).** This refers to the general fund of the school district.

Expenditure means the total amounts paid from the general fund of a school district **(257.2(7)).**

Increase to Budget Authority for Increasing Enrollment

For the school budget year beginning July 1, 2001, and succeeding budget years, if a district's actual enrollment for the budget year, determined under section 257.6, is greater than its budget enrollment for the budget year, the district shall be eligible to receive an on-time funding budget adjustment. The adjustment shall be in an amount equal to the difference between the actual enrollment for the budget year and the budget enrollment for the budget year, multiplied by the district cost per pupil. The board of directors of a school district that wishes to receive an on-time funding budget adjustment shall adopt a resolution to receive the adjustment and notify the school budget review committee [SBRC] annually, but not earlier than November 1, as determined by the department of education. The school budget review committee [SBRC] shall establish a modified supplemental amount in an amount determined here **(257.13).**

The on-time funding is not really funding. It is a modified supplemental amount, which means that the district can increase its authorized budget, but will not receive funding unless the district decides to levy a local property tax for cash reserve.

Miscellaneous Income

Miscellaneous income means the receipts deposited to the general fund of the school district but not including any of the following:

a. Foundation aid.
b. Revenue obtained from the foundation property tax.
c. Revenue obtained from the additional property tax under section 257.4.
d. Property tax replacement payments received under section 257.16B **(257.2(9)).**

Miscellaneous income also does not include cash reserve levy receipts.

Unspent Balance

Unspent balance means the difference between the authorized expenditures (maximum budget authority) of the preceding year less the actual expenditures of the preceding year.

Flow of Cash versus Authority

Iowa is unique in the way it has written its finance formula for funding education. While other states operate on a certified budget basis, Iowa operates on both a certified budget basis for all funds plus an authorized budget basis specifically for the general fund. The purpose of the authorized budget is to ensure equity for all children without regard to where they live—a basis premise in education funding. Iowa is one of the few states that has not had a constitutional challenge on equity in education because Iowa's formula was designed to ensure that equity with the addition of the authorized budget concept.

The authorized budget in the general fund is not the same as cash in the general fund. Each year the district receives budget authority for its general fund and receives funding or opportunities to receive funding in its general fund to the full extent of its authority. The cash and the authority might not be received at the same time, but a district can always obtain cash to back all of the authority it has received.

For example, a district might end the year with more cash than remaining authority in the general fund. That cash is not backing any authority. Instead, it is available to fund any authority granted in the subsequent year which is not fully funded. Although it may appear that it is for "cash flow," that is technically not correct. Cash flow would use authority as well as cash when it is expended, but this excess of cash described here has no authority attached to it, so it cannot be spent until unfunded authority is granted in the subsequent year to absorb it. Cash without authority can come from the cash reserve levy, but that is not the only source of cash without authority. The income surtax is granted authority prior to the year in which it levied. That means that the actual amount of cash that it will generate is not known. Instead the authority is granted based on a previous year's known income taxes available. This almost always results in a district receiving more cash through the income surtax than the authority which was granted, leaving some cash without authority behind it. Again, that cash is available to be absorbed by any unfunded authority grant in the subsequent year.

Even when property tax and state aid are levied and allocated in the amount of budget authority, the cash receipts do not match what was actually levied and authorized. Property taxes can be delinquent. State aid can be cut.

Programs that are paid off the top of state aid each year use cash that would have been state aid to districts. These programs are ones where it is difficult to locate parents or resident districts due to the nature of the placement, length of the placement, or mobility of families. Examples are foster care facilities, juvenile detention centers, juvenile shelter homes, Iowa State Training School, Iowa Juvenile Home, children on IEPs with parental rights severed, or certain MHIs. The state pays these serving districts, AEAs, or institutions directly for tuition for the children they serve. The cash is taken from the state aid that would have been sent to districts. Then the total funding for those programs is deducted from each district on an equal per pupil basis. If the districts had paid the tuition directly themselves for their resident students, they would have spent both cash and authority for that tuition. But when the state pays directly from the state aid, the districts receive less cash but retain all of the authority.

When there is an across the board (ATB) cut in any fiscal year, a similar situation occurs. Districts receive less cash but retain all of the authority they had already been granted.

Most authority is general purpose authority, but within the budget are also some specialized areas where authority is granted to be used for a specific purpose and only that purpose. That authority is called categorical. Decisions to provide districts with categorical funding is usually motivated by research in education funding showing that specific

expenditures are shown to enhance student achievement. Examples of categorical authority include, but are not limited to, funding for additional instruction for students at-risk of dropping out of schools, students who are English language learners, students who are gifted, students who have IEPs, or funding for teachers such as the teacher salary supplement.

At the end of the year, the district will generally have some authorized budget that it did not expend within the fiscal year. This remaining amount is commonly called "unspent balance" and can be carried forward to the subsequent fiscal year. Some of that unspent balance will be categorical authority that must be carried forward and must be expended only for the purpose for which it was given to the district. Any district that has not expended its categorical authority should always have remaining unspent balance at least to the extent of the sum of all its unspent categorical authority. Any district that has incurred a negative unspent balance (expended more cash than it had authority to expend), will also have expended categorical authority on other expenditures than those for which it was granted. However, even a few districts that do not incur an overall negative unspent balance, may also have expended categorical authority on other expenditures than those for which it was granted. Expending categorical authority on other expenditures than those for which it was granted is not appropriate financial management.

Across the board cuts

When an executive order of the governor requires an across the board cut to funding, it impacts school funding differently. Funding received through the school finance formula, on the aid and levy worksheet, will have cash receipts reduced, but the district will retain the full amount of budget authority associated with that funding. Even when the cash has been reduced, because the authority was not reduced, the district will report such funding for the CAR-COA as received; for example, the AEA flowthrough. In addition, all categorical funding that retained its full amount of budget authority will be treated as received in full and any amount of budget authority not expended in the fiscal year by the district would be reported as a restricted fund balance.

If the funding is outside of the formula, such as state grant funding, it will generally be reduced by the amount of the across the board (ATB) cut. In practice, districts and AEAs generally are not required to return funding that has already been fully distributed prior to the ATB cut. That means that funding which has not yet been fully distributed will absorb all of the ATB cut reduction in funding. When funding outside of the school finance formula is reduced, the budget authority that is associated with that funding is also reduced. This is because such funding does not acquire budget authority until it has been received by the school district.

When the funding is the special education weighted funding, it becomes complicated. This is the procedure followed:

1. School districts' special education receipts for the CAR-SES will not show a reduction. Each district's spending authority will not be reduced as a result of the ATB reduction, and the full amount from the aid and levy worksheet is reported.
2. The CAR-SES will be completed using the receipts from the aid and levy worksheet without the ATB reduction.
3. Special Education balances will be calculated against the special education receipts from the aid and levy worksheet without the ATB reduction.
4. Carryover will be calculated as in prior years, without regard to the ATB reduction.
5. Balances in excess of the 10% allowable carryover that are redistributed to other districts will be calculated at the normal 87.5% (state share) and then that amount will be reduced by ATB reduction.

If the governor determines that the estimated budget resources during the fiscal year are insufficient to pay all appropriations in full, the reductions shall be uniform and prorated between all departments, agencies, and establishments upon the basis of their respective appropriations **(8.31(5)).**

Notwithstanding any provision to the contrary, if the governor orders budget reductions in accordance with section 8.31, the teacher salary supplement district cost, the professional development supplement district cost, the early intervention supplement district cost, and the teacher leadership supplement district cost as calculated under section 257.10, subsections 9, 10, 11, and 12, and the area education agency teacher salary supplement district cost and the area education agency professional development supplement district cost as calculated under section 257.37A, subsections 1 and 2, shall be paid in full as calculated and the reductions in the appropriations provided in accordance with this section shall be reduced from the remaining moneys appropriated pursuant to this section and shall be distributed on a per pupil basis calculated with the weighted enrollment determined in accordance with section 257.6, subsection 5 **(257.16(4)).**

Note that the Code above exempts specific categorical funding on the aid and levy from reductions in cash. Districts are no longer permitted to spread the reduction in cash proportionately across all of the funding it would have received through the school finance formula. Because the district was already required to account for the budget authority as if

the cash were received in full for any funding through the school finance formula, this Code section does not change that prior requirement.

Also note that an ATB cut is not made using the same calculation on which the funding was distributed originally.

Additional Funding Sources

Instructional Support Program

An instructional support program that provides additional funding for school districts is established **(257.18).**

The additional funding for the instructional support program for a budget year is limited to an amount not exceeding ten percent of the total of regular program district cost for the budget year and moneys received under section 257.14 as a budget adjustment for the budget year. Moneys received by a district for the instructional support program are miscellaneous income and may be used for any general fund purpose. However, moneys received by a district from the instruction support program shall not be used as, or in a manner which has the effect of, supplanting funds authorized to be received under sections 257.41 (returning dropout and dropout prevention), 257.46 (gifted and talented), 298.2 (PPEL/VPPEL), and 298.4 (Management Levy), or to cover any deficiencies in funding for special education instructional services resulting from the application of the special education weighting plan under section 256B.9. Funding for the instructional support program shall be obtained from instructional support state aid and from local funding using either an instructional support property tax or a combination of an instructional support property tax and instructional support income surtax **(257.19).**

Even though the instructional support program is miscellaneous income, the authority is generated at the point of certification rather than at the point of receipt. Therefore budget authority is not reduced even when there is an across the board cut imposed.

Educational Improvement Program

An educational improvement program is established to provide additional funding for school districts in which the regular program district cost per pupil for a budget year is one hundred ten percent of the regular program state cost per pupil for the budget year and which have approved the use of the instructional support program established in section 257.18. The educational improvement program shall be funded by either an educational improvement property tax or by a combination of an educational improvement property tax and an educational improvement income surtax. Moneys received by a school district under the educational improvement program are miscellaneous income **(257.29).**

Notwithstanding the requirement that the regular program district cost per pupil for a budget year is one hundred ten percent of the regular state cost per pupil, the board of directors may participate in the educational improvement program as provided in this section if the school district had adopted an enrichment levy of fifteen percent of the state cost per pupil multiplied by the budget enrollment in the district prior to July 1, 1992, and upon expiration of the period for which the enrichment levy was adopted, adopts a resolution for the use of the instructional support program established in section 257.18. The maximum percent of the regular district cost of the district that may be used under this subsection shall not exceed five percent **(257.29(7)).**

Even though the educational improvement program is miscellaneous income, the authority is generated at the point of certification rather than at the point of receipt. Therefore budget authority is not reduced even when there is an across the board cut imposed.

Returning Dropout and Dropout Prevention Program

The budget of an approved program for returning dropouts and dropout prevention for a school district, after subtracting funds received from other sources for that purpose, shall be funded annually on a basis of one-fourth or more from the district cost of the school district and up to three-fourths by an increase in supplemental state aid as defined in section 257.8. Annually, the department of management [really the SBRC] shall establish a modified supplemental amount for each such district equal to the difference between the approved budget for the program for returning dropouts and dropout prevention for that district and the sum of the amount funded from the district cost of the school district plus funds received from other sources **(257.41).**

The 75% portion of the returning dropout and dropout prevention program budget after subtracting funds received from other sources (including carryforward from a previous year) is a local property tax.

Cash Reserve

The board of directors of a school district may certify for levy by April 15 of a school year, a tax on all taxable property in the school district in order to raise an amount for a necessary cash reserve for a school district's general fund. The amount raised for a necessary cash reserve does not increase a school district's authorized expenditures as defined in section 257.7. For fiscal years beginning on or after July 1, 2012, the cash reserve levy for a budget year shall not exceed twenty percent [20%] of the general fund expenditures for the year previous to the base year minus the general fund unexpended fund balance for the year previous to the base year **(298.10).**

"Unexpended fund balance" means a school district's unreserved and undesignated fund balances **(257.2(13)).** Note: The terms unreserved and undesignated are no longer used in governmental GAAP after June 30, 2010. The most similar classifications under the new definitions of fund balances components would be the portion of the fund balance which is not accounted for as nonspendable, restricted, or committed pursuant to generally accepted accounting principles.

Annually the SBRC shall review the amount of property tax levied by each school district for the cash reserve authorized in section 298.10. If in the committee's judgment, the amount of a district's cash reserve levy is unreasonably high, the committee shall instruct the director of the department of management to reduce that district's tax levy computed under section 257.4 for the following budget year by the amount the cash reserve levy is deemed excessive. A reduction in a district's property tax levy for a budget year under this subsection does not affect the district's authorized budget **(257.31(15)).**

If a school district receives less state school foundation aid under section 257.1 than is due under that section for a base year and the school district uses funds from its cash reserve during the base year to make up for the amount of state aid not paid, the board of directors of the school district shall include in its general fund budget document information about the amount of the cash reserve used to replace the state school foundation aid not paid **(257.34).**

A school district may certify a cash reserve levy pursuant to Code to provide cash to replace withheld state aid and allow the district to meet authorized expenditures even though utilization of this levy will cause variation in the property tax rates among districts **(OAG #90-2-9(L)).**

Area Education Agencies

Area education agencies (AEAs) serve as intermediate service units to provide special education support services, media services, and educational services. AEAs have no taxing authority. Instead, the law provides for a legislatively-controlled amount of property tax and state aid to "flow through" local school district budgets to the AEA. Revenue comes directly to the AEA from the Department of Management, but the amount appears in the budget of each district. The funding formula for AEAs includes separate funding on a per-pupil basis for each of the three service areas. Media and education services are funded entirely from property taxes. Special education support services funding is included in the state aid foundation plan. The state support level for special education is 79%.

School districts shall pay for the programs and services provided through the AEA and shall include expenditures for the programs and services in their budgets, in accordance with section 273.9 **(273.9(1)).** The department of management shall 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 chapter 257 and shall pay the amounts to the respective AEAs on a monthly basis from September 15 through June 15 during each school year. The department of management shall notify each school district of the amount of state aid deducted for these purposes and the balance of state aid shall be paid to the district. If a district does not qualify for state aid under chapter 257 in an amount sufficient to cover its amount due to the AEA as calculated by the department of management, the school district shall pay the deficiency to the AEA from other moneys received by the district, on a quarterly basis during each school year **(257.35(1)).**

Notwithstanding section 257.35, subsection 1, the state aid for AEAs and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2002, and each succeeding fiscal year, shall be reduced by the department of management by seven million five hundred thousand dollars [$7,500,000]. The reduction for each area education agency shall be equal to the reduction that the agency received in the fiscal year beginning July 1, 2001 **(257.35(2)).**

School districts shall pay the costs of special education instructional programs with the moneys available to the districts for each child requiring special education, by application of the special education weighting plan in section 256B.9.

Special education instructional programs shall be provided at the local level if practicable, or otherwise by contractual arrangements with the AEA board as provided in subsection 273.3(5), but in each case the total money available through section 256B.9 and chapter 257 because of weighted enrollment for each child requiring special education instruction shall be made available to the district or agency which provides the special education instructional program to the child, subject to adjustments for transportation or other costs which may be paid by the school district in which the child is enrolled. Each district shall cooperate with its AEA to provide an appropriate special education instructional program for each child who requires special education instruction, as identified and counted within the certification by the AEA director of special education or as identified by the AEA director of special education subsequent to the certification, and shall not provide a special education instructional program to a child who has not been so identified and counted within the certification or identified subsequent to the certification **(273.9(2)).**

The costs of special education support services provided through the AEA shall be funded as provided in chapter 257 **(273.9(3)).**

AEA boards are authorized to receive and expend money for providing programs and services as provided in sections 273.1 to 273.9, and chapters 256B and 257. All costs incurred in providing the programs and services, including administrative costs, shall be paid from funds received pursuant to sections 273.1 to 273.9 and chapters 256B and 257 **(273.3(2)).**

The AEA board is authorized to make application for, accept, and expend state and federal funds that are available for programs of educational benefit approved by the director of the department of education, and cooperate with the department in the manner provided in federal-state plans or department rules in the effectuation and administration of programs approved by the director, or approved by other educational agencies, which agencies have been approved as state educational authorities **(273.3(9)).**

Notwithstanding chapters 256B, 273, and 257 relating to the moneys available to AEAs for special education support services, for each school year, the Department of Education may direct the Department of Management to deduct amounts from the portions of school district budgets that fund special education support services in an AEA. The total amount deducted in an AEA shall be based upon excess special education support services unreserved and undesignated fund balances in that AEA for a school year as determined by the Department of Education. The amount deducted from a school district's budget shall not affect the calculation of the state cost per pupil or its district cost per pupil in that school year or a subsequent year **(257.36).**

If an AEA does not serve nonpublic school pupils in a manner comparable to services provided public school pupils for media and educational services, as determined by the state board of education, the state board shall instruct the Department of Management to reduce the funds for media services and educational services one time by an amount to compensate for such reduced services **(257.37(5)).**

For the budget year beginning July 1, 2010, and succeeding budget years, if the department of management determines that the unadjusted AEA teacher salary supplement district cost of an AEA for a budget year is less than one hundred percent [100%] of the unadjusted AEA teacher salary supplement district cost for the base year for the AEA, the AEA shall receive a budget adjustment for that budget year equal to the difference. The unadjusted AEA teacher salary supplement district cost is the AEA teacher salary supplement district cost per pupil for each AEA for a budget year multiplied by the special education support services weighted enrollment for that AEA. The total AEA teacher salary supplement district cost is the sum of the unadjusted AEA teacher salary supplement district cost plus the budget adjustment for that budget year. The use of the funds calculated under this subsection shall comply with the requirements of chapter 284 and shall be distributed to teachers pursuant to section 284.3A **(257.37A(1)).**

For the budget year beginning July 1, 2010, and succeeding budget years, if the department of management determines that the unadjusted AEA professional development supplement district cost of an AEA for a budget year is less than one hundred percent [100%] of the unadjusted AEA professional development supplement district cost for the base year for the AEA, the AEA shall receive a budget adjustment for that budget year equal to the difference. The unadjusted AEA professional development supplement district cost is the AEA professional development supplement district cost per pupil for each AEA for a budget year multiplied by the special education support services weighted enrollment for that AEA. The total AEA professional development supplement district cost is the sum of the unadjusted AEA professional development supplement district cost plus the budget adjustment for that budget year. The use of the funds calculated under this subsection shall comply with requirements of chapter 284 **(257.37A(2)).**

School Budget Review Committee

A special provision of Iowa's school foundation aid program and school budgeting is a state-level School Budget Review Committee (SBRC). The SBRC is a separate agency and the members, appointed by the governor and

confirmed by the Senate, serve in a judicial role regarding budgets. The committee provides relief for unique and unusual situations not covered under the basic foundation plan. To provide the relief, the committee has the authority to grant districts' increases in spending authority which may result in increases in property taxes if the local district chooses to implement a cash reserve levy. The six-member committee annually reviews areas such as the special education weighting plan and adjusts the weights as the committee deems necessary. If the special education expenditures exceeded revenues, as has been the case in recent years, a modified supplemental amount shall be granted. This additional supplemental amount requires an increase in cash reserve property taxes or use of unexpended fund balances. Iowa is unique compared to other states in that maximum spending authority is controlled in each district through the foundation plan. The funding sources include state aid, property taxes, unspent balances from the prior year, plus actual miscellaneous income. The controlled expenditure results in greater equity in expenditures but less local discretion. Once spending authority has been granted, it is not removed even if authorized state aid or property tax revenues are not actually received. Thus when an across the board state aid cut is made, spending authority is not reduced. A district may levy local property taxes for a cash reserve to replace any revenues not received. The SBRC exists to counterbalance the controlled spending authority by providing managed flexibility for unforeseen General Fund budget emergencies while maintaining the equity in the foundation plan.

Authority to Spend Unexpended Cash Balance

The SBRC may authorize a district to spend a reasonable and specified amount from its unexpended fund balance for the following purposes:

1) Furnishing, equipping, and contributing to the construction of a new building or structure for which the voters of the district have approved a [general obligation] bond issue as provided by law or the tax levy provided in section 298.2 [VPEL].
2) The costs associated with the demolition of an unused school building, or the conversion of an unused school building for community use, in a school district involved in a dissolution or reorganization under chapter 275, if the costs are incurred within three [3] years of the dissolution or reorganization.
3) The costs associated with the demolition or repair of a building or structure in a school district if such costs are necessitated by, and incurred within two years of, a disaster as defined in section 29C.2, subsection 1. **(257.31(7)"a").**

Other expenditures, including but not limited to expenditures for salaries or recurring costs, are not authorized under this subsection. Expenditures authorized under this subsection shall not be included in supplemental state aid or district cost, and the portion of the unexpended cash balance which is authorized to be spent shall be regarded as if it were miscellaneous income. Any part of the amount not actually spent for the authorized purpose shall revert to its former status as part of the unexpended cash balance **(257.31(7)"b").**

Supplemental Aid

If a district has unusual circumstances, creating an unusual need for additional funds, the SBRC may grant supplemental aid to the district from any funds appropriated to the department of education for the use of the SBRC for the purposes in subsection 257.31(5). The SBRC shall review a school district's unexpended fund balance prior to any decision regarding unusual finance circumstances. Such aid shall be miscellaneous income and shall not be included in district cost **(257.31(5)).** There are no appropriated funds to the SBRC at this time other than below.

If a district's average transportation costs per pupil exceed the state average transportation costs per pupil by 150%, the SBRC may grant transportation assistance aid to the district. Such aid shall be miscellaneous income and shall not be included in district cost. Funds transferred to the SBRC in accordance with section 321.34, subsection 22, [sale of education license plates] are appropriated to and may be expended for this purpose **(257.31(17)).**

Modified Supplemental Amount

If a district has unusual circumstances, creating an unusual need for additional funds, including but not limited to the following circumstances, the SBRC may establish a modified supplemental amount for the district by increasing its supplemental state aid:

a. Any unusual increase or decrease in enrollment.
b. Unusual natural disasters.
c. Unusual initial staffing problems.
d. The closing of a nonpublic school, wholly or in part, or the opening or closing of a pilot charter school.
e. Substantial reduction in miscellaneous income due to circumstances beyond the control of the district.
f. Unusual necessity for additional funds to permit continuance of a course or program which provides substantial benefit to pupils.

g. Unusual need for a new course or program which will provide substantial benefit to pupils, if the district establishes the need and the amount of necessary increased cost.
h. Unusual need for additional funds for special education or compensatory education programs.
i. Year-round or substantially year-round attendance programs which apply toward graduation requirements, including but not limited to trimester or four-quarter programs. Enrollment in such programs shall be adjusted to reflect equivalency to normal school year attendance.
j. Unusual need to continue providing a program or other special assistance to non-English speaking pupils after the expiration of the four-year period specified in section 280.4.
k. Circumstances caused by unusual demographic characteristics.
l. Any unique problems of school districts.
m. The addition of one or more teacher librarians pursuant to section 256.11, subsection 9, one or more guidance counselors pursuant to section 256.11, subsection 9A, or one or more school nurses pursuant to section 256.11, subsection 9B.
n. Unusual need for additional funds for the costs associated with providing competent private instruction (CPI) pursuant to chapter 299A **(257.31(5)).**

An AEA budget review procedure is established for the school budget review committee (SBRC). The SBRC shall meet and hold hearings each year to review unusual circumstances of AEAs, either upon the committee's motion or upon the request of an AEA. The committee may grant supplemental aid to the AEA from funds appropriated to the Department of Education for AEA budget review purposes, or an amount may be added to the AEA special education support services supplemental state aid for districts in an area or an additional amount may be added to district cost for media services or educational services for all districts in an area for the budget year either on a temporary or permanent basis, or both. Unusual circumstances in an AEA shall include but are not limited to the following:

1) An unusual increase or decrease in enrollment of children requiring special education or unusual need for additional moneys for special education support services.
2) Unusual need for additional moneys for media services.
3) Unusual need for additional moneys for educational services.
4) Unusual costs for building repair, building maintenance, or removal of environmental hazards.
5) Participation by the AEA in telecommunications, electronic, and technological development with school districts, and related staff development programs **(257.32(1)).**

The SBRC may approve or modify the initial base year district cost of any district which changes accounting procedures **(257.31(8)).**

The SBRC may grant supplemental aid or a modified supplemental amount to a school district to continue funding a Limited English Proficient program for students after the expiration of the five-year period **(280.4(3)).** This is the same program referred to in 257.31, subsection 5, paragraph "j."

A district of residence may apply to the SBRC for a modified supplemental amount if a student was not included in the resident district's enrollment count during the fall of the year preceding the student's transfer under open enrollment [when open enrollment tuition is required to be paid for that student by the district of residence] **(282.18(9)).**

The SBRC shall establish a modified supplemental amount for a district by increasing its supplemental state aid and certify the same to the department of management:

- When the district submits evidence that it requires additional funding for removal, management, or abatement of environmental hazards due to a state or federal requirement. Environmental hazards shall include but are not limited to the presence of asbestos, radon, or the presence of any other hazardous material dangerous to health and safety. The district shall include a budget for the actual cost of the project that may include the costs of inspection, reinspection, sampling, analysis, assessment, response actions, operations and maintenance, training, periodic surveillance, developing of management plans, recordkeeping requirements, and encapsulation or removal of the hazardous material **(257.31(6)).**
- When the district requests it to fund the special education deficit **(257.31(14)(b)).**
- When the district has an approved program for returning dropouts and dropout prevention **(257.41).**

For the school budget year beginning July 1, 2001, and succeeding budget years, if a district's actual enrollment for the budget year, determined under section 257.6, is greater than its budget enrollment for the budget year, the district shall be eligible to receive an on-time funding budget adjustment. The adjustment shall be in an amount equal to the difference between the actual enrollment for the budget year and the budget enrollment for the budget year, multiplied by the district cost per pupil. The board of directors of a school district that wishes to receive an on-time funding budget adjustment shall adopt a resolution to receive the adjustment and notify the school budget review committee annually, but not earlier than November 1, as determined by the department of education. The school budget review committee shall establish a modified supplemental amount **(257.13).**

If the board of directors of a school district determines that a need exists for additional funds exceeding the authorized budget adjustment for on-time funding pursuant to section 257.13, a request for a modified supplemental amount based upon increased enrollment may be submitted to the SBRC as provided in section 257.31 **(257.13(3)).**

A school district may increase its combined district cost for the budget year to the extent that an excess tax levy is authorized by the SBRC **(257.10(8)"b").**

Other Duties

The SBRC is involved in the selection of awardees for the Iowa Federal Demonstration Grant Program **(423E.6).**

The SBRC may recommend the revision of any rules, regulations, directives, or forms relating to school district budgeting and accounting, confer with local school boards or their representatives and make recommendations relating to any budgeting or accounting matters, and direct the director of the department of education or the director of the department of management to make studies and investigations of school costs in any school district **(257.31(1)).**

The school budget review committee shall review the proposed budget and certified budget of each school district, and may make recommendations. The committee may make decisions affecting budgets to the extent provided in chapter 257. The costs and computations referred to in this section relate to the budget year unless otherwise expressly stated **(257.31(3)).**

The SBRC and the state board of education shall specify procedures and require school districts and AEAs to conform to generally accepted accounting principles (GAAP) commencing with the school year beginning July 1, 1996 **(257.31(4)).**

The SBRC shall review the recommendations of the director of the department of education relating to the special education weighting plan, and shall establish a weighting plan for each school year pursuant to section 256B.9, and report the plan to the director of the department of education **(257.31(12)).** On December 1, 1987, and no later than December 1 every two years thereafter, for the school year commencing the following July 1, the director of the department of education shall report to the school budget review committee the average costs of providing instruction for children requiring special education in the categories of the weighting plan established under this section, and for providing services to nonpublic school students pursuant to section 256.12, subsection 2, and the director of the department of education shall make recommendations to the school budget review committee for needed alterations to make the weighting plan suitable for subsequent school years. The school budget review committee shall establish the weighting plan for each school year and shall report the plan to the director of the department of education. The school budget review committee may establish weights to the nearest hundredth. The school budget review committee shall not alter the weighting assigned to pupils in a regular curriculum, but it may increase or decrease the weighting assigned to each category of children requiring special education by not more than two- tenths of the weighting assigned to pupils in a regular curriculum. The state board of education shall adopt rules under chapter 17A to implement the weighting plan for each year and to assist in identification and proper indexing of each child in the state who requires special education **(256B.9(4)).**

The SBRC may recommend that two or more school districts jointly employ and share the services of any school personnel, or acquire and share the use of classrooms, laboratories, equipment, and facilities as specified in section 280.15 **(257.31(13)).**

As soon as possible following June 30 of the base year, the SBRC shall determine for each school district the balance of funds, whether positive or negative, raised for special education instruction programs under the special education weighting plan established in section 256B.9. The committee shall certify the balance of funds for each school district to the director of the department of management **(257.31(14)).**

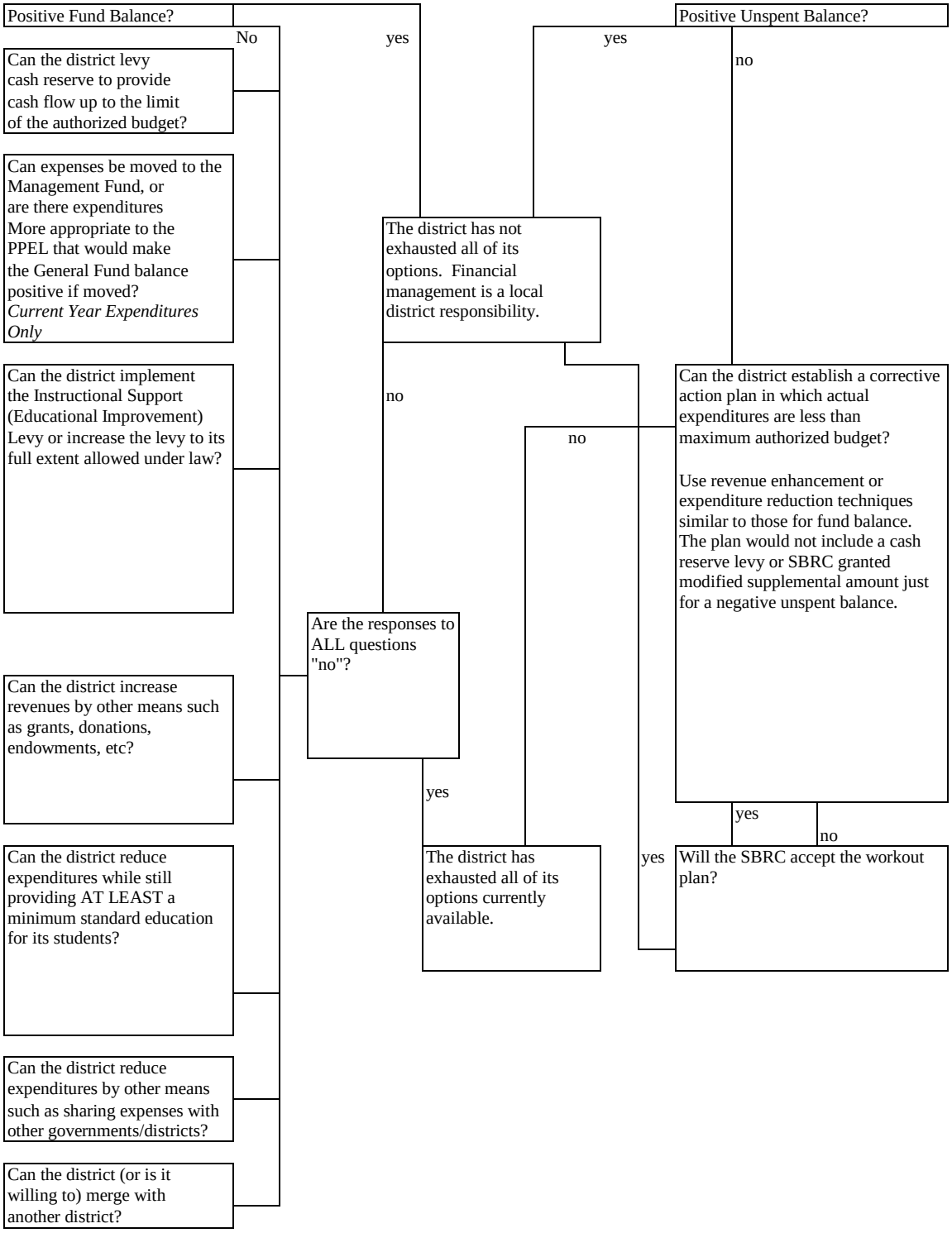
Annually the SBRC shall review the amount of property tax levied by each school district for the cash reserve authorized in section 298.10. If in the committee's judgment, the amount of a district's cash reserve levy is unreasonably high, the committee shall instruct the director of the department of management to reduce that district's tax levy computed under section 257.4 for the following budget year by the amount the cash reserve levy is deemed excessive. A reduction in a district's property tax levy for a budget year under this subsection does not affect the district's authorized budget **(257.31(15)).**

Sanctions

Failure by any school district to provide information or appear before the SBRC as required for the accomplishment of review or hearing is justification for the SBRC to instruct the director of the department of management to withhold any state aid to that district until the committee's inquiries are satisfied completely **(257.31(11)).** Failure by an AEA to provide information or appear before the SBRC as requested for the accomplishment of review or hearing constitutes justification for the committee to instruct the Department of Revenue and Finance to withhold payments for the AEA until the committee's inquiries are satisfied completely **(257.32(4)).** Note that the SBRC utilizes many data collections submitted by the districts and AEAs in order to conduct the business and reviews required of the SBRC.

If a school district exceeds its authorized budget or carries a negative unspent balance for 2 or more consecutive years, the SBRC may recommend that the department implement a Phase II on-site visit to conduct a fiscal review pursuant to section 256.11, subsection 10, paragraph "b", subparagraph (1), subparagraph subdivision (e) **(257.31(18)).**

Financial Condition Flowchart



CHAPTER 6

BUDGETING

The board of directors of the school district is a certifying board which means it has the power or duty to certify any tax to be levied or sum of money to be collected by taxation. The County Board of Supervisors is the levying board which means it has the power to levy a tax. Fiscal year means the period of twelve months beginning on July 1 and ending on the following June 30. Tax means any general or special tax levied against persons, property, or business, for public purposes as provided by law. The term "state board" for purposes of budgets means the state appeals board **(24.2).**

The fiscal year of cities, counties, and other political subdivisions of the state shall begin July 1 and end the following June 30. For the purposes of this section, the term political subdivision includes school districts [and AEAs] **(8.51).**

School districts are subject to chapter 24 **(257.7(1)).**

AEAs do not certify or levy taxes. School districts include revenues and expenditures for the program and services of the AEA in the school district budgets.

AEA Advisory Group

The board of directors of each AEA shall appoint an advisory group to make recommendations on policy, programs, and services to the board. The advisory group shall provide input, feedback, and recommendations to the board regarding projected future needs, and shall provide a review and response to any state-directed study or task force report on AEA efficiencies or reorganization **(273.15(1)).**

The advisory group shall consist of the following:

a. A minimum of 3 superintendents employed by school districts served by the AEA, at least one of whom shall represent a small school district, at least one of whom shall represent a medium-sized school district, and at least one of whom shall represent a large school district.
b. A minimum of 3 principals employed by school districts served by the AEA, at least one of whom shall represent an elementary school, at least one of whom shall represent a middle school, and at least one of whom shall represent a high school.
c. A minimum of 4 teachers employed by school districts served by the AEA, at least one of whom shall represent early childhood teachers, at least one of whom shall represent elementary school teachers, at least one of whom shall represent middle school teachers, and at least one of whom shall represent high school teachers. At least one of the teachers appointed shall also represent special education and at least one of the teachers appointed shall represent general education. At least one of the teachers appointed shall represent related personnel, including but not limited to media and technology specialists and counselors.
d. A minimum of 3 parents or guardians of school age children receiving services from the AEA, at least one of whom shall be the parent or guardian of a child requiring special education.
e. One member who represents accredited nonpublic schools located within the boundaries of the AEA **(273.15(2)).**

In appointing members of the advisory group pursuant to subsection 2, the AEA shall collaborate with the superintendents and school boards of the school districts served by the AEA **(273.15(3)).**

All member appointments made pursuant to subsection 2 shall comply with sections 69.16, 69.16A, and 69.16C. In addition, every reasonable effort shall be made to appoint members to provide balanced representation based on age, experience, ethnicity, district size, and geography **(273.15(4)).**

The advisory group shall meet at least twice annually and shall submit its recommendations in a report to the board of directors of the AEA at least once annually. The report shall be timely submitted to allow for consideration of the recommendations prior to program planning and budgeting for the following fiscal year **(273.15(5)).**

Estimates

The board of each school district shall estimate the amount of the proposed expenditures and proposed receipts for the general school purposes at a time and in a manner to effectuate the provisions of chapter 257 and sections 256B.9 and 256B.11. Compliance with chapter 24 shall be observed **(298.1).**

All estimates required by law shall be made and filed a sufficient length of time in advance of any regular or special meeting of the board at which tax levies are authorized to be made to permit publication, discussion, and consideration thereof and action thereon **(24.4).**

The estimates required shall be fully itemized and classified so as to show each particular class of proposed expenditure, showing under separate heads the amount required in such manner and form as shall be prescribed by the state appeals board **(24.5).**

A school district may include in the estimate required, an estimate for an emergency fund. The school board may assess and levy a tax for the emergency fund at a rate not to exceed twenty-seven cents [$0.27] per thousand dollars of assessed value of taxable property. However, an emergency tax levy shall not be made until the school district has first petitioned the state appeals board and received its approval **(24.6(1)).**

a. Transfers of moneys may be made from the emergency fund to any other fund of the school district for the purpose of meeting deficiencies in a fund arising from any cause. However, a transfer shall not be made except upon the written approval of the state appeals board, and then only when that approval is requested by a two-thirds [2/3] vote of the board of directors of the school district.
b. Notwithstanding the requirements of paragraph "a," if the municipality if a school corporation, the school corporation may transfer money from the emergency fund to any other fund of the school corporation for the purpose of meeting deficiencies in a fund arising within 2 years of a disaster as defined in section 29C.2, subsection 1. However, a transfer under this paragraph "b" shall not be made without the written approval of the school budget review committee (SBRC) **(24.6(2)).**

No district shall certify or levy in any fiscal year any tax on property subject to taxation unless and until the following estimates have been made, filed, and considered:

1. The amount of income for the several funds from sources other than taxation.
2. The amount proposed to be raised by taxation.
3. The amount proposed to be expended in each and every fund and for each and every general purpose during the fiscal year next ensuing, which shall be the period of twelve months beginning on the first day of July of the current calendar year.
4. A comparison of such amounts so proposed to be expended with the amounts expended for like purposes for the two preceding years **(24.3).**

School districts and AEAs are required to budget, account for, and report each and every expenditure. Interagency transactions including whole and partial grade sharing, personnel sharing, and other sales of services are shown gross and shall not be shown net. If the agencies bartered for services rather than issuing payments, the barter is reported and budgeted as if payment had been made.

School corporations containing territory in adjoining counties may vote and estimate all taxes for school purposes in dollars and cents per thousand dollars of assessed value **(298.5).**

The amount of the difference between the receipts estimated from all sources other than taxation and the estimated expenditures for all purposes, including the estimates for emergency expenditures, shall be the estimated amount to be raised by taxation upon the assessable property within the school district for the next ensuing fiscal year. The estimate shall show the number of dollars of taxation for each thousand dollars of the assessed value of all property that is assessed **(24.8).**

The board of the school district or and the board of the AEA shall annually budget specified funds to implement a plan which shall provide for the professional development of all staff **(IAC 281--12.7)**.

The administrative expenditures as a percent of the school district's general fund for a base year exceed five percent [5%]. Annually, the board of directors shall certify to the department of education the amounts of the school district's administrative expenditures and its general fund. [This is accomplished on the CAR-COA.] AEAs have the same requirement. Administrative expenditures means expenditures for executive administration, which is the total cost of the office of the superintendent in a school district or chief administrator in an AEA **(279.45, 273.13).** Both administrative expenditures and total expenditure exclude fund modifications (such as interfund transfers and AEA flowthrough) for purposes of this calculation.

IPERS contributions must come from the same fund as the employee's salary and must be budgeted **(OAG #76-9-27).** In Iowa, this would also be true of FICA.

School districts shall pay for the programs and services provided through the AEA and shall include expenditures for the programs and services in their budgets, in accordance with this section **(273.9(1)).** The department of management shall 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 chapter 257 and shall pay the amounts to the respective AEAs on a monthly basis from September 15 through June 15 during each school year. The department of management shall notify each school district of the amount of state aid deducted for these purposes and the balance of state aid shall be paid to the district. If a district does not qualify for state aid under chapter 257 in an amount sufficient to cover its amount due to the AEA as calculated by the department of management, the school district shall pay the deficiency to the AEA from other moneys received by the district, on a quarterly basis during each school year **(257.35(1)).**

AEA boards shall prepare an annual budget estimating income and expenditures for programs and services as provided in sections 273.1 to 273.9 and chapter 256B within the limits of funds provided under section 256B.9 and chapter 257 **(273.3(12)).**

Up to thirty percent [30%] of the budget of an AEA for media services may be expended for media resource material including the purchase or replacement of materials required in subsection 273.6(1) **(257.37(2)).** This will include:

a. A materials lending library, consistent of print and nonprint materials.
b. A professional library.
c. A curriculum laboratory, including textbooks and correlated print and audiovisual materials.
d. Capability for production of media-oriented instructional materials.
e. Qualified media personnel.
f. Appropriate physical facilities.
g. Other materials and equipment deemed necessary by the department of education **(273.6(1)).**

If an AEA does not serve nonpublic school students in a manner comparable to services provided public school pupils for media and educational services, as determined by the state board of education, the state board shall instruct the department of management to reduce the funds for media services and educational services one time by an amount to compensate for such reduced services. The media services budget shall be reduced by an amount equal to the product of the cost per pupil in basic enrollment for the budget year for media services times the difference between the enrollment served and the basic enrollment recorded for the area. The educational services budget shall be reduced by an amount equal to the product of the cost per pupil in basic enrollment for the budget year for educational services times the difference between the enrollment served and the basic enrollment recorded for the area. This applies only to media and educational services which cannot be diverted for religious purposes. Notwithstanding this subsection, an area education agency shall distribute to nonpublic schools media materials purchased wholly or partially with federal funds in a manner comparable to the distribution of such media materials to public schools as determined by the director of the department of education **(257.37(5)).**

The costs of special education support services provided through the AEA shall be funded as provided in chapter 257 **(273.9(3)).**

AEA boards are authorized to receive and expend money for providing programs and services as provided in sections 273.1 to 273.9, and chapters 256B and 257. All costs incurred in providing the programs and services, including administrative costs, shall be paid from funds received pursuant to sections 273.1 to 273.9 and chapters 256B and 257 **(273.3(2)).**

The AEA board is authorized to make application for, accept, and expend state and federal funds that are available for programs of educational benefit approved by the director of the department of education, and cooperate with the department in the manner provided in federal-state plans or department rules in the effectuation and administration of programs approved by the director, or approved by other educational agencies, which agencies have been approved as state educational authorities **(273.3(9)).**

The Department of Education may direct the Department of Management to deduct amounts from the portions of school district budgets that fund special education support services in an AEA. The total amount deducted in an area shall be based upon excess special education support services unreserved and undesignated fund balances in that AEA for a school year as determined by the Department of Education **(257.36).**

Funds generated for educational services shall not be expended by an AEA for the purpose of assisting either a public employer or employee organization in collective bargaining negotiations under chapter 20 if the public employer is a school district, or the employee organization consists of employees of a school district, located within the boundaries of the AEA **(273.12).**

The AEAs shall transfer to the department of human services an amount equal to the nonfederal share of the payments to be received from the medical assistance program pursuant to chapter 249A. The nonfederal share amount shall be transferred to the medical assistance account prior to claims payment. This requirement does not apply to medical assistance reimbursement for services provided by an AEA under part C of the federal Individuals with Disabilities Education Act [IDEA]. Funds received under this section shall not be considered or included as part of the AEA's budgets when calculating funds that are to be received by AEAs during a fiscal year **(256B.15(7)).**

For the budget year beginning July 1, 2002, and each succeeding budget year, notwithstanding the requirements of section 257.37 for determining the budgets and funding of media services and education services, an AEA may, within the limits of the total of the funds provided for the budget years pursuant to section 257.35, expend for special education support services an amount that exceeds the payment for special education support services pursuant to section 257.35 in order to maintain the level of required special education support services in the AEA **(257.37(6)).** Notwithstanding section 257.37, an AEA may use the funds determined to be available under section 257.35 in a manner which the AEA determines is appropriate to best maintain the level of required AEA special education services. An AEA may also use unreserved fund balances for media services or education services in a manner which the AEA determines is appropriate to best maintain the level of required AEA special education services **(257.35(9)).**

The director of the department of education shall approve the salaries of AEA administrators **(256.9(30)).**

The AEA board shall include in the budget submitted each year such sums as it deems necessary to carry on its reorganization work under chapter 275 **(275.7).**

Basis of Budgeting

School districts and AEAs are required to conform to generally accepted accounting principles (GAAP) for accounting and reporting commencing with the school year beginning July 1 1996 **(257.31(4)).** School districts are required to conform to GAAP for budgeting commencing with the school year beginning July 1, 2006 **(IAC 289—6.5).** AEAs have actually followed GAAP for accounting, budgeting and reporting since their creation in the 1970's.

Governmental accounting provides for the situation where legal provisions conflict with GAAP, though none currently do in Iowa. Statement 1 of GAAFR says, "Where financial statements prepared in conformity with GAAP do not demonstrate finance-related legal and contractual compliance, the governmental unit should present such additional schedules and narrative explanations in the comprehensive annual financial report as may be necessary to report its legal compliance responsibilities and accountabilities. In extreme cases, preparation of a separate legal-basis special report may be necessary....Conflicts between legal provisions and GAAP do not require maintaining two accounting systems. Rather, the accounting system may be maintained on a legal compliance basis, but should include sufficient additional records to permit GAAP-based reporting."

When GAAP provides more than one method for accounting for a financial transaction, the department of education may determine which method shall be used for school districts and AEAs to ensure consistency in reporting as required by Iowa Code **(256.9(18)).**

Publication

Each school district shall file with the board secretary the estimates required to be made in sections 24.3 to 24.8, at least twenty (20) days before the date fixed by law for certifying the same to the levying board and shall fix a date for a budget hearing, and shall publish the estimates and any annual levies previously authorized as provided in section 76.2, with a notice of the time and place of the hearing which shall be held not less than ten (10) nor more than twenty (20) days before the hearing. The publication shall be in a newspaper published in the district, if any, if not, then in a newspaper of general circulation in the district **(24.9).**

The verified proof of publication of the notice shall be filed in the office of the county auditor and preserved by the auditor. No levy shall be valid unless and until such notice is published and filed **(24.10).** The cost of publishing the notices and estimates and the actual and necessary expenses of preparing the budget shall be paid out of the general fund **(24.16).**

The AEA board shall give notice of a public hearing on its proposed budget by publication in an official county newspaper in each county in the territory of the AEA in which the principal place of business of a school district that is a part for the AEA is located. The notice shall specify the date, which shall be not later than March 1 of each year, the time and the location of the public hearing **(273.3(12)).**

Hearing

The board shall meet at the time and place designated in the notice, at which meeting any person who would be subject to such tax levy, shall be heard in favor of or against the same or any part thereof **(24.11).**

Certification

The chairperson of the board of directors of the school district shall certify the adopted budget in duplicate to the [control] county auditor not later than April 15 of each year. One copy of the budget shall be retained on file in the office by the county auditor and the other shall be certified by the county auditor to the state appeals board. The department of management shall certify the taxes back to the county auditor by June 15 **(24.17).**

By April 15, the school board shall also provide the following to the department of management:

- A copy of the board resolution for the budget guarantee, if any,
- A copy of the ballot question or resolution for a new or renewed VPPEL that is not 100% property tax, if any, and
- A copy of the ballot question or resolution for a new or renewed instructional support levy program, if any.

By May 1, the school board shall provide:

- A copy of the ballot question for a new or renewed VPPEL that is 100% property tax, if any, to the department of management, and
- A certified `copy of a new bond resolution, if any, to the control county auditor.

Before issuing bonds, the school board shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the district sufficient to pay the interest and principal of the general obligation bonds within a period named not exceeding the time specified in section 76.1 [which is 20 years from date of issue]. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the district is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the district until funds are realized to pay the bonds in full. The levy shall continue to be made against property that is severed from the school district after the filing of the resolution until funds are realized to pay the bonds in full. If the resolution is filed prior to May 1, the annual levy shall begin with the tax levy for collection commencing July 1 of that year. If the resolution is filed after May 1, the annual levy shall begin with the tax levy for collection in the next succeeding fiscal year. However, the school board may adjust a levy of taxes made under section 76.2 for the purpose of adjusting the annual levies and collections for property severed from the district, subject to the approval of the director of the department of management. If funds, including reserves and amounts available for temporary transfer, are found to be insufficient to pay in full any installment of principal or interest, a public issuer of bonds may anticipate the next levy of taxes pursuant to this section in the manner provided in chapter 74, whether the taxes so anticipated are to be collected in the same or a future fiscal year. **(76.2).**

The annual levy shall be sufficient to pay the interest and approximately such portion of the principal of the bonds as will retire them in a period not exceeding twenty years from date of issue **(76.1(2)"a").**

A school district which has issued obligations in anticipation of schoolhouse [now VPPEL] tax receipts may, at time of issuance, certify the annual levy of an amount which is within tax limits approved by the voters when computed on adjusted taxable valuation of the school district for the fiscal year preceding the year in which the obligations are issued, and the county auditor must annually levy that amount until the obligations are satisfied, regardless of changes in school district property values in future years **(OAG #87-12-12).**

The proposed AEA budget as approved by the AEA board shall be submitted to the state board of education, on forms provided by the department of education, no later than March 15 preceding the next fiscal year for approval. The state board shall review the proposed budget of each AEA and shall before May 1, either grant approval or return the budget without approval with comments of the state board included. An unapproved budget shall be resubmitted to the state board for final approval not later than May 15. The state board shall give final approval only to budgets submitted by AEAs accredited by the state board or that have been given conditional accreditation by the state board **(273.3(12)).** The AEA budget submitted to the state board shall include the budgeted expenditures for the educational program provided to children residing in juvenile homes **(282.31(1)"a").**

Levying

After the hearing has been concluded, the school board shall enter of record its decision in the manner and form prescribed by the state appeals board and shall certify the same to the county. The county board of supervisors shall enter upon the current assessment and tax roll the amount of taxes which it finds shall be levied for the ensuing fiscal year in each municipality for which it makes the tax levy **(24.12).**

At the time required by law the board of supervisors shall spread the tax rates necessary to produce the amount required for the various funds of the school district as certified by the school board, for the next succeeding fiscal year, as shown in the approved budget in the manner provided by law. One copy of the tax rates shall be certified by the board of supervisors to the state appeals board **(24.19).**

The board of supervisors shall at the time of levying taxes for county purposes levy the taxes necessary to raise the various funds authorized by law and certified to it by law, but if the amount certified for any such fund is in excess of the amount authorized by law, it shall levy only so much thereof as is authorized by law **(298.8).**

A greater tax than that so entered upon the record shall not be levied or collected for the school district proposing the tax for the purposes indicated and a greater expenditure of public money shall not be made for any specific purpose than the amount estimated and appropriated for that purpose, except as provided in sections 24.6 [emergency levy] and 24.15 [taxes voted by people]. All budgets set up in accordance with the statutes shall take such funds into account, and all such funds, regardless of their source, shall be considered in preparing the budget **(24.14).**

No tax shall be levied by any school district in excess of the estimates published, except such taxes as are approved by a vote of the people, but in no case shall any tax levy be in excess of any limitation imposed now or hereafter by the Constitution and laws of Iowa **(24.15).**

The several tax rates and levies of the school district thus determined and certified in the manner provided in section 24.1 through 24.19, except such tax rates and levies as are authorized by a vote of the people, shall stand as the tax rates and levies of the school district for the ensuing fiscal year for the purposes set out in the budget **(24.20).**

A school district cannot issue warrants for any amount which is greater than the amount estimated and appropriated for the particular fund upon which the warrants are issued for the year **(1926 Op. Att'y Gen. 302 (#26-2-27)).**

A tax levied to pay invalid indebtedness is itself invalid **(Treep v. Independent School district of Pocahontas, 1932, 213 Iowa 944, 240 N.W. 247).**

Budget Protest

Not later than April 25, a number of persons in the school district equal to one-fourth of one percent of those voting for the office of governor, at the last general election in the district, but the number shall not be less than ten, and the number need not be more than one hundred persons, who are affected by any proposed budget, expenditure or tax levy, or by any item thereof, may appeal by filing with the county auditor of the county in which the school corporation is located, a written protest setting forth their objections to the budget, expenditure or tax levy, or to one or more items thereof, and the grounds for their objections. If a budget is certified after April 15, all appeal time limits shall be extended to correspond to allowances for a timely filing. Upon the filing of the protest, the county auditor shall immediately prepare a true and complete copy of the written protest, together with the budget, proposed tax levy or expenditure to which objections are made, and shall transmit them to the state appeal board, and shall also send a copy of the protest to the board of the district **(24.27).** The state appeal board, within a reasonable time, shall fix a date for an initial hearing on the protest which shall be held in the county in which the school district is located. Notice of the time and place of the hearing shall be given by certified mail to the appropriate officials of the school district and to the first ten property owners whose names appear upon the protest, at least five days before the date fixed for the hearing. At all hearings, the burden shall be upon the objectors with reference to any proposed item in the budget which was included in the budget of the previous year and which the objectors propose should be reduced or excluded; but the burden shall be upon the school board to show that any new item in the budget, or any increase in any item in the budget, is necessary, reasonable, and in the interest of the public welfare **(24.28).** It shall be the duty of the state appeal board to review and finally pass upon all proposed budget expenditures, tax levies and tax assessments from which appeal is taken and it shall have power and authority to approve, disapprove, or reduce all such proposed budgets, expenditures, and tax levies so submitted to it upon appeal; but in no event may it increase such budget, expenditure, tax levies or assessments or any item contained therein **(24.30).** After a hearing upon the appeal, the state appeal board shall certify its decision to the county auditor and to the parties to the appeal as provided by rule, and the decision shall be final. The county auditor shall make up the records in accordance with the decision and the levying board shall make its levy in accordance with the decision. Upon receipt of the decision, the school board shall correct its records accordingly, if necessary. Final disposition of all appeals shall be made by the state appeal board on or before April 30 of each year **(24.32).**

The manner in which objections shall be presented, and the conduct of hearings and appeals, shall be simple and informal and in accordance with the rules prescribed by the state board for promptly determining the merits of all objections so filed, whether or not such rules conform to technical rules of procedure. Such record shall be kept of all proceedings, as the rules of the state board shall require **(24.31).**

Appeal for Suspension of Limitations

If the property tax valuations effective January 1, 1979, and January 1 of any subsequent year, are reduced or there is an unusually low growth rate in the property tax base of a school district, the school district may appeal to the state appeal board to request suspension of the statutory property tax levy limitations to continue to fund the present services provided. A school district may also appeal to the state appeal board where the property tax base of the school district has been reduced or there is an unusually low growth rate for any of the following reasons:

a. Any unusual increase in population as determined by the preceding certified federal census.
b. Natural disasters or other emergencies.
c. Unusual problems relating to major new functions required by state law.
d. Unusual staffing problems.
e. Unusual need for additional funds to permit continuance of a program which provides substantial benefit to its residents.
f. Unusual need for a new program which will provide substantial benefit to residents, if the school district establishes the need and the amount of the necessary increased cost.

The state appeal board may approve or modify the request of the school district for suspension of the statutory property tax levy limitations **(24.48).**

Amendment

The authorized expenditures of a school district during a base year shall not exceed the lesser of the budget for that year certified under section 24.17 plus any allowable amendments permitted in section 257.7, or the authorized budget, which is the sum of the combined district cost for that year, the actual miscellaneous income received for that year, and the actual unspent balance for the preceding year **(257.7(1)).**

If actual miscellaneous income for a budget year exceeds the anticipated miscellaneous income in the certified budget for that year, or if an unspent balance has not been previously certified, a school district may amend its certified budget **(257.7(2)).**

Budget estimates adopted and certified in accordance with chapter 24 may be amended and increased as the need arises to permit appropriation and expenditure during the fiscal year covered by the budget of:

1. unexpended cash balances on hand at the close of the preceding fiscal year and which cash balances had not been estimated and appropriated for expenditure during the fiscal year of the budget sought to be amended, and
2. also to permit appropriation and expenditure during the fiscal year covered by the budget of amounts of cash anticipated to be available during the year from sources other than taxation and which had not been estimated and appropriated for expenditures during the fiscal year of the budget sought to be amended **(24.9).**

Such amendments to budget estimates may be considered and adopted at any time during the fiscal year covered by the budget sought to be amended, by filing the amendments and upon publishing them and giving notice of the public hearing in the manner required in section 24.9 [which is the same procedure used for the original budget that is being amended]. Within ten days of the decision of the school board, the proposed amendment of the budget is subject to protest, hearing on the protest, appeal to the state appeal board and review by the state appeal board, all in accordance with sections 24.27 to 24.32, so far as applicable. A local budget shall be amended by May 31 of the current fiscal year to allow time for a protest hearing to be held and a decision rendered before June 30. An amendment of the budget after May 31 which is properly appealed but without adequate time for hearing and decision before June 30 is void. An amendment to budget estimates accepted or issued under section 24.9 are not within section 24.14 **(24.9).** A budget could not be amended before July 1 of the fiscal year to which the budget applies.

Because amendments can be appealed and voided, and because section 24.14 prohibits a greater expenditure of public money for any specific purpose than the amount estimated and appropriate for that purpose, budgets shall be amended prior to making any expenditures which would exceed the amount the school district estimated and certified **(24.14).**

The Iowa Code does not include a budget amendment process for AEAs. This would leave the AEA with no process by which it could exceed its original budget approved by the state board of education. Therefore, as a practical matter,

AEAs would amend their budgets in a similar way as school districts: The AEA would follow the same procedures it followed for its original budget to publish, give notice of a public hearing, and submit to the state board of education for approval. The amendment must be submitted prior to May 31 and prior to expending any amount greater than it has originally submitted as was approved.

Cash Reserve

The board of directors of a school district may certify for levy by April 15 of a school year, a tax on all taxable property in the school district in order to raise an amount for a necessary cash reserve for a school district's general fund. The amount raised for a necessary cash reserve does not increase a school district's authorized expenditures as defined in section 257.7. For fiscal years beginning on or after July 1, 2012, the SBRC shall limit the school district's cash reserve levy to a level that is not excessive as determined by the SBRC and does not exceed the cash reserve limitation in subsection 3. In subsection 3, for fiscal years beginning on or after July 1, 2012, the cash reserve levy for a budget year shall not exceed twenty percent of the general fund expenditures for the year previous to the base year minus the general fund unexpended fund balance, as defined in section 257.2, for the year previous to the base year **(298.10).**

Annually the SBRC shall review the amount of property tax levied by each school district for the cash reserve authorized in section 298.10. If in the committee's judgment, the amount of a district's cash reserve levy is unreasonably high, the committee shall instruct the director of the department of management to reduce that district's tax levy computed under section 257.4 for the following budget year by the amount the cash reserve levy is deemed excessive. A reduction in a district's property tax levy for a budget year under this subsection does not affect the district's authorized budget **(257.31(15)).**

If a school district receives less state school foundation aid under section 257.1 than is due under that section for a base year and the school district uses funds from its cash reserve during the base year to make up for the amount of state aid not paid, the board of directors of the school district shall include in its general fund budget document information about the amount of the cash reserve used to replace the state school foundation aid not paid **(257.34).**

A school district may certify a cash reserve levy pursuant to Code to provide cash to replace withheld state aid and allow the district to meet authorized expenditures even though utilization of this levy will cause variation in the property tax rates among districts **(OAG #90-2-9(L)).**

Building an Operating Budget

The primary purpose of a budget is to translate the educational priorities of the district or AEA into financial terms. It should be a well-conceived plan for financing the educational activities of the district or AEA for a given period of time.

The first step in building a budget is to assess the educational needs of the school community. The provisions in the Code of Iowa regarding budget limitations automatically signify the necessity to arrange the needs in the order of priority. Within the limitations, the priorities can be scheduled to the extent funds are available. These limitations may restrict the desires of those fitting the plan to the financing available.

Building a new budget is a continuous process and should involve long-term strategic planning, analysis and evaluation by the board, superintendent or chief administrator, staff, students, and the community. In the case of an AEA, it should also involve the local school districts within the AEA.

The preparation of the budget involves three distinct plans: the educational plan, the expenditure plan and the financing plan.

The Educational Plan

The AEAs exist to support local school districts. The education of children is the primary public purpose of a school district, therefore, the first consideration should be to provide a sound educational plan. This plan should give a picture of the entire school program and will indicate the involvement of personnel and materials which will be needed to carry out such a program. The educational philosophy, mission, goals, and policies of the board should be expressed in sufficient detail to justify the expenditure plan which, when limited to the financial plan, will fulfill the priorities as established.

The Expenditure Plan

This plan should contain an analysis of the cost of the proposed educational plan with both long-range and immediate goals outlined in such a way as to show continuity. Different groupings of expenditures should be available for various information needs of management. This can be accomplished through Uniform Financial Accounting (UFA), which is a Management Information System (MIS).

The Financial Plan

This plan should contain an analysis of the anticipated revenues and other financing resources which will be available to finance the expenditure plan.

Budgeting Philosophies

Program-Based Budgeting

Program-Based Budgeting is a technique in which expenditure plans are formulated and resources appropriated on the basis of the expected services to be performed by organizational units. A line-item approach is used for object or source detail, organized by function or program, and may also be organized by organizational units such as high school or elementary school.

Program, Planning, and Budgeting Systems (PPBS) is a type of program-based budgeting. It emphasizes a systematic analysis of the goals and objectives of the school district, identification of viable alternative methods of achieving these objectives, estimation of the costs of each alternative, estimation of the effectiveness of each alternative, decision making based on the greatest effectiveness for the resources applied in achieving the stated objectives, and a follow-up evaluation of the alternatives selected for future year decisions.

Zero-Based Budgeting

Zero-Based Budgeting is a technique which prepares several service level alternatives based on funding levels for both existing and new program initiatives. Resources are appropriated to the various programs based on the priority of these alternatives. It involves justification of each item in the entire budget during each budgeting cycle as well as consideration of the consequences of not funding a specified program.

Activity-Based Budgeting

Activity-Based Budgeting is a technique originally developed to assist for-profit entities remain competitive in global markets. It is designed to give management information to continuously improve performance and reduce costs. It is a continuous process involving strategic planning and value analysis. It identifies support costs and their relationship to products or outcomes, and determines the best index to count or measure the activity rather than use of a single cost accounting measure. This gives a more accurate costing of school district services and is particularly appropriate in a time when finances are tight and choices of activities must be made.

The first step to implement activity-based management is to define the mission, establish a strategic plan, determine activities of the district, and assign responsibility. The next step is to have all personnel chart their daily work activities according to the key (major) activities defined in the first step. Activities which fit the listed district activities are all considered value-added activities, and accordingly, non-value added activities are those which don't fit any of the activities listed. This should continue for at least three months to identify cyclic work. In the next step, accounting personnel cost out each activity based on the mission of the entity to determine the actual cost of conducting that activity. They will consider direct costs as well as indirect costs, and costs in terms of number of personnel and use of personnel time. Management then evaluates non-value-added activities to choose which, if any, to abandon. Management also evaluates the value-added activities to determine if the benefits derived from the activity justify the cost. The goal of personnel is to focus all work toward the strategic plan and the mission and to identify methods to reduce the cost of conducting each activity and to continuously improve service.

Businesses which have implemented activity based management find it very useful in evaluating the real costs of activities and in focusing the entire organization on the mission.

Even though allocating indirect costs is done for purposes of this budgeting method, such costing would never be done in the accounting records of a governmental entity. Instead this costing would be handled on spreadsheets or in a database using uploaded information from the accounting system.

Curriculum-Based Budgeting

Curriculum-Based Budgeting is a technique which has been developed to effectively communicate the needs and purposes of the school district to its internal and external publics. It incorporates many of the techniques from earlier budgeting systems. It involves developing an overall mission and strategic plan individual to the school district and based on the needs identified through input from all of the publics. The plan includes specific goals and objectives. Frequently these objectives are organized around the curriculum of the school district. Each objective is costed in a way similar to activity-based budgeting, and then all of the objectives are prioritized. Potential resources are determined. The objectives, costs, and resources are analyzed and adjusted until a satisfactory balance is achieved. Each year the results of each objective and its cost are analyzed to determine effectiveness, to reevaluate priorities, and to provide management information.

Even though allocating indirect costs is done for purposes of this budgeting method, such costing would never be done in the accounting records of a governmental entity. Instead this costing would be handled on spreadsheets or in a database using uploaded information from the accounting system.

CHAPTER 7

FINANCIAL ACCOUNTING

Uniform Financial Accounting (UFA)

One of the duties of the department of education is to prepare forms and procedures as necessary to be used by AEA boards, district boards, school officials, principals, teachers, and other employees, and to insure uniformity, accuracy, and efficiency in keeping records in both pupil and cost accounting, the execution of contracts, and the submission of reports, and notify the AEA board, district board, or school authorities when a report has not been filed in the manner or on the dates prescribed by law or by rule that the school will not be accredited until the report has been properly filed **(256.9(18)).** The procedure prescribed by the department of education and required of school districts and AEAs is use of the most current edition of *Uniform Financial Accounting for Iowa School Districts and AEAs*. This manual is adapted from a federal handbook and is the standard reporting system that is required of all states and U.S. territories. The SBRC and the state board shall specify procedures and require the school districts and AEAs to conform to generally accepted accounting principles (GAAP) commencing with the school year beginning July 1, 1996 **(257.31(4)).** *Uniform Financial Accounting for Iowa School Districts and AEAs* is the correct Governmental GAAP accounting and reporting required of Iowa school districts and AEAs. The manual is available on the department of education's website.

The department of education is authorized to prescribe a uniform system of accounting. That system is Uniform Financial Accounting **(OAG #83-12-1(L)).**

Two comprehensive annual financial reports shall be issued by every school district and AEA: the annual audit prepared in accordance with Iowa Code chapter 11 and the annual Certified Annual Report (CAR-COA) prepared in accordance with Iowa Code sections 291.10 and 256.9(18). Interim financial statements should be prepared to facilitate management control of financial operations, and shall be prepared to comply with Iowa Code sections 291.7, 279.33, and 12B.11. It is the officers of the district who file and attest to the accuracy of reports required by Code (*board president, board secretary, board treasurer, and superintendent*). The AEA board shall provide data and prepare reports as directed by the director of the Department of Education **(273.3(3)).**

The basic philosophy of Uniform Financial Accounting (UFA) includes:

1. The chart of accounts encourages full disclosure of the financial position of the district/AEA. Emphasis is placed on the accurate classification of financial transactions. Expenditures are recorded in the accounting categories applicable, regardless of the implications of some of those decisions. Districts and AEAs should never allocate, estimate, or use cost accounting in governmental accounting accounts.
2. Comprehensiveness of financial reporting is encouraged. The district/AEA incorporates all financial activities into a single accounting and reporting system for full disclosure. The account classifications encourage this procedure. Accounts for such activities as food services, student activities, community services and business-like enterprises are all included in the financial reports of the district/AEA.
3. Simplified reporting is encouraged. GAAFR encourages using the minimum number of funds necessary for legal and operational use. Only the minimum number of funds consistent with legal and operating requirements should be established, since unnecessary funds result in inflexibility, undue complexity, and inefficient financial administration.
4. Financial reporting emphasizes the results of district/AEA operations more than the resources applied.
5. The account classification system is flexible: it meets the needs of both small and large districts/AEA's while retaining comparability of reported data. Uniform Financial Accounting includes a minimum list of accounts essential for federal and state reporting—called a "minimum chart of accounts." The Uniform Financial Accounting system also provides a variety of optional classifications for districts/AEA's interested in a more comprehensive approach to financial accounting and reporting;
6. The classification of accounts and the reporting structure remain in accordance with generally accepted accounting principles (GAAP). The district/AEA shall follow *Uniform Financial Accounting for Iowa School Districts and AEAs* and is not authorized to interpret GAAP accounting or reporting outside of Uniform Financial Accounting as provided by the Department of Education.

Generally Accepted Accounting Principles (GAAP)

School districts and AEAs are required to conform to GAAP commencing with the school year beginning July 1, 1996 **(257.31(4)).** The department of education has provided the *Uniform Financial Accounting for Iowa School Districts and AEAs* manual to include GAAP requirements as they apply to Iowa school districts and AEAs.

Legal provisions may conflict with GAAP. Statement 1 of GAAFR says, "Where financial statements prepared in conformity with GAAP do not demonstrate finance-related legal and contractual compliance, the governmental unit should present such additional schedules and narrative explanations in the comprehensive annual financial report as may be necessary to report its legal compliance responsibilities and accountabilities. In extreme cases, preparation of a separate legal-basis special report may be necessary....Conflicts between legal provisions and GAAP do not require maintaining two accounting systems. Rather, the accounting system shall be maintained on a legal compliance basis [CAR-COA/Uniform Financial Accounting], but should include sufficient additional records to permit GAAP-based reporting [audits]." Funds 01 and 02 have been provided for the purpose of these additional records. Otherwise, *Uniform Financial Accounting for Iowa School Districts and AEAs* contains the accounts and procedures required by GAAP as they apply to Iowa school districts and AEAs and is updated as new statements are released by the governmental accounting standards board (GASB). Uniform Financial Accounting is written to conform to GAAP, a uniform minimum standard of and guidelines for financial accounting and reporting. For districts/AEAs, adherence to GAAP as written into Uniform Financial Accounting implies that their financial reports contain the same types of financial statements for the same categories and types of funds and account groups. Such conformity will enhance the comparability of district/AEA financial reporting. When GAAP provides more than one method for accounting for a financial transaction, the Department of Education shall determine which method will be used for school districts and AEAs to ensure consistency in reporting as required by Iowa Code **256.9(18).**

The Governmental Accounting Standards Board (GASB) defines financial reporting as the means of communicating financial information to users (GASB Statement 1, Paragraph 32). For this communication to be effective, financial information must have the following basic characteristics:

- **Understandability.** Information should be clear, but not oversimplified. Explanations and interpretations should be included where necessary.
- **Reliability.** Information should be verifiable and free from bias. It should be comprehensive; thus, nothing should be omitted that is necessary to accurately represent events and conditions. However, nothing should be included that might cause the information to be misleading.
- **Relevance.** There must be a close, logical relationship between the information provided and the purpose for which it is needed.
- **Timeliness.** Information should be available soon enough after the reported events to affect decisionmaking.
- **Consistency.** Once a principle or a method is adopted, it should be used for all similar events and conditions. If a change is made, the nature of and reason for the change, as well as its effects, should be explained.
- **Comparability.** Procedures and practices should remain the same across time and reports. If differences occur, they should be due to substantive differences in the events and conditions reported rather than because of arbitrary implementation (GASB Statement 1, Paragraphs 63 through 68).

Each board shall adopt by written policy a system for maintaining accurate records. The system shall provide for recording and maintaining the minutes of all board meetings, coding all receipts and expenditures, and recording and filing all reports required by the Iowa Code or requested by the director of the department of education. Financial records of school districts shall be maintained in a manner as to be easily audited according to accepted accounting procedures **(IAC 281—12.3(1)).**

The board shall develop and maintain a policy manual which provides a codification of its policies, including the adoption date, the review date, and any revision date for each policy. Policies shall be reviewed at least every 5 years to ensure relevance to current practices and compliance with the Iowa Code, administrative rules and decisions, and court decisions **(IAC 281--12.3(2)).**

Management Information Systems (MIS)/Data Warehouse

At one time it was common to have stand alone data systems. However, today it is more common to use integrated systems databases as one management information system, called a data warehouse. Various databases could include financial accounting, student information, staffing information, curriculum, fixed assets, payroll, etc. A comprehensive education information system, data warehouse, can provide benefits such as the following:

- **Using data in decisionmaking.** Good information helps drive good decisions. An information system can make good decisionmaking possible for school-based administrators as well as for external users of education information.
- **Using data to target specific areas for improvement.** Timely and accurate data can help decisionmakers at all levels focus on improvement strategies.
- **Using disaggregated data to examine wide-ranging goals.** Disaggregating data for analysis helps identify programmatic and fiscal inequities and determine baselines for improvement.

- **Using data for timely program evaluation.** To be effective, program evaluation must be timely as well as complete. When program and other data are compiled and linked in a well-designed information system, the goals of schooling can be met more effectively and efficiently.
- **Using data for budgetary control.** Greater budgetary control is possible when all of the costs of school operations are available.
- **Using data to improve administrative efficiency and mandated reporting.** Building core databases around data elements of the National Center for Education Statistics (NCES) Common Core of Data (CCD) provides comparability and can improve administrative efficiency and facilitate mandated reporting.

Developing an Accounting System using the Chart of Accounts

The accounting system is the means by which financial data are captured during operations, recorded in the chart of accounts, and then analyzed to produce the various kinds of reports needed. Financial transactions can be classified to facilitate their accumulation of the categories needed on the required reports. The guidelines here provided a classification structure which will meet local needs and will provide comparability of reported data when reports from different LEAs are combined, compared, or both.

Uniform Financial Accounting classifies three basic types of financial activity: revenues and other sources of funds; expenditures and other uses of funds; and transactions affecting the balance sheet only. For each type of transaction, the specific account code is made up of combinations of classifications called dimensions. Each dimension describes one way of classifying financial activity. Each dimension is described in detail in the Uniform Financial Accounting manual. The following table shows the dimensions possible and required for each financial transaction for Iowa school districts and AEAs.

Dimension	**Format**	**Revenues and other sources of funds**	**Expenditures and other uses of funds**	**Balance Sheet**
Fund	XX	Required	Required	Required
Facility (required for districts with charter schools)	XXXX	Recommended	Recommended	Recommended
Function	XXXX	Optional	Required	Optional
Program	XXX	Required	Required	Required
Project	XXXX	Required	Required	Required
Object	XXX	Not applicable	Required	Not applicable
Source	XXXX	Required	Optional	Optional
Account	XXX	Not applicable	Not applicable	Required
Course Code		Optional	Optional	Optional
Job Classification		Not applicable	Optional	Optional

Note: Facility may be a combination of operational unit and level of instruction or it may be the BEDS facility code. Due to activity on the national level and the expectation of school-level expenditure data collections becoming required in the future, the district may want to seriously consider converting to using its BEDS facility code if it does not already do so.

Note: Districts and AEAs may add dimensions to the above list for any local purpose.

Districts and AEAs may link the dimensions in any order, providing that all the required dimensions for the financial transaction are utilized. The suggested structure is:
Revenues and other fund sources: Fund—facility—program—project—source
Expenditures and other fund uses: Fund—facility—function—program—project—object
Balance sheet accounts: Fund—facility—program—project—account

Types of Education Agencies

To keep the references to the different levels of education agencies simple and concise, Uniform Financial Accounting uses the following terminology:

- Local Education Agency, or LEA, refers to an education agency at the local level, which exists primarily to operate schools or to contract for educational services. Normally, such publicly operated agencies may levy taxes for school purposes. This is true in Iowa but may not be true in all other states. This term is used synonymously with the terms “school district,” “school system,” “school corporation,” and “local basic administrative unit”.

- Area Education Agencies, or AEAs, are intermediate units of government in between local and state levels having some independent fund-raising and dependent taxing capability. In Iowa, AEAs have no taxing authority.
- State Education Agency. or SEA, refers to State Departments of Education.
- Federal Education Agency, or FEA, refers to any Federal agency or subdivision having responsibilities for supporting or delivering education services. It particularly refers to the U.S. Department of Education and its various subdivisions.

Iowa Finance Policy

When GAAP provides a choice between one or more accounting methods, it is the responsibility of the Department of Education to determine which method shall be used by all school districts and AEAs to insure consistent uniformity, accuracy, and efficiency as required by section **256.9(18)).** A few of those determinations are discussed as follows, for all others, contact the school finance consultants at the Iowa Department of Education.

Crediting an Expenditure Account

In nearly all situations, including whole grade sharing and other shared contracts, receipts to a school district are shown on the books as revenues and are not used to reduce an expenditure account. There are a few exceptions to this if the transaction occurs within the same fiscal year as the expenditure:

1. To correct an error in an expenditure account.
2. To show a true refund from the original vendor such as for a return of merchandise.
3. To show a true refund that would have come from the original vendor except that Iowa law requires school districts to obtain refunds from the state such as gas tax and construction sales tax refunds.
4. To show a transaction involving the resale of an inventory-type item on a non-routine basis, where the inventory item was never placed in service by the school district. An example would be one school district purchasing 500 computers bulk to take advantage of lower prices, then "reselling" 300 at cost to neighboring districts.
5. To show a transaction involving a relatively straightforward agency relationship in which the district (or fund) provides no service other than acting as a fiscal intermediary. An example would be when a district pays cooks with regular payroll from the General Fund, then transfers money between bank accounts from the School Nutrition Fund to General Fund to cover those expenditures. In that case, the expenditure accounts in the General Fund are credited and General Fund cash debited to reflect the “reimbursement” from the School Nutrition Fund. The expenditure accounts in the School Nutrition Fund would be debited to reflect the correct entries by object. This would not be reported as an interfund operating transfer.

Shared contracts and tuition-related sharing do not fall into the above categories and would be shown in full as revenues and expenditures. For example, the school district or AEA has hired a curriculum coordinator and is "selling" the services of that coordinator to another school district or AEA, or the school district or AEA is "selling" a commodity it produced called "education" to another school district or AEA. The first district is not acting as a fiscal intermediary nor is it receiving a true refund from the original vendor, and, therefore, all such receipts are revenues.

Interagency Transactions, Bartering and Netting

School districts and AEAs are required to budget, account for, and report each and every expenditure. This means budgeted and accounted for gross, not net. Interagency transactions including whole and partial grade sharing, personnel sharing, and other sales of services are shown gross and shall not be shown net. If the agencies bartered for services rather than issuing payments, the barter is reported as if payment had been made, valued at the fair value of the services received; revenues will equal expenditures for those services.

Consortium Accounting for Pooled Grants

In a consortium, multiple LEAs pool grant moneys and one LEA or a contracted AEA or community college administers the funds and coordinates and executes the projects.

As a general rule, cash pass-through grants should be recognized as revenues and expenditures in a governmental fund (almost always, the general fund). In those cases where a recipient government serves only as a cash conduit (fiscal agent), the grant should be reported in an agency fund with only the fiscal agent’s own portion of the grant reported in the governmental fund. A recipient government serves only as a cash conduit if it merely transmits grantor-supplied money without having any administrative or direct financial involvement in the program.

It is recommended that any district or AEA discuss with its auditor whether or not its role is that of a fiscal agent as defined by GASB statement 24, paragraph 5 for purposes of each pass-through grant or consortium arrangement.

Accounting by the fiscal agent:

- The entire grant is receipted into the agency fund.
- The fiscal agent's own portion is disbursed from the agency fund to the general fund (or other fund if legally appropriate). The fiscal agent will use the source and project code as defined in Uniform Financial Accounting for that grant in the recipient fund.
- The fiscal agent's own district share of expenditures is recorded in the same fund where the revenue was deposited. The fiscal agent will use the project code as defined in Uniform Financial Accounting for that grant.
- As expenditures/disbursements are made, the expenditure/disbursements on behalf of the other districts are accounted for in the agency fund,
- The revenues/receipts and expenditures/disbursements should be recorded using some locally-defined project coding to indicate each district's/AEA's share so that each district/AEA can record its own share in its own accounting records.

Accounting by the other members of the consortium:

- The district/AEA will record as revenue in the general fund (or other fund if legally appropriate) its share of the grant when received by the fiscal agent. The district/AEA will use source code 47XX since the grant was received through an agency other than the state or federal government. The district /AEA will use the project code as defined in Uniform Financial Accounting for that grant.
- The cash account used will be "Cash Held by Fiscal Agent" since the district/AEA did not receive the cash for this account.
- If the district/AEA pays its own grant expenditures and then is reimbursed from the fiscal agent, the district/AEA will record its grant expenditures in the general fund (or whatever fund accounted for the revenues) as they occur using the project code as defined in Uniform Financial Accounting for that grant.
- If the fiscal agent handles all of the grant disbursements to vendors, employees, etc. directly and then prepares an accounting to each member district/AEA, then the member district/AEA will record its share of these expenditures periodically, but at least quarterly (September, December, March, and June).
- If at the end of the fiscal year, the entire grant has not been disbursed, the balance remaining with the fiscal agent will be reported in the cash account "Cash Held by Fiscal Agent" and as Deferred Revenue. The amount reported as expenditures is the amount of grant revenues disbursed by the fiscal agent on behalf of the district/AEA, and not the amount actually paid to the member district (reimbursement method) or actually paid out by the fiscal agent (fiscal agent paying all expenditures/disbursements on behalf of member districts method). The revenue amount reported is the amount of grant revenues reported as expended.

Charter School Accounting

1. Charter schools and innovation zone schools shall be part of the state's program of public education.
2. A charter school may be established by creating a new school within an existing public school or converting an existing public school to charter status.
3. The purpose of a charter school or an innovation zone school established pursuant to this chapter shall be to accomplish the following:
    a. Improve student learning.
    b. Increase learning opportunities for students.
    c. Encourage the use of different and innovative methods of teaching.
    d. Require the measurement of learning outcomes and create different and innovative forms of measuring outcomes.
    e. Establish new forms of accountability for schools.
    f. Create new professional opportunities for teachers and other educators, including the opportunity to be responsible for the learning program at the school site.
    g. Create different organizational structures for continuous learner progress.
    h. Allow greater flexibility to meet the education needs of a diverse and constantly changing student population.
    i. Allow for the allocation of resources in innovative ways through implementation of specialized school budgets for the benefit of the schools served.
4. An innovation zone school may be established pursuant to this chapter to encourage diverse approaches to learning and education within individual schools **(256F.1).**

1. Within fifteen days after approval of a charter school or innovation zone school application submitted in accordance with section 256F.3, subsection 2, a school board or innovation zone consortium shall report to

the department the name of the charter school applicant if applicable, the proposed charter school or innovation zone school location, and the charter school or innovation zone school's projected enrollment.

2. Although a charter school or innovation zone school may elect to comply with one or more provisions of statute or administrative rule, a charter school or innovation zone school is exempt from all statutes and rules applicable to a school, a school board, or a school district, except that the charter school or innovation zone school shall do all of the following:
    a. Meet all applicable federal, state, and local health and safety requirements and laws prohibiting discrimination on the basis of race, creed, color, sex, sexual orientation, gender identity, national origin, religion, ancestry, or disability. A charter school or innovation zone school shall be subject to any court-ordered desegregation plan in effect for the school district at the time the charter school or innovation zone school application is approved.
    b. Operate as a nonsectarian, nonreligious public school.
    c. Be free of tuition and application fees to Iowa resident students between the ages of five and twenty-one years.
    d. Be subject to and comply with chapters 216 and 216A relating to civil and human rights.
    e. Provide special education services in accordance with chapter 256B.
    f. Be subject to the same financial audits, audit procedures, and audit requirements as a school district. The audit shall be consistent with the requirements of sections 11.6, 11.14, 11.19, 256.9, subsection 20, and section 279.29, except to the extent deviations are necessary because of the program at the school. The department, the auditor of state, or the legislative services agency may conduct financial, program, or compliance audits.
    g. Be subject to and comply with chapter 284 relating to the student achievement and teacher quality program. A charter school or innovation zone school that complies with chapter 284 shall receive state moneys or be eligible to receive state moneys calculated as provided in section 257.10, subsections 9 and 10, and section 257.37A as if it did not operate under a charter school or innovation zone school contract.
    h. Be subject to and comply with chapters 20 and 279 relating to contracts with and discharge of teachers and administrators.
    i. Be subject to and comply with the provisions of chapter 285 relating to the transportation of students.
    j. Meetings and records of the advisory council are subject to the provisions of chapters 21 and 22.
3. A charter school or innovation zone school shall not discriminate in its student admissions policies or practices on the basis of intellectual or athletic ability, measures of achievement or aptitude, or status as a person with a disability. However, a charter school or innovation zone school may limit admission to students who are within a particular range of ages or grade levels or on any other basis that would be legal if initiated by a school district. Enrollment priority shall be given to the siblings of students enrolled in a charter school or innovation zone school.
4. A charter school or innovation zone school shall enroll an eligible resident student who submits a timely application unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, students must be accepted by lot. A charter school or innovation zone school may enroll an eligible nonresident student who submits a timely application in accordance with the student admission policy established pursuant to section 256F.5, subsection 1. If the charter school or innovation zone school enrolls an eligible nonresident student, the charter school or innovation zone school shall notify the school district of residence and the sending district not later than March 1 of the preceding school year. Transportation for the student shall be in accordance with section 282.18, subsection 10. The sending district shall make payments to the charter school or innovation zone consortium in the manner required under section 282.18, subsection 7. If the nonresident pupil is also an eligible pupil under section 261E.6, the innovation zone consortium shall pay the tuition reimbursement amount to an eligible postsecondary institution as provided in section 261E.7.
5. A charter school or innovation zone school shall provide instruction for at least the number of days required by section 279.10, subsection 1, or shall provide at least the equivalent number of total hours.
6. Notwithstanding subsection 2, a charter school or innovation zone school shall meet the requirements of section 256.7, subsection 21.
7. *a.* A charter school shall be considered a part of the school district in which it is located for purposes of state school foundation aid pursuant to chapter 257.
   b. Students enrolled in an innovation zone school shall be counted, for state school foundation aid purposes, in the student's district of residence.
8. A charter school or innovation zone consortium may enter into contracts in accordance with chapter 26 **(256F.4).**

> A charter school or innovation zone school shall report at least annually to the school board or innovation zone consortium, advisory council, and the state board the information required by the school board or innovation zone consortium, advisory council, or the state board. The reports are public records subject to chapter 22 **(256F.10(1)).**

The intent of the legislature is that Charter School be given the greatest flexibility within the limitations of law, rules and regulations. This flexibility applies to the programs and standards rather than public funding, GAAP accounting, reporting, and internal controls. For financial purposes, the charter school is a part of the public school district in the same way as a school building site is a part of the public school district. All financial records are public records. Exemptions granted to the charter school do not exempt the charter school or the public school district in which it is located from legal uses or handling of funds, reporting requirements, or similar financial requirements. Dillon's Rule governs charter schools and districts in which charter schools are located.

Day-to-Day Financial Management
The charter school is required to transmit requisitions, purchase orders, receipts, etc. to the district central office for processing and board approval in the same manner as other school building sites within the district that are not charter schools.

Budgets
The charter school is required to provide a budget request to the local school district in the same format as provided to the district by the Department of Management, in sufficient time so that the local school district can accurately incorporate the charter school's budget into the district-wide aid and levy worksheet and certified budget document.

Student Counts
The charter school is required to provide the local school district on the same timeline and in the same format as used by other school sites that are not charter schools in the district to determine resident student count for certified enrollment purpose. The charter school enrollment must be incorporated into the district-wide certified enrollment counts.

Financial Records
The financial records for the charter school are required to be incorporated into the public school district records and will follow Uniform Financial Accounting for Iowa School Officials. All transactions (receipts, requisitions, purchase orders, invoices received, etc.) must be provided to the board secretary of the local school district in such time and manner as required by the local school district for the purpose of inclusion in the records of the district and school board bill listings. The district is required use the Basic Education Data Survey (BEDS) facility code in its account code structure for its charter school.

Financial Transactions between the Charter and public district / Allocating
Financial transactions between the charter and the local school district shall be reported to accurately account for revenues or expenditures. The costs of the charter school will be shown using a method of reasonably allocating costs. Thus there will not be billings and payments between the charter school and its host district.

The full cost of operating the charter school is required to be identifiable on the records of the school district and on reports required by the Department. Therefore, it will be necessary to implement a method to reasonably allocate joint programs, administration, fixed costs, etc. This will be true, even if the local school district provides certain programs on behalf of the charter for pupil enrolled in the charter school. Under best practice, the Charter Agreement will specify agreed upon criteria for pre-determined expenses (percent of per pupil, categorical, utilities, etc.)

Monthly Board Report
The charter school financial transactions must be included in the monthly financial report to the board of education as required by Iowa Code. All bills for charter school expenditures are subject to the same audit and approval process before the board as any similar bills of the local school district. All revenues and expenditures and other financial transactions will be handled through the public school district's accounts and will use the same internal control policies and procedures. The board will determine that Charter School transactions and expenditures are appropriate according to the Charter Agreement. It is the intent of the legislation that the Charter School be given the greatest flexibility within the limitations of law, rules and regulations, and the Charter Agreement.

Certified Annual Report and Annual Audit
The charter school accounts must use the BEDS facility code in its account code structure to ensure that the charter school financial transactions can be separately identified. Charter school financial transactions will be incorporated into and be subject to the same filing requirements for the Certified Annual Report (CAR) and annual audit of the local school district. The CAR is required to be filed and the annual audit contracted by the local school district on behalf of

the charter school as part of the CAR and annual audit of the local school district. These same requirements will apply to any other report required of the district by a state or federal agency.

Best Practices for Financial Agreements between Charters and Public Districts, Items to Consider and Describe (including, but not limited to), the following operational/financial issues:
Facilities: Input into or control of physical design of space used by charter, method of financing, sharing of school infrastructure taxes, grants, and other revenues.
Transportation: Input into or control over the number of routes; quality, style, or size of vehicles; method of financing.
LEP programs, Special Education programs, Gifted and Talented programs, Title 1 programs, at-risk programs, student activity programs, etc.: Method of financing or sharing of resources.
Other categorical funds, other tax levies and related assets and liabilities, school nutrition grants and sales, other enterprise operations, etc.: Method of sharing resources or requirements.
District cost per pupil (DCPP), school foundation funding: method of sharing resources and potential budgetary reductions or revenue shortfalls.
Early retirement/worker comp/unemployment programs/policies: Method of sharing costs, method of sharing tax resources, any allocation of current liabilities for existing retirement incentives.
Accrued liabilities for future compensated absences, potential early retirements, etc.
Existing VPPEL loans, LOSST/SILO revenue bonds, or general obligation bonds from bond issues for facilities used in whole or in part by the charter school: Method of sharing costs, methods of sharing tax resources, any allocation of assets and liabilities for school infrastructure.

Dissolution of Public Charter School
If the public charter school ceases to exist, all remaining assets of the public charter school, after liquidation of any liabilities, shall revert to the public school district. The charter agreement between the public charter school and the public school district will address the disposition of any remaining liabilities if the charter school ceases to exist.

Reorganization/Dissolution of Public School District
If the public school district that contains a public charter school reorganizes with another school district, the public charter school will become a public charter school under the newly reorganized school district if included and approved in the reorganization petition.

If the public school district that contains a public charter school dissolves, the public charter school district will be eligible to negotiation a new agreement to remain a public charter school under the public school district to which the territory containing the public charter school is attached.

Encumbrances

A school district or AEA may establish an encumbrance system for any obligation not liquidated at the close of the fiscal year in which the obligation has been encumbered. The encumbered obligations may be retained upon the books of the school district until liquidated, all in accordance with general accepted governmental accounting practices **(24.34).** GASB statement 54 clarifies that encumbrances should not be reported separately within fund balance. Significant encumbrances, however, should be disclosed in the notes to the financial statements in the audits. Even though encumbrances are not reported separately in the balance sheet, school districts and AEAs may continue to use them for internal reporting purposes.

Inventories

In governmental funds, GAAP allows either consumption method or purchases method for accounting for inventories. For consistency, if inventories are significant, the consumption method will be used. Inventories will be reported as assets when purchased and reported as expenditures when consumed. There would be no amount in the non-spendable fund balance for inventories. If inventories are not significant, the purchases method may be used. It is not necessary to report insignificant inventories on the balance sheet, however if inventories are reported as an asset on the balance sheet when using the purchases method, an equal amount will be included in the non-spendable fund balance. Consumption method is required for proprietary funds.

Prepaid Expenditures

In governmental funds, GAAP allows either consumption method or purchases method for accounting for prepaid expenditures such as insurance or rent. However, different than inventories, GAAP does not require that significant balances of prepaid expenditures be reported on the balance sheet as an asset and included in the non-spendable fund

balance for prepaid expenditures. For consistency, prepaid expenditures will use the purchases method and will not be reported on the balance sheet.

Classifying Fund Balance

The board may set aside funds for a particular purpose to the extent allowed by the accounting system designated by the department of education and local budget law **(OAG #83-12-1(L)).**

The non-spendable fund balance category includes amounts that cannot be spent either because of the legal or contractual requirements or their physical form. The latter would include such things as inventories and prepaid expenditures. An example of the former would be the principal portion of a permanent fund.

The restricted fund balance category is spendable, but may only be used as directed by an external party, enabling legislation, etc. The restricted fund balance cannot be negative.

The committed fund balance category is spendable, but may only be used as board specified by formal board action. The committed fund balance cannot be negative.

The assigned fund balance category is spendable, and represents the amounts that the district or AEA intends to use for a specific purpose. This does not require formal board action to establish or to reassign. In all governmental funds, other than the General Fund, the assigned fund balance category will include all fund balance that is not restricted, committed or non-spendable. The assigned fund balance cannot be negative. Since all funds are defined in Iowa law and are restricted for a specific use, only the General Fund will have an assigned fund balance.

The unassigned fund balance category is spendable and is the residual amount of fund balance in the General Fund (everything that is not restricted, committed, assigned or non-spendable). No fund, other than the General Fund, will report any positive fund balance as unassigned. Other governmental funds will only use the unassigned fund balance category to report negative residual amounts.

In order for fund balance to be classified in this manner, it must meet the following criteria:

1. Unemployment. AEAs and school districts that do not contribute on a regular basis to the unemployment program may assign fund balance for this purpose.
    a. The maximum amount is no more in one year than the amount that would have been “contributed”.
    b. The maximum amount that may be accumulated is five times the current annual calculation as provide in (1) above.
    c. Payments to be made in a fiscal year shall reduce the assigned fund balance so that “b” continues to apply.
2. Replacement of Equipment:
    a. A replacement of equipment committed or assigned fund balance shall be for specific items, and not for general contingency.
    b. The committed fund balance shall be the result of a written purchase plan which includes:
        i. Description of specific item.
        ii. Estimated cost less estimated trade-in.
        iii. Approval by the AEA or school district board (and the DE if an AEA).
        iv. Number of years needed to accumulate sufficient funds—maximum of five years.
    c. The assigned fund balance shall be the result of a written purchase plan which includes all of the above except formal approval action of the board.
    d. No minimum amount is set, except that the planned purchase dollar amount must represent an extraordinary expenditure if it were to be made in a single year.
    e. No maximum amount is set, except it must be reasonably expected that the amount accumulated will be sufficient to make the purchase.
    f. Upon purchase of the item, the committed or assigned fund balance, as applicable, is to be depleted.
    g. Technology equipment must be in compliance with the statewide technology plan required of AEAs.
3. Initial Purchase of Equipment. The same criteria apply for this category as for the replacement of equipment category, except trade-in value is not a consideration for an initial purchase.
4. Building Remodeling, Construction, or Purchase (school districts only). The same general criteria apply for building remodeling, construction, and purchase as do for equipment purchase, with these additional considerations:
    a. The remodeling, construction, or purchase must satisfy legal requirements of the Code that apply to remodeling, construction, and purchase.
    b. If the building is leased and the owner is to pay for the remodeling or construction, the committed or assigned category may not be used in that the owner has the ability to spread the cost over several years.

c. If the building is leased and the school district is to pay for the remodeling or construction, the committed or assigned category plan must include a written agreement between the school district and the owner.
d. If the building is owned by the school district, the committed or assigned fund balance category may be used in a manner similar to equipment purchase.

5. Building Lease-Purchase. The same general criteria apply as for 3 and 5 above, except that only the actual amount of principal and interest payment on the lease-purchase that is due in the first subsequent period may be committed, and no amounts may be accumulated. This committed fund balance category may only be used by an AEA after state board approval has been given to enter into the lease-purchase agreement.

Technology

The AEA board shall collaborate with the department of education to provide a statewide infrastructure for educational data to create cost efficiencies, provide storage and disaster mitigation, and improve interconnectivity between schools and school districts. In addition, the AEA boards shall work with the department to provide systemwide coordination in the implementation of the statewide longitudinal data system consistent with the federal American Recovery and Reinvestment Act of 2009. The AEAs shall provide support to school districts' information technology infrastructure that is consistent with the statewide infrastructure for the educational data collaborative **(273.2(8)).**

Capitalized Leases and Installment Purchase Contracts

a. At the inception of the agreement, the asset acquired and the related liability are simultaneously recorded in the Governmental Long-term Assets Summary Accounts (08) and Governmental Long-term Liabilities/Debt Summary Accounts (09), respectively, in amounts equal to the present value of the total future payments.
b. An entry is also simultaneously made in the fund from which the payments will be made, debiting a capital outlay expenditure account and crediting an “other financing source” in an amount equal to the present value of the total future payments. Payments during the life of the agreement are then treated as interfund operating transfers from the fund into which the receipts were deposited to the debt service fund and as debt service fund expenditures.

An AEA may hold property and execute purchase agreements within 2 years of a disaster as defined in section 29C.2, subsection 1, and lease-purchase agreements pursuant to section 273.3, subsection 7, and if the lease-purchase agreement exceeds 10 years or the purchase price of the property to be acquired pursuant to a purchase or lease-purchase agreement exceeds [or equals] twenty-five thousand dollars [$25,000], the AEA shall conduct a public hearing on the proposed purchase or lease-purchase agreement and receive approval from the AEA board of directors and the state board of education or its designee before entering into the agreement **(273.2(2)).**

An AEA is authorized to lease, purchase, or lease-purchase, subject to the approval of the state board of education or its designee and to receive by gift and operate and maintain facilities and buildings necessary to provide authorized programs and services. However, a lease for less than 10 years and with an annual cost of less than twenty-five thousand dollars [$25,000] does not require the approval of the state board. The state board shall not approve a lease, purchase, or lease-purchase until the state board is satisfied by investigation that public school corporations within the area do not have suitable facilities available. A purchase of property that is not a lease-purchase may be made only within 2 years of a disaster as defined in section 29C.2, subsection 1, and subject to the requirements of this subsection **(273.3(7)).**

Petty Cash

Petty cash shall be handled on an imprest basis:

1. The existence and amount of petty cash funds is authorized by board action.
2. The sum of cash on hand and the total of all receipts/vouchers for expenditures is always equal to the original amount of the petty cash fund.
3. Cash received is receipted and deposited at the bank into the appropriate fund, not placed in petty cash. Petty cash funds are not used to cash checks and other receipts to the district are not used to replenish petty cash.
4. Petty cash is balanced at least once a month.
5. Cash "over" is deposited at the bank and accounted for as a revenue.
6. Cash "under" is accounted for as an expenditure.
7. The "expenditure" receipt/voucher is attached to a requisition order requesting reimbursement. Code the reimbursement according to the types of expenditures on the receipts/vouchers using the usual procedures used for any other expenditure request.

8. A check is issued for the exact amount of those expenditures on the receipt/vouchers so that petty cash will again be the original amount of cash.
9. Petty cash funds shall not be used to circumvent the audit and allowance provisions in the Iowa Code or for any expenditure more appropriate to the purchase order process.
10. Petty cash shall be produced and counted at the time of any settlement with the treasurer if requested by the board **(12B.11).**

Internal Control of Vending Machines

1. Observe the vendor filling the machine or count/verify that all merchandise was received. Generally, it is better internal control to keep no inventory on hand other than in the machine.
2. Weekly (more or less often as necessary) have a designated staff member remove the money from the machine, inventory the merchandise in the machine, and record the number on the machine counter.
3. Do a vending machine recap similar to a ticket recap for gate receipts:
   a. Subtract the beginning machine count from the ending machine count. Multiply this by the selling price to determine how much cash should have been collected.
   b. Add beginning inventory plus inventory added during the period less ending inventory. Again, multiply this by the selling price to determine how much cash should have been collected.
   c. Count the cash collected from the machine (excluding the standard amount of change left in the machine),
   d. All three counts above should be equal.
4. Better internal control will be maintained if the individual designated to remove money from the machines is switched with no warning and no pattern.

If the vending machines used by the district do not have counters, request of the vendor that counters be added or machines be replaced. Counters are very important to internal control.

Proof of Cash

A proof of cash helps identify error types for differences between the accounting records and the bank statements:

	Balance 6/30/Yr 1	Deposits	Withdrawals	Balance 6/30/Yr 2
Per bank	$4,523.82	$10,000.00	$14,000.00	$523.82
Deposits in transit:				
6/30/Yr 1	3,295.66	-3,295.66		
6/30/Yr 2		1,860.75		1,860.75
Outstanding checks:				
6/30/Yr 1	-1,620.00		-1,620.00	
6/30/Yr 2			983.00	-983.00
True adjusted Cash balance:	6,199.48	8,565.09	13,363.00	1,401.57
Per books:	6,199.48	7,000.00	13,263.00	-63.52
Unrecorded deposit:		1,565.09		1,565.09
Math error on check:			100.00	100.00
True adjusted Cash balance:	$6,199.48	$8,565.09	$13,363.00	$1,401.57

A bank reconciliation would only indicate that the bank shows $1,465.09 more than the accounting records. **A proof of cash** pinpoints specifically that there was a $100.00 error in disbursements and a $1,565.09 error in receipts.

Indirect Costs

Cost Accounting

A true allocation of indirect costs from supporting programs to operating programs is not done in governmental accounting in education. The expenditures related to supporting programs are maintained separately in the accounting system using the correct function, program, project, and object. Cost reporting software can be developed to interface with existing payroll systems to expeditiously identify staff salaries and hours worked. The cost reporting software can also interface with student data systems to compute full-time equivalent (FTE) students. Linking assigned classroom and facilities files containing the square footage of classrooms can produce a space use attribution factor. Most costs can be allocated using attribution factors such as space use, teacher FTE, and student FTE. All of these interfaces/links to the financial accounting software allow for meaningful allocations of costs to programs or district strategic plan goals. The demand for data is recognizable in every facet of our information age society. Public education must compete for support as one of many public programs on which consumer dollars/taxes can be spent. Cost reporting adds to the workload for school district accounting personnel. Advances in technology and the development of electronic databases make the provision of cost data a manageable task for most districts. However, it must be emphasized that this cost reporting is only done within a separate data warehouse or database system at the local level and is never recorded on the official accounting records of the district or AEA.

Office of Management and Budget (OMB) Circular A-87, Cost Principles for State and Local Governments regulates how indirect costs and restricted indirect cost rates are calculated and applied for federal award purposes. The purpose of applying indirect cost rates is to provide that federally-assisted award programs bear their fair share of costs without profit or other increment above cost. This principle does not apply to state grants or allocations unless Iowa Code expressly states that indirect cost recovery is allowed.

If the district or AEA desires to report the indirect costs in the financial accounting records, it will be permitted to do so only if the expenditure is reported as a credit to the appropriate 95X expenditure objects and an equal amount is reported in other functions as debits to the appropriate 95X expenditure objects. The total of all 95X objects related to indirect costs will be zero at all times.

Allowable Costs

To be allowable under a federal award program, costs must meet the following general criteria:

a. Be necessary and reasonable for proper and efficient performance and administration of federal award.
b. Be allocable to federal awards under the provisions of Circular A-87.
c. Be authorized or not prohibited under state or local laws or regulations.
d. Conform to any limitations or exclusions set forth in these principles, federal laws, terms and conditions of the federal award, or other governing regulations as to types or amounts of cost items.
e. Be consistent with policies, regulations, and procedures that apply uniformly to both federal awards and other activities of the governmental unit.
f. Be accorded consistent treatment. A cost may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the federal award as an indirect cost.
g. Except as otherwise provided for in Circular A-87, be determined in accordance with generally accepted accounting principles (GAAP).
h. Not be included as a cost or used to meet cost sharing or matching requirements of any other federal award in either the current or a prior period, except as specifically provided by federal law or regulation.
i. Be net of all applicable credits.
j. Be adequately documented.

Direct Costs

Direct costs are those that can be identified specifically with a particular cost objective. Typical direct costs chargeable to federal awards are:

a. Compensation of employees for the time devoted and identified specifically to the performance of those awards. Use time records if the employee is assigned to more than one purpose.
b. Cost of materials acquired, consumed, or expended specifically for the purpose of those awards.
c. Equipment and other approved capital expenditures specific to the award.
d. Travel expenses incurred specifically to carry out the award.

Any direct cost of a minor amount may be treated as an indirect cost for reasons of practicality where such accounting treatment for that item of cost is consistently applied to all cost objectives.

Indirect Costs

Indirect costs are those (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved.

An indirect cost rate is a device for determining in a reasonable manner the proportion of indirect costs each program should bear. It is the ratio (expressed as a percentage) of the indirect costs pool to a direct cost base. A restricted indirect cost rate is required for grant awards which are subject to the "supplement but not supplant" restrictions.

The indirect cost pool is the accumulated costs that jointly benefit two or more programs or other cost objectives.

The direct cost base is the accumulated direct costs, exclusive of any extraordinary or distorting expenditures, used to distribute indirect costs to individual federal awards. The direct cost base should result in each award bearing a fair share of the indirect costs in reasonable relation to the benefits received from the costs.

Indirect Cost Recovery Rates

The federal government and the Iowa Department of Education have negotiated a five-year plan for determination of indirect costs and restricted indirect costs for subrecipient school districts and AEAs. These rates will serve as the sole basis for budgeting and allocating direct cost reimbursement under federal programs. The application of these rates is binding on all federal agencies and subject to periodic review pursuant to single audit requirements for state and local governments. The Iowa department of education will calculate annually indirect cost rates, restricted and unrestricted, for each school district and AEA from expenses delineated within the CAR-COA. Expenditures from the second preceding year will be used to complete the indirect cost rates for the current fiscal year. By means of a computer application, the matrix will be applied and data for each school district or AEA will be brought into the appropriate calculation. Total indirect costs will be divided by the total direct costs after exclusions and adjustments, and the indirect cost rate will be determined.

Indirect costs are further identified as either “restricted” or “unrestricted.” “Restricted” means that the grant has a “supplement, not supplant” clause. Unrestricted indirect costs may only be claimed for federal programs that are not specifically declared as restricted. Restricted indirect costs may be claimed for certain federal programs where allowed and where there is a “supplement, not supplant” clause.

Applying the maximum restricted rate against the direct costs of the award will generate the maximum indirect costs that may be recovered from the award. If the grant award contains costs that are excluded from the direct or indirect cost base, the direct costs of the awards will be modified to reflect the elimination of these costs from inclusion in the indirect cost reimbursement calculation. State managers of federal programs may assign to districts or AEAs more restricted levels of direct costs for application of the rate, thereby reducing total indirect cost recovery. Additionally, the school district or AEA may elect to apply a rate that is less than the approved rate, including a rate of zero.

Maintenance of Effort

Each federal program that contains a “supplement, not supplant” clause has a maintenance of effort calculation. The calculation for the federal program is published in the federal register. Although most calculations compare total current expenditures in excess of all federal revenues in one year to the same calculation in the previous year, some calculations use revenue numbers or budget numbers.

CHAPTER 8

AUDITING

Annual Audit

The financial condition and transactions of all AEAs and all school offices in school districts shall be examined at least once each year. The audit of school districts [and AEAs] shall include an audit of all school funds including categorical funding provided by the state, the certified annual financial report (CAR-COA), and the certified enrollment as provided in Iowa Code section 257.6, supplementary weighting as provided in section 257.11, and the revenues and expenditures of any nonprofit school organization established pursuant to section 279.62. Differences in certified enrollment shall be reported to the department of management. The audit of school districts [and AEAs] shall include at a minimum a determination that the laws of the state are being followed, that categorical funding is not used to supplant other funding except as otherwise provided, that supplementary weighting is pursuant to an eligible sharing condition, and that postsecondary courses provided in accordance with section 257.11 and chapter 261E supplement, rather than supplant, school district courses. Examinations shall be made as determined by the governmental subdivision either by the auditor of state or by certified public accountants, certified in the state of Iowa, and they shall be paid from the proper public funds of the governmental subdivision **(11.6(1)(a)).**

The department of management shall adjust the enrollment of the school district for the audit year based upon reports filed under section 11.6, and shall further adjust the budget of the second year succeeding the audit year for the property tax and state aid portions of the reported differences in enrollments for the year succeeding the audit year **(257.6(1)"c").**

A governmental subdivision contracting with certified public accountants shall do so in a reasonable manner on the basis of competence and qualification for the services required and for a fair and reasonable price utilizing procedures which include a written request for proposals (RFP) **(11.6(2)).**

In conjunction with the audit of the governmental subdivision required under section 11.6, the auditor shall also perform tests for compliance with the investment policy of the governmental subdivision. The results of the compliance testing shall be reported in accordance with generally accepted auditing standards (GAAS). The auditor may also make recommendations for changes to investment policy or practices. The AEA or school district is responsible for the remedy of reported noncompliance with its policy or practices **(11.6(1)"c"(1)).**

As part of its audit, the governmental subdivision is responsible for obtaining and providing to the auditor the audited financial statements and related report on internal control structure of outside persons, performing any of the following during the period under audit for the governmental subdivision:

i. Investing public funds.
ii. Advising on the investment of public funds.
iii. Directing the deposit or investment of public funds.
iv. Acting in a fiduciary capacity for the AEA or school district.

The audit under section 11.6 shall not be certified until all material information required by 11.6(1)"b"(2) is reviewed by the auditor **(11.6(1)"c"(2)).**

The auditor of state may at any time cause to be made a complete or partial reaudit of the financial condition and transactions of any governmental subdivision or an office of any governmental subdivision if one of the following conditions exists:

1) The auditor of state has probable cause to believe such action is necessary in the public interest because of a material deficiency in an audit of the governmental subdivision filed with the auditor of state or because of a substantial failure of the audit to comply with the standards and procedures established and published by the auditor of state.
2) The auditor of state receives from an elected official or employee of the governmental subdivision a written request for a complete or partial reaudit of the governmental subdivision.
3) The auditor of state receives a petition signed by at least one hundred eligible electors of the governmental subdivision requesting a complete or partial reaudit of the governmental subdivision. If the governmental subdivision has not contracted with or employed a certified public accountant to perform an audit of the fiscal year in which the petition is received by the auditor of state, the auditor of state may perform an audit required by subsection 1 or 3. **(11.6(4)).**

The director of the department of education shall request a state audit of the accounts of a school district, AEA, school official, or school employee handling school funds when it is apparent that an audit should be made **(256.9(19).**

While either the state appeal board or the school budget review committee (SBRC) may amend a school district budget to avoid a misuse of management levy funds, the primary responsibility for identifying misuse of this levy rests with the audit function. When a misuse is disclosed in an audit or reaudit report, appropriate remedial action may be taken by affected taxpayers, the county attorney or the Attorney General. The Citizens' Aide may also pursue investigation as to whether a misuse of school district funds has occurred, making appropriate referrals if a misuse is found **(OAG #93-8-3)**.

The auditor of state may, within three years of filing, during normal business hours upon reasonable notice of at least twenty-four hours, review the audit work papers prepared [by a certified public accountant] in the performance of an audit or examination **(11.6(5)).**

The state auditor possesses discretion to conduct a complete or partial reaudit once statutory prerequisites are met. The state auditor determines the extent of the audit and means or methods to use **(OAG #92-1-2(L)).**

An audit required by 11.6 shall be completed within nine months following the end of the fiscal year that is subject to the audit. At the request of the governmental subdivision, the auditor of state may extend the nine-month time limitation upon a finding that the extension is necessary and not contrary to the public interest and that the failure to meet the deadline was not intentional **(11.6(6)).**

CPAs and governmental subdivisions shall immediately notify the auditor of state regarding any suspected embezzlement, theft, or other significant financial irregularities **(11.6(7)).**

The written report of the audit of a governmental subdivision shall include the auditor's opinion as to whether a governmental subdivision's financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles or with an other comprehensive basis of accounting. As a part of conducting an audit of a governmental subdivision, an evaluation of internal control and tests for compliance with laws and regulations shall be performed. **(11.11**). *Note that this section does not relieve the auditor of the requirements in 11.6(1)"a".* The audit of school districts shall include an audit of all school funds including categorical funding provided by the state, the certified annual financial report, the certified enrollment as provided in section 257.6, supplementary weighting as provided in section 257.11, the revenues and expenditures of any nonprofit school organization established pursuant to section 279.62, and entrepreneurial education funds established pursuant to section 298A.15. Differences in certified enrollment shall be reported to the department of management. The audit of school districts shall include at a minimum a determination that the laws of the state are being followed, that categorical funding is not used to supplant other funding except as otherwise provided, that supplementary weighting is pursuant to an eligible sharing condition, and that postsecondary courses provided in accordance with section 257.11 and chapter 261E supplement, rather than supplant, school district courses **(11.6(1)"a").**

A written report of an audit or examination shall be provided to the governmental subdivision and filed with the auditor of state. All reports shall be open to public inspection, including copies on file in the office of the state auditor, and refusal on the part of any public official to permit such inspection when such reports have been filed with the state auditor shall constitute a simple misdemeanor. In addition, notice that the report has been filed shall be forwarded immediately to each newspaper, radio station, or television station located in the governmental subdivision that was audited or examined. However, if there is no newspaper, radio station, or television station located in the governmental subdivision, such notice shall be sent to the official newspapers of the county **(11.14).**

The results of the annual audit of all district funds shall be made part of the official records of the board **(IAC 281--12.3(8)).**

Auditors shall have the right while conducting audits or examinations to have full access to all papers, books, records, and documents of any officers or employees and shall have the right, in the presence of the custodian or the custodian's designee, to have full access to the cash drawers and cash in the official custody of the officer or employee and, during business hours, to examine the public accounts of the department or governmental subdivision in any depository which has public funds in its custody pursuant to the law. If the information, records, instrumentalities, and properties sought by the auditor of state are required by law to be kept confidential, the auditor of state shall have access to the information, records, instrumentalities, and properties, but shall maintain the confidentiality of all such information and is subject to the same penalties as the lawful custodian of the information for dissemination of the information. However, the auditor of state shall not have access to the income tax returns of individuals **(11.41).**

The school district or AEA, or the CPA or state auditor who performs the annual audit of the school district or AEA, shall provide an electronic copy of the annual audit report as well as any management letters to the following:
1. Office of the Auditor of State (two paper copies, one electronic copy, and filing fee).
2. Finance, Facilities and Operation Services, Iowa Department of Education (one electronic copy).

The audit report, including all management letters from the auditor, is to be submitted by March 31 following the cost of the fiscal year, unless an extension has been granted by the auditor of state. or within 30 days after issuance of the auditor's report to the auditee, whichever occurs first. A form may not be submitted in lieu of the audit report.

If an audit or examination discloses any irregularity in the collection or disbursement of public funds, in the abatement of taxes, or other findings the auditor believes represent significant noncompliance, a copy of the report shall be filed with the county attorney, and it shall be the county attorney's duty to cooperate with the state auditor, and, in proper cases, with the attorney general, to secure the correction of the irregularity **(11.53).**

In the event an audit or examination discloses any grounds which would be grounds for removal from office, a copy of the report shall be provided and filed by the auditor of state in the office of the attorney general of the state, who shall thereupon take such action as, in the attorney general's judgment, the facts and circumstances warrant **(11.54).**

Filing Fees

The auditor of state shall adopt rules to establish and collect a filing fee for the filing of each report of audit or examination conducted pursuant to subsections 1 through 3. The funds collected shall be maintained in a segregated account for use by the office of the auditor of state in performing audits conducted pursuant to subsection 4 and for work paper reviews conducted pursuant to subsection 5 **(11.6(10)).**

Performance or Operational Audits

A performance or operational audit is a systematic identification of ways to improve efficiency and effectiveness.

Claims Audits

The state appeal board may investigate and collect claims which the state has against municipal or political corporations in the state including school corporations **(25.6).**

Compliance Audits

A compliance audit is a determination of whether transactions and activities of the entity conform with local, state, and federal laws and regulations. The auditor must evaluate whether a transaction or activity was unallowable, undocumented, unapproved, or unreasonable. Iowa school districts and AEAs are required to have an annual compliance audit. Regardless of federal funding level, these audits must be conducted in accordance with generally accepted auditing standards (GAAS); Standards for Audits of Governmental Organizations, Programs, Activities, and Functions (Yellow Book); Single Audit Act Amendments of 1996; OMB Circular A-133; and Chapter 11 of the Iowa Code.

A-133 Compliance

In addition to the review of work of independent CPAs conducted by the Office of the Auditor of State, the work of independent and state auditors and the accounting procedures used by school districts, AEAs, and community colleges are also reviewed by the department of education as the cognizant agency for federal funding. This is a requirement on the State of Iowa by the federal government in order for school districts, AEAs, and community colleges to receive federal assistance. In order to avoid a duplication of efforts, the department of education utilizes the existing review process of independent auditors' workpapers conducted by the Office of the Auditor of State for the review required by Circular A-133 of the work of independent CPAs. In the event that it is an audit prepared by a state auditor that is to be reviewed as required by Circular A-133, that review would be conducted by the department of education.

The Single Audit Act of 1984 was amended in 1996 by the U.S. Congress. The Office of Management and Budget (OMB) withdrew Circular A-128 and revised Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations," to include governmental entities previously covered by A-128. The circular regulates the implementation of the Single Audit Act Amendments of 1996 and is periodically revised.

Department of Education Audit Policy for LEAs and AEAs

All Iowa school districts, AEAs, and community colleges that expend a total of $500,000 or more in federal awards in any fiscal year will have an annual audit conducted in accordance with OMB Circular A-133 as is required by the Single Audit Act Amendments of 1996.

Agencies expending less than $500,000 in federal awards in any fiscal year will not be required to have their annual audits conducted in accordance with OMB Circular A-133. Instead, those agencies will have an annual audit which follows the requirements of Chapter 11 of the Code of Iowa.

Districts, AEAs, and community colleges may be selected for limited scope audits. These audits will be individualized for each agency. Auditors and agencies will be notified by the department of education of which agencies have been selected and what items are to be audited.

The audit report, including all management letters from the auditor, is to be submitted by March 31 following the cost of the fiscal year, unless an extension has been granted by the auditor of state. or within 30 days after issuance of the auditor's report to the auditee, whichever occurs first. A form may not be submitted in lieu of the audit report.

The exemption from conducting the annual audit in accordance with OMB Circular A-133 will not exempt an agency from compliance with any provision of a federal statute or regulation that requires the agency to maintain records concerning federal awards provided to it or that permits a federal agency, pass-through entity, or the Comptroller General access to such records.

The Director of OMB will review the threshold level of $500,000 every two years to determine if an upward adjustment is appropriate.

Comprehensive Annual Financial Report (CAFR)

A CAFR is a general purpose report presentation on the government's activities, balances, and financial condition intended to meet the needs of a broad range of audiences. The report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes a financial overview, a discussion of the economy, and an organization chart. The Financial Section begins with the independent auditor's report and contains management's discussion and analysis (MD&A), audited government-wide financial statements, fund financial statements, notes to the financial statements, required supplementary information, combining financial statements, and schedules. The Statistical Section sets forth selected unaudited economic, financial trend, and demographic information for the government on a multi-year basis.

District and AEA Review for Special Education

Each agency shall maintain sufficient records and reports for audit by the department. Records and reports shall include at a minimum: licensure (certification) and endorsements or recognition requirements for all special education personnel under rules 281—41.401(256B,34CFR300) to 281—41.403(256B); all IEP and IFSP meetings and three-year reevaluations for each eligible individual; and data required for federal and state reporting **(IAC 281—41.901).**

The department reserves the right to audit the records of any agency providing special education for eligible individuals and utilizing funds generated under Iowa Code chapters 256B, 273 and 282 **(IAC 281—41.902).**

District Accreditation Review

The state board shall adopt rules under chapter 17A and a procedure for accrediting all public and nonpublic schools in Iowa offering instruction at any or all levels from the prekindergarten level through grade twelve. The rules of the state board shall require that a multicultural, gender fair approach is used by schools and school districts. The educational program shall be taught from a multicultural, gender fair approach. Global perspectives shall be incorporated into all levels of the educational program **(256.11).**

The state board shall establish an accreditation process for school districts and nonpublic schools seeking accreditation pursuant to this subsection and subsections 11 and 12. By July 1, 1989, all school districts shall meet standards for accreditation. For the school year commencing July 1, 1989, and school years thereafter, the department of education shall use a two-phase process for the continued accreditation of schools and school districts **(256.11(10)).**

Phase I

Phase I shall consist of annual monitoring by the department of education of all accredited districts for compliance with accreditation standards. The Phase I monitoring requires that districts annually complete accreditation compliance forms and file them with the Department. Phase I monitoring requires a comprehensive desk audit of the district including review of accreditation compliance forms, accreditation visits reports, methods of administration reports, and reports submitted in compliance with section 256.7, subsection 21, paragraph "a," and section 280.12. The Department shall conduct site visits to schools and school districts to address accreditation issues identified in the desk audit. Such a visit may be conducted by an individual departmental consultant or may be a comprehensive site visit by a team of departmental consultants and other educational professionals. The purpose of the comprehensive site visit is to determine that a district is in compliance with minimum standards and to provide a general assessment of educational practices in a school or school district and make recommendations in regard to the visit findings for the purposes of improving educational practices above the level of minimum compliance. The department shall establish a long-term schedule of site visits that includes visits of all accredited school and school districts as needed **(256.11(10)"a").**

Phase II

Phase II requires the use of an accreditation committee, appointed by the director to conduct an on-site visit to an accredited district if any of the following conditions exist:

a) Either the annual monitoring or the biennial on-site visit of Phase I indicates that the district is deficient and fails to be in compliance with accreditation standards.
b) A petition is filed with the director requesting such a visitation that is signed by eligible electors residing in the district equal in number to at least twenty percent (20%) of the registered voters of the district.
c) A petition is filed with the director requesting such a visitation that is signed by 20 percent (20%) or more of the parents or guardians who have children enrolled in the district.
d) At the direction of the State Board of Education.
e) The School Budget Review Committee (SBRC) submits to the department a recommendation for a fiscal review pursuant to section 257.31, subsection 18 **(256.11(10)"b"(1)).**

After visiting the school district, the accreditation committee shall determine whether the accreditation standards have been met and shall make a report to the director, together with a recommendation on whether the district should remain accredited. If the recommendation is that a school district not remain accredited, the accreditation committee shall provide the school district with a report that includes a list of all of the deficiencies, a plan prescribing the actions that must be taken to correct the deficiencies, and a deadline date for completion of the prescribed actions. The accreditation committee shall advise the school district of available resources and technical assistance to improve areas of weakness. The district shall be provided the opportunity to respond to the accreditation committee's report. The director shall review the accreditation committee's report and the response of the school district and shall provide a report to the state board along with copies of the accreditation committee's report, the response to the accreditation committee's report, and other pertinent information. At the request of the school district, the school district may appear before the state board and address the state board directly regarding any part of the plan specified in the report. The state board may modify the plan. During the period of time specified in the plan for its implementation by a school district, the district shall remain accredited **(256.11(10)"b"(5)).**

The accreditation committee shall revisit the district and shall determine whether the deficiencies in the standards have been corrected. The accreditation committee shall make a report and recommendation to the director and the state board. The committee recommendation shall specify whether the district shall remain accredited, and if so, under what conditions. The conditions may include, but are not limited to, providing temporary oversight authority, operational authority, or both oversight and operational authority to the Director and state board for some or all aspects of the district in order to bring the district into compliance with minimum standards. The state board shall review the report and recommendation, may request additional information, and shall determine whether the deficiencies have been corrected. If the deficiencies have not been corrected, and the conditional accreditation alternatives contained in the report are not mutually acceptable to the state board and the local board, the state board shall deaccredit the school district and merge the territory of the district with one or more contiguous districts at the end of the school year (July 1). The state board may place a district under receivership for the remainder of the school year. The receivership shall be under the direct supervision and authority of the AEA in which the district is located. The decision of whether to deaccredit the district or to place the district under receivership shall be based upon a determination by the state board of the best interests of the students, parents, residents of the community, teachers, administrators, and school district board members and upon the recommendations of the accreditation committee and the director **(256.11(11)).**

Fiscal Reviews in Conjunction with a Phase II Accreditation Visit

If a school district exceeds its authorized budget or carries a negative unspent balance for two or more consecutive years, the School Budget Review Committee (SBRC) may recommend that the Department of Education implement a Phase II on-site visit to conduct a fiscal review. **(256.11(10), 257.31(18))**

AEA Accreditation Review

The Department of Education shall develop, in consultation with the AEAs, and establish an accreditation process for AEAs by July 1, 1997. At a minimum, the accreditation process shall consist of the following:

a. The timely submission by an AEA of information required by the department on forms provided by the department.
b. The use of an accreditation team appointed by the director of the Department of Education to conduct an evaluation, including an on-site visit of each AEA **(273.10(1)).**

Prior to a visit to an AEA, the accreditation team shall have access to that AEA's program audit report filed with the department. After a visit to an AEA, the accreditation team shall determine whether the accreditation standards for a program have been met and shall make a report to the director and the state board, together with a recommendation as to whether the programs of the AEA should receive initial accreditation or remain accredited. The accreditation team shall report strengths and weaknesses, if any, for each accreditation standard and shall advise the AEA of available resources and technical assistance to further enhance the strengths and improve areas of weakness. An AEA may respond to the accreditation team's report **(273.10(2)).**

The state board of education shall determine whether a program of an AEA shall receive initial accreditation or shall remain accredited. Approval of AEA programs by the state board shall be based upon the recommendation of the director of the department of education after a study of the factual and evaluative evidence on record about each AEA program in terms of the accreditation standards adopted by the state board. Approval, if granted, shall be for a term of 5 years. However, the state board may grant conditional approval for a term of less than 5 years if conditions warrant **(273.10(3)).**

If the state board of education determines that an AEA's program does not meet accreditation standards, the director of the department of education, in cooperation with the board of directors of the AEA, shall establish a remediation plan prescribing the procedures that must be taken to correct deficiencies in meeting the program standards, and shall establish a deadline date for correction of the deficiencies. The remediation plan is subject to the approval of the state board **(273.10(4)).**

The AEA program shall remain accredited during the implementation of the remediation plan. The accreditation team shall visit the AEA and shall determine whether the deficiencies in the standards for the program have been corrected and shall make a report and recommendation to the director and the state board of education. The state board shall review the report and recommendation and shall determine whether the deficiencies in the program have been corrected **(273.10(5)).**

If the deficiencies in an AEA program have not been corrected, the agency board shall take one of the following actions within 60 days from removal of accreditation:

1) Merge the deficient program with a program from another accredited AEA.
2) Contract with another AEA or other public educational institution for purposes of program delivery **(273.10(6))**.

CHAPTER 9

STATUTORY AUTHORITY FOR FUNDS

Chapter 298A establishes the fund structure which shall be used by school districts and AEAs commencing with the school budget year which begins on July 1, 1995 **(298A.1).** A school corporation may establish other funds in accordance with generally accepted accounting principles and may certify other taxes to be levied for the funds as provided by state law. The status of each fund must be included in the annual report. The treasurer shall keep a separate account for each fund, and shall not pay an order that fails to state the fund upon which it is drawn and the specific use to which it is to be applied **(298A.14).**

Tax levies or funds that are required by law to be expended only for the specific items listed in statute shall be accounted for in a similar way to categorical funding. Each fund is mutually exclusive and completely independent of any other fund. No fund shall be used as a clearing account for another fund, and no fund may retire the debt of another fund unless specifically authorized in statute **(IAC 281—98.60).** More information on accounting for categorical funding is found in Iowa Administrative Code 281 chapter 98 and in a separate chapter of this manual.

Funds and Summary Accounts

FUND CODE	**FUND TITLE**
Government Wide Statement Summaries (for GASB Statement 34)	
01	Government-wide Statements—Governmental Activities
02	Government-wide Statements—Business-Type Activities
Governmental Long-Term Summary Accounts	
08	Governmental Long-Term Assets Summary Accounts
09	Governmental Long-Term Liabilities/Debt Summary Accounts

FUNDS

Governmental Funds

10	General Fund
No funds 11-19 Permitted	
<u>Special Revenue Funds</u>	
21	Student Activity Fund
22	Management Levy Fund
23	Entrepreneurial Education Fund
24	Public Education & Recreation (PERL) Fund
25	(AEA) AEA Special Education Instruction Fund (LEA) Equalization Levy Fund
26	(AEA) AEA Juvenile Home Instruction Fund (LEA) Emergency Levy Fund
27	Special Revenue Trust Funds (Trust Funds that benefit the Agency)
28	Disaster Recovery Fund
29	Library Levy Fund (Clear Creek-Amana CSD only) Other Special Revenue Fund
<u>Capital Projects Funds</u>	
31-32	Capital Project Funds from General Obligation Bonds
33	Capital Project Funds from SAVE
34-35	Capital Project Funds from Sources Other than GO Bonds or SAVE

36	Physical Plant & Equipment (PPEL) Fund
37-39	Other Capital Project Funds from Other Sources Not Listed Above
40	Debt Service Fund
No funds 41-49 Permitted	
50	Permanent Funds (funds that benefit the agency)

Proprietary Funds

Enterprise Funds	
61	School Nutrition Fund
62	Child Care & Before and After School Program Fund
63	Regular Education Preschool, not Statewide Voluntary 4-Year-Old Preschools
64	Student Construction
65-67	Community Service Enterprises (Activities provided by the district/AEA for a fee to the general community or segment of the community that are not in the PERL Fund. Examples: public libraries, community pool, community wellness center, community or adult education program, etc.)
68-69	Enterprises that Support the School Program (Examples: COOP purchasing, student farm, greenhouse, school stores, major resale activity, etc.)
Internal Service Funds	
71	Self-Insurance Fund
72	Flex-Benefits (Cafeteria) Plan Fund
73	Print Shop
74	Health Reimbursement Arrangements (HRAs)

Fiduciary Funds

Trust Funds	
Private Purpose Trust Funds	
81	Scholarship Trust Funds
82-84	Other Private Purpose Trust Funds
Pension Trust Funds	
85-86	Pension Trust Funds (Des Moines ISD only)
Investment Trust Funds	
87-89	Investment Trust Funds
Agency Funds	
91-99	Agency Funds

Separation of Funds

A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated in order to carry on specific activities **[NCGA Statement 1].**

Each fund is mutually exclusive and completely independent of any other fund. Therefore, no fund shall be used as a clearing account for another fund, no fund may retire the debt of another fund unless specifically authorized in Code, and transfers between funds shall be accomplished only as authorized in statute **(IAC 281—98.60)**.

Funds may not be used for any other purpose than that for which voted except by a vote of the electors **(1938 Op. Att'y Gen. 167 (#37-4-14)).**

The status of each fund must be included in the annual report. The treasurer shall keep a separate account for each fund, and shall not pay an order that fails to state the fund upon which it is drawn and the specific use to which it is to be applied **(298A.14).**

It is the duty of the board secretary to keep an accurate accounting record of each payment or electronic funds transfer from each fund which shall be provided monthly to the board of directors. The secretary of the creditor district shall prepare and deliver to debtor districts an itemized statement of tuition fees charged in accordance with sections 275.55A and 282.11, and section 282.24, subsection 1 **(291.6(3)).**

The secretary shall make each authorized payment, countersign using an original or facsimile signature, and maintain accounting records of the payments or electronic funds transfers, showing the number, date, payee, originating fund, the purpose, and the amount, and shall provide to the board at each regular annual meeting a copy of the accounting records maintained by the secretary (**291.8)**.

The treasurer shall receive all moneys belonging to the corporation, pay the same out only upon the order of the president countersigned by the secretary, and shall keep an accurate accounting record of all receipts and expenditures. The treasurer shall register all payments and electronic funds transfers made and reported to the treasurer by the secretary, showing the number, date, to whom drawn, the fund from which each payment and transfer was made, the purpose and amount (**291.12).**

The district or AEA is not required by law to keep separate bank accounts because of the requirement for separateness of the funds **(OAG #65-10-14).** The law does not specify separate bank accounts, but there may be practical reasons for doing so **(1 D.P.I. Dec. Rul. 65).** However, if moneys are combined for investment purposes, the interest earned shall be credited to each appropriate fund.

School districts and AEAs operate under Dillon's Rule. Each fund authorized to be established in the school district and AEA is listed in Code along with the allowed revenues and expenditures for each fund. Each fund is allowed to be used for the purposes authorized in Code and no other. Each fund is mutually exclusive and independent of any other fund. If a revenue or expenditure is specifically authorized for one fund, it is not appropriate to any other fund, unless the Code also specifically authorizes it to that other fund. Expenditures which are expressly authorized to more than one fund are very limited and include the following:

1. School buses may be purchased from fund available [funds on-hand] in the general fund or in the physical plant and equipment levy fund **(285.10(7)"a", 298.3(1)"i").**
2. School buses may be purchased using a loan agreement in the general fund **(279.48)** or using a loan agreement or lease purchase agreement in the physical plant and equipment levy fund **(285.10(7)"b", 298.3(1)"c").**
3. Equipment or technology costing *more than* $500 in value per purchase, lease, or lease-purchase transaction may be purchased from the general fund **(279.28)** or from the physical plant and equipment levy fund **(298.3(1)"c").** Each transaction may include multiple equipment or technology units. Equipment or technology costing less than $500 per transaction may be purchased from the general fund but not the physical plant and equipment levy fund.
4. Asbestos projects may be paid from funds on-hand in the general fund or in the physical plant and equipment levy fund **(279.52).**
5. Expenditures for removal, management, or abatement of environmental hazards due to a state or federal requirement may come from the general fund if the SBRC grants a modified supplemental amount **(257.31(6)),** otherwise they are expended from the physical plant and equipment levy fund, or a capital projects fund, as appropriate.
6. The SBRC may authorize a district to spend a reasonable and specified amount from its unexpended fund balance (but not modified supplemental amount) to complete furnishing, equipping, and contributing to the construction of a new building or structure for which the voters of the district have approved a [general obligation] bond issue as provided by law or the tax levy provided in section 298.2 (VPPEL); or the costs associated with the demolition of an unused school building, or the conversion of an unused school building for community use, in a school district involved in a dissolution or reorganization under chapter 275, if the costs are incurred within 3 years of the dissolution or reorganization; or costs associated with the demolition or repair of a building or structure in a school district if such costs are necessitated by, and incurred within 2 years of, a disaster as defined in section 29C.2(1). Any part of the amount not actually spent for the authorized purpose shall revert to its former status as part of the unexpended cash balance **(257.31(7)).** If authority is not granted by the SBRC to use the general fund, the expenditures must come from the capital projects fund or physical plant and equipment levy fund, as appropriate.
7. Facility construction is appropriate only to the capital project funds: the SAVE capital projects fund **(423E, 423F),** bond issue capital project funds **(296.1, 298.21),** and the physical plant and equipment levy **(298.3(1)"b").**
8. Bond principal repayment is accounted for in the Debt Service Fund, but resources to pay principal on General Obligation Bonds can come from the debt service fund tax levy for that purpose **(298A.10),** or physical plant and equipment levy **(298.3(1)"d"),** or the SAVE revenues **(423F.1, 423F.3(6), 76.4)**.

9. SAVE revenues can be used for the same purposes for which PPEL or PERL may be used if the revenue purpose statement allows **(423F.3(6); 423E.1(3) Code 2007).**
10. Recreational equipment may be purchased for the district from PPEL **(298.3(1)"k")** or for the district's community playgrounds program from PERL **(300.1).**

Interfund Transactions

Generally, moneys may not be transferred between funds, other than authorized by 298A.9 and 298A.10, unless the transfer is a transfer of a remaining positive balance from a fund for which the purpose of the fund has ended and no other provisions have been made in creating such fund in which such balance remains **(24.21).** All allowable transfers or loans require board action, some require a vote of the electorate **(278.1(1)"e"),** some require authorization from the state appeal board [SAB] **(24.22)** and some require authorization from the school budget review committee [SBRC] **(257.31(6), 24.6(2)"b").**

No fund shall be used as a clearing account for another fund, and no fund may retire the debt of another fund unless specifically authorized in statute, and transfers between funds shall be accomplished only as authorized in statute **(IAC 281—98.60).**

However, bona fide loans authorized by the board, executed by a note at the going rate of interest, and repaid by fiscal year end would not be an audit exception **(Letter, Office of the Auditor of State, September 9, 1980)**. All of the following applies to interfund loans:

1. All loans between funds within a fiscal year must be accomplished through official board action and may not be accomplished until the board by resolution authorizes the loan. An interfund loan must not constitute an amendment to the budgeted revenues or expenditures for the fiscal year.
2. The resolution must specify the funds from which and to which the transfer will be made. A note is not necessary if the resolution specifies the terms of repayment including the payment of interest.
3. Interest must be paid from the borrowing fund on the unpaid balance at the rate in effect at the time of the loan as established by rule pursuant to Iowa Code section 74A.6, subsection 2.
4. The loan must be repaid before October 1 of the fiscal year following the fiscal year within which the loan occurred. In the event repayment cannot be made by that time, the school corporation must proceed under the provisions of Iowa Code chapter 74 to issue anticipatory warrants or seek approval of the voters pursuant to Iowa Code subsection 278.1(1), paragraph "e" for transfer of surplus funds from the debt service, physical plant and equipment levy, capital projects, or public education and recreation levy funds to the general fund, or, for other transfers, seek approval from the state appeal board pursuant to Iowa Code section 24.22. Interfund loans within a fiscal year do not require state appeal board approval so long as they are repaid by October 1 of the following fiscal year. **(25 D.E. Dec. Ord. 183).**

With the implementation of GAAP, the statutory term "schoolhouse fund" is no longer used. When older OAGs refer to the schoolhouse fund those would still be applicable and refer to the following current funds:

- Physical Plant and Equipment Levy (PPEL),
- Capital Projects,
- Debt Service,
- 67.5 Cent Schoolhouse Levy, and
- Public Education and Recreation Levy (PERL).

Authorized by the Board

Money inadvertently placed in the general fund may be withdrawn and put to the special purposes for which raised **(1936 Op. Att'y Gen. 38 (#35-1-26)).**

Transfers from the general fund to the schoolhouse fund may not be authorized either by vote of the school board or the electorate **(OAG # 80-11-26)**.

When a new district is organized the funds [other than schoolhouse funds] cannot be placed in the schoolhouse fund and used for building purposes **(OAG #55-7-26).**

Subject to the provisions of any law relating to municipalities [municipalities include school districts], when the necessity for maintaining any fund has ceased to exist and a [positive] balance remains in the fund, the board of directors shall so declare by resolution, and upon such declaration, such balance shall be transferred to the fund or funds designated by the board, unless other provisions have been made in creating such fund in which the balance remains **(24.21).**

"Provisions of law" referenced in section 24.21 does not permit the board, acting alone, to transfer funds either direction between the general fund and the debt service, PPEL, capital projects, SAVE, or PERL funds. Transfers from those funds to the general fund can only be accomplished by a vote of the electorate. Transfers from the general fund to those funds are not permitted by either a vote of the people or board action. Boards may transfer inactive funds, but boards cannot transfer from active funds without the permission of the SBRC or state appeal board, except as authorized by 298A.9 and 298A.10. There are two exceptions to the rules in the above paragraph with the implementation of GAAP:

1. *Capital Projects*. Any governmental fund authorized to be used to construct or acquire capital facilities, must transfer those funds to a capital projects fund to be accounted for there. Surplus remaining after the completion of the capital project may be returned to the fund from which the money originated **(298A.9).**
2. *Debt Service*. Any governmental fund having authorized indebtedness must transfer those funds to the debt service fund at the time that interest and principal payments are due. Retirement of bonded indebtedness or other authorized indebtedness shall be accounted for in the debt service fund **(298A.10).** Payments for debt retirement on loans may only come from the fund in which the original loan proceeds were deposited. The board of directors shall expend the amount of the principal and interest due each year to maturity from the same fund into which the loan proceeds were deposited **(279.53).**

Authorized by the Voters

Transfers from the general fund to the schoolhouse fund may not be authorized either by vote of the school board or the electorate **(OAG # 80-11-26).**

Temporary transfers from the schoolhouse fund to the general fund cannot be made unless authorized by electors for certain limited purposes **(OAG #64-2-5).**

The electorate, by vote, may direct the board of directors to transfer any surplus funds in the debt service fund, PPEL fund, capital projects funds, or PERL fund to the general fund [but not the reverse] **(278.1(1)"e").**

Authorized by the State Appeal Board

Upon the approval of the state appeal board, the board of directors may make temporary or permanent transfers from one fund to another. The board shall provide that money temporarily transferred shall be returned to the fund from which it was transferred within the time and upon the conditions the state appeals board determines. However, it is not necessary to return to the emergency fund, or to any fund no longer required, any money transferred from it to any other fund **(24.22).**

Iowa Code section 24.22 referring to authority to transfer money between funds upon the approval of the state appeal board does not apply to transfers from the general fund to the schoolhouse fund **(OAG #27-4-22).**

Transfers may not be made from the general fund to the schoolhouse fund nor may the general fund be used for sites or improvements **(1938 Op. Att'y Gen. 210 (#37-5-7)).**

A school district board of directors may not transfer funds from the general fund to the schoolhouse fund for the purpose of constructing a hot lunch facility even though there is sufficient surplus in the general fund to defray the cost of such construction **(OAG #79-11-20).**

Where a simple transfer of funds is requested which would not increase the budget appropriation, the transfer may be accomplished if it is a fund that may be transferred, and if approved by the state appeal board as required by 24.22, without the necessity of publication of notice and a public hearing as required in 24.9 **(OAG #66-8-26).**

Authorized by the School Budget Review Committee

The SBRC may authorize a district to spend a reasonable and specified amount from its unexpended fund balance in the general fund for either of the following purposes:

1) Furnishing, equipping, and contributing to the construction of a new building or structure for which the voters of the district have approved a [general obligation] bond issue as provided by law or the PPEL tax levy.
2) The costs associated with the demolition of an unused school building, or the conversion of an unused school building for community use, in a school district involved in a dissolution or reorganization under chapter 275, if the costs are incurred within 3 years of the dissolution or reorganization.
3) The costs associated with the demolition or repair of a building or structure in a school district if such costs are necessitated by, and incurred within two years of, a disaster as defined in section 29C.2, subsection 1.

Other expenditures, including but not limited to expenditures for salaries or recurring costs, are not authorized under this subsection. Expenditures authorized under this subsection shall not be included in supplemental state aid or district cost, and the portion of the unexpended fund balance which is authorized to be spent shall be regarded as if it were miscellaneous income. Any part of the amount not actually spent for the authorized purpose shall revert to its former status as part of the unexpended fund balance **(257.31(7)).**

To implement the above statute, the district must transfer (operating transfer) the authorized amount from the general fund to the appropriate capital projects fund, which will reduce the unspent authorized budget balance. Any part of the amount not actually spent for the authorized purposes at the end of the project is returned to the general fund by operating transfer, which will increase the unspent authorized budget balance.

The school corporation may transfer money from the emergency fund to any other fund of the school corporation for the purpose of meeting deficiencies in a fund arising within two years of a disaster as defined in section 29C.2, subsection 1. However, a transfer shall not be made without the written approval of the school budget review committee **(24.6(2)"b").**

Government Wide Statement Summaries

01 Government-wide Statements—Governmental Activities

02 Government-wide Statements—Business-Type Activities

Funds 01 and 02 are available at the discretion of the district/AEA and its auditor to accumulate adjusting transactions to create the government-wide statements required by GASB Statement 34. No other funds in the district or AEA may be used for this purpose.

Governmental Long-Term Summary Accounts

The summary accounts described in this section differ from the funds in that they provide no source of resources for current and future outlays. The purpose of these account groupings is to disclose additional financial accounting information not provided by the fund records of all funds except proprietary funds and fiduciary funds.

Governmental Long-Term Assets Summary Account (08)

The Governmental Long-Term Assets Summary Account is a self-balanced group of accounts used to account for fixed assets of governmental funds. Record the cost of all property, plant and equipment other than those accounted for in the proprietary funds or fiduciary funds. General fixed assets could include sites, site improvements, buildings and building improvements, machinery and equipment. Assets are recorded at cost or, if the cost is not practicably determinable, at estimated cost. Donated fixed assets should be recorded at their estimated fair value at the time received.

The amounts recorded for accounting and reporting general fixed assets are the initial or historical cost and are not to be confused with "appraised" values or any other reductions computed under any amortization or depreciation schedule.

Governmental Long-Term Liabilities/Debt Summary Account (09)

The Governmental Long-Term Liabilities/Debt Summary Account is a self-balanced group of accounts used to account for long-term liabilities and debt of governmental funds. Record the principal amount of all long-term liabilities, excluding those of the proprietary funds or fiduciary funds. The long-term liabilities could include general obligation bonds, capitalized lease obligations, legal judgments, special assessments payable to cities or other governmental units, unfunded pension liabilities, and notes and warrants which are not due within one year.

Funds

General Fund (10)

Purpose and Use

This fund must be established by all school districts. All moneys received by a school corporation from taxes and other sources must be accounted for in the general fund, except moneys required by law to be accounted for in another fund **(298A.2).**

All moneys received by a school corporation from taxes and other sources shall be accounted for in the general fund, except moneys required by law to be accounted for in another fund. If another fund specifically lists an expenditure to that other fund, it is assumed not to be appropriate to the general fund unless statute expressly states that it is an appropriate general fund expenditure. Each school district and each area education agency shall have only one general fund **(IAC 281—98.61)**.

Types of Expenditures

Expenditures include all general operating expenses of the school such as salaries, employee benefits, purchased services, supplies, and expenditures for instructional equipment.

Expenditures may include the purchase of school buses from funds available and on-hand in the General Fund **(285.10(7)"a").**

Boards of directors in all public school districts may establish and maintain dental clinics for children and offer courses of instruction on mouth hygiene. The boards may employ such legally qualified dentists and dental hygienists as may be necessary to accomplish the purpose of this section. The cost of the dental clinic shall be paid from the general fund **(280.7).**

The AEA board or school board of any school district may employ public health nurses at periods each year and in numbers as deemed advisable. The council of any city, or the school board of any school district, or any of them acting in cooperation, may contract with any nonprofit nurses' association for public health nursing service. The compensation and expenses shall be paid out of the general fund of the political subdivision employing the nurses **(143.1).**

In order that property tax funds could be used to pay for any part of the school lunch program an express statutory authority could be required for such use **(OAG #65-6-30).**

The board of directors may provide and pay out of the general fund to insure school property a sum as necessary, and may purchase dictionaries, library books, including books for the purpose of teaching vocal music, maps, charts, and apparatus [equipment] for the use of the schools as deemed necessary by the board of directors for each school building under its charge; and may furnish schoolbooks to indigent children when they are likely to be deprived of the proper benefits of the school unless so aided **(279.28).**

The premium costs of the liability insurance, the costs of a self-insurance program, the costs of a local government risk pool, and the amounts payable under the insurance agreements may be paid out of the general fund. However, for school districts, the costs shall be included in the district management levy if the district has certified a district management levy. If the district has not certified a district management levy, the cost shall be paid from the general fund **(670.7(1)).**

All the books and other supplies purchased by the board to be loaned, rented, or sold at cost to students shall be paid for out of the general fund **(301.4).**

The board of directors of each local public school district shall provide the safety eye-protective devices required by Code. Such devices may be paid for from the general fund, but the board may require students and teachers to pay for the safety devices and shall make them available to students and teachers at no more than the actual cost to the district **(280.10).**

The board of directors of each local public school district shall provide the safety ear-protective devices required by Code. Such devices may be paid for from the general fund, but the board may require students and teachers to pay for the safety devices and shall make them available to students and teachers at no more than the actual cost to the district **(280.11(3)).**

A school district may not use the general fund to account for long-term indebtedness unless specifically allowed by law. Specific authorization is given for loans up to 5 years for equipment purchases **(279.48),** 3-year federal loans for asbestos **(279.52),** and loans for energy conservation **(473.20(1)"b").** The proceeds of loans issued to school districts pursuant to section 279.48, 279.52, or 473.20 shall be deposited into either the general fund or the physical plant and equipment levy fund. The board of directors shall expend the amount of the principal and interest due each year to

maturity from the same fund into which the load proceeds were deposited **(279.53).** A school district shall not use the general fund to repay long-term indebtedness for which the original proceeds were not previously recorded as revenues into the general fund. In order to retire long-term indebtedness originally deposited into the general fund, the district or AEA will transfer the amount due to the debt service fund in an operating transfer. The actual payment of principal and interest shall be accounted for in the debt service fund **(298A.10).**

The board of directors of a school corporation may purchase equipment, and may negotiate and enter into a loan agreement and issue a note to pay for the equipment from the general fund subject to the following terms and procedures:

a. The note must mature within 5 years, or the useful life of the equipment, whichever is less.
b. The note may bear interest at a rate to be determined by the board in the manner provided in Code. Chapter 75 is not applicable.
c. The board shall provide for the form of the agreement and note.
d. Principal and interest shall be transferred when due from the fund where the original proceeds were recorded as revenues to the debt service fund. The payment of principal and interest is made each year from the debt service fund from money transferred to the debt service fund from the originating fund for up to 5 years **(279.48).**

This same authority to purchase equipment is extended to AEAs **(273.3(20)).**

Money in the debt service fund from other sources may not be used to repay the debt. The fund that repays the indebtedness must be the same fund that recorded the original proceeds as revenues **(279.53, IAC 281—98.60).**

The board of directors may pay the actual cost of an asbestos project and repayment of a federal asbestos loan program from the general fund or from the PPEL fund. The loan will be repaid over a 3-year period. Cost of an asbestos project includes the costs of inspection and re-inspection, sampling, analysis, assessment, response actions, operations and maintenance, training, periodic surveillance, developing of management plans and recordkeeping requirements relating to the presence of asbestos in school buildings of the district and its removal or encapsulation **(279.52).** The fund that repays the indebtedness must be the same fund that recorded the original proceeds as revenues **(279.53, IAC 281—98.60).**

AEAs and school districts may enter into financing arrangements with the authority or its duly authorized agents or representatives obligating the school district or AEA to make payments on the energy loans beyond the current budget year. Chapter 75 shall not be applicable. AEAs shall repay the loans from any moneys available to them [in their general fund]. School districts shall repay the loans from moneys in either their general fund or physical plant and equipment fund. Principal and interest shall be transferred when due from the fund where the original proceeds were recorded as revenues to the debt service fund. The payment of principal and interest is made each year from the debt service fund from money transferred to the debt service fund from the originating fund. Money in the debt service fund from other sources may not be used to repay the debt **(473.20, 298A.10).** The fund that repays the indebtedness must be the same fund that recorded the original proceeds as revenues **(279.53, IAC 281—98.60).**

The board of directors of a school district may take action to adopt a resolution to establish, and authorize expenditures for the operational support of, an entity or organization for the sole benefit of the school district and its students that is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code. The entity or organization shall reimburse the school district for expenditures made by the school district on behalf of the entity or organization **(279.62).**

The board may, when necessary, rent a room and employ a teacher, where there are ten children for whose accommodation there is no schoolhouse **(297.12).** This section does not apply to renting or leasing of facilities.

Bonds and premiums for bonds for school corporation employees who have custody of funds belonging to the corporation or funds derived from extracurricular activities and other sources in the conduct of their duties shall be paid from the general fund **(279.8).**

All expenses related to changes in boundaries, reorganization, or dissolution shall be assessed to the affected districts and the respective boards to which such expenses are certified shall audit and order the same paid from the general fund **(275.26).**

The cost of publishing the notices and estimates required by chapter 24 [budgets], and the actual and necessary expenses of preparing the budget shall be paid out of the general fund **(24.16).**

The expenses of engraving and printing school bonds may be paid out of the general fund **(298.22).**

(a) All or a portion of the taxes for the instructional support program levy of a school district shall be paid by the school district to the municipality if the auditor, pursuant to subsection 11, certifies to the school district by July 1 the amount of such levy that is necessary to pay the principal and interest on bonds issued or other indebtedness incurred by the municipality to finance an urban renewal project if such bonds or indebtedness were issued or incurred on or before April 24, 2012. Such school district shall pay over the amount certified by November 1 and May 1 of the fiscal year following certification to the school district.
(b) In lieu of payment to a municipality under subparagraph division (a), a school district may by resolution of the board of directors of the school district approve at a regular meeting of the board of directors the payment of all or a portion of the instructional support program property tax revenue excluded under paragraph *"a"*, to the municipality for the payment of principal and interest on such bonds issued or such other indebtedness incurred by the municipality before, on, or after April 24, 2012 **(403.19(2)"b"(2)).**

Money inadvertently placed in the general fund may be withdrawn and put to the special purposes for which raised **(1936 Op. Att'y Gen 38 (#35-1-26)).**

When a new district is organized the funds cannot be placed in the schoolhouse fund and used for building purposes **(OAG #55-7-26).**

Transfers from the general fund to the schoolhouse fund may not be authorized either by vote of the school board or the electorate **(OAG # 80-11-26).**

Any governmental fund authorized to be used to construct or acquire capital facilities, must transfer those funds to a capital projects fund to be accounted for there. Surplus remaining after the completion of the capital project may be returned to the fund from which the money originated **(298A.9).** There are only five situations where capital projects money could have originated from the general fund:

- asbestos projects funded with a federal asbestos loan,
- energy conservation projects funded with an energy loan,
- SBRC-authorized removal of environmental hazards due to a state or federal requirement,
- SBRC-authorized completion of construction of facilities authorized by the voters through a bond issue or the voter-approved PPEL, or
- SBRC-authorized demolition or conversion for community use of an unused school building if the costs are incurred within 3 years of the dissolution or reorganization.
- SBRC-authorized demolition or repair of a building or structure in a school district if such costs are necessitated by, and incurred within 2 years of, a disaster as defined in section 29C.2, subsection 1.

In the case of SBRC-authorized transfers for completion of construction, or demolition or conversion of an unused school building, any excess remaining after the completion of the project shall be returned to the general fund **(257.31(7)"b").**

Temporary transfers from the schoolhouse fund to the general fund cannot be made unless authorized by electors for certain limited purposes **(OAG #64-2-5).**

The electorate, by vote, may direct the board of directors to transfer any surplus funds in the debt service fund, PPEL fund, capital projects funds, or PERL fund to the general fund [but not the reverse] **(278.1(1)"e").**

Iowa Code section 24.22 referring to authority to transfer money between funds upon the approval of the state appeals board does not apply to transfers from the general fund to the schoolhouse fund **(OAG #27-4-22).**

Transfers may not be made from the general fund to the schoolhouse fund nor may the general fund be used for sites or improvements **(1938 Op. Att'y Gen. 210 (#37-5-7)).** Subsequent legislation has allowed certain transfers specified in Code upon the approval of the SBRC.

A school district may not use proceeds from the general fund to purchase or construct buildings or land or for capital improvements to real property except under special circumstances authorized by the SBRC.

A school district board of directors may not transfer funds from the general fund to the schoolhouse fund for the purpose of constructing a hot lunch facility even though there is sufficient surplus in the general fund to defray the cost of such construction **(OAG #79-11-20).**

The costs of special education instructional programs include the costs of purchase of transportation equipment to meet the special needs of children requiring special education with the approval of the director of the Department of Education **(256B.9(7)).** These expenditures would be general fund costs.

Funds generated for special education instructional programs under chapter 256B and chapter 257 shall not be expended for modifications of school buildings to make them accessible to children requiring special education **(256B.9(9)).** The costs of these modifications would be expended from appropriate capital project funds.

Any compensation for use of a schoolhouse and schoolhouse grounds shall be paid into the general fund and be expended in the upkeep and [minor] repair of, and in purchasing supplies for, that school property **(297.10).**

The AEA board is authorized to receive and expend money for providing programs and services as provided in sections 273.1 to 273.9, and chapters 256B and 257. All costs incurred in providing the programs and services, including administrative costs, shall be paid from funds received pursuant to sections 273.1 to 273.9 and chapters 256B and 257 **(273.3(2)).**

The AEA board is authorized to pay, out of funds available to the board reasonable annual dues to an Iowa association of school boards. Membership shall be limited to those duly elected members of the AEA board **(273.3(13)).**

The AEA board is authorized to establish and pay all or any part of the cost of group health insurance plans, nonprofit group medical service plans and group life insurance plans adopted by the board for the benefit of employees of the AEA, from funds available to the board **(273.3(15)).**

Appropriate expenditures in the general fund include, but are not limited to, the following:

a. Providing day-to-day operations to the district or area education agency, such as salaries, employee benefits, purchased services, supplies, and expenditures for instructional equipment.
b. Purchasing school buses from unobligated funds on hand.
c. Establishing and maintaining dental clinics for children and offering courses of instruction on oral hygiene.
d. Employing public health nurses.
e. Funding insurance agreements if the district has not certified a district management levy.
f. Purchasing books and other supplies to be loaned, rented, or sold at cost to students.
g. Purchasing safety eye-protective devices and safety ear-protective devices.
h. Purchasing bonds and premiums for bonds for employees who have custody of funds belonging to the school district or area education agency or funds derived from extracurricular activities and other sources in the conduct of their duties.
i. Paying assessed costs related to changes in boundaries, reorganization, or dissolution.
j. Publishing the notices and estimates and the actual and necessary expenses of preparing the budget.
k. Engraving and printing school bonds, in the case of a school district.
l. Transferring interest and principal to the debt service fund when due for loans to purchase equipment authorized under Iowa Code section 279.48 and loans to be used for energy conservation measures under Iowa Code section 473.20, in the case of a school district, where the original proceeds were accounted for in the general fund.
m. Transferring interest and principal to the debt service fund when due for lease purchase agreements related to capital projects authorized under Iowa Code subsection 273.3(7), in the case of an area education agency.
n. Funding asbestos projects including the costs of inspection and reinspection, sampling, analysis, assessment, response actions, operations and maintenance, training, periodic surveillance, and developing of management plans and record-keeping requirements relating to the presence of asbestos in school buildings and its removal or encapsulation.
o. Funding energy conservation projects entered into with the department of natural resources or its duly authorized agents or representatives pursuant to Iowa Code section 473.20, in the case of a school district.
p. Transferring to a capital projects fund as authorized by the school budget review committee, in the case of a school district.
q. Transferring to a capital projects fund as funds are due to be expended on a capital project authorized under Iowa Code subsection 273.3(7), in the case of an area education agency.
r. Paying any other costs not required to be accounted for in another fund **(IAC 281--98.61(2)).**

Inappropriate expenditures in the general fund include the following:

a. Purchasing land or improvements.
b. Purchasing or constructing buildings or for capital improvements to real property except under special circumstances authorized by the school budget review committee, in the case of a school district, or except as authorized under Iowa Code subsection 273.3(7), in the case of an area education agency.
c. Modifying or remodeling school buildings or classrooms even if to make them accessible.
d. Paying interest and principal on long-term indebtedness for which the original proceeds were not accounted for in the general fund.
e. Funding lease-purchases.
f. Purchasing portable buildings.
g. Paying individuals or private organizations that are not audited and allowed and related to goods received or

services rendered.

h. Paying other costs that are not operating or current expenditures for public education and are not expressly authorized in the Iowa Code **(IAC 281--98.61(3)).**

The general fund includes two special levy programs available to school districts, but not to AEAs, that are restricted by the Iowa Code.

a. *Instructional support program.* The instructional support program is a district-initiated program to provide additional funding to the district's general fund.
   1) Appropriate uses of instructional support program funding. Moneys received by a district for the instructional support program may be used for any general fund purpose except those listed as inappropriate uses in paragraph *"b,"* subparagraph (2).
   2) Inappropriate uses of instructional support program funding. Moneys received by a district for the instructional support program shall not be used as, or in a manner which has the effect of, supplanting funds authorized to be received under Iowa Code sections 257.41 (returning dropouts and dropout prevention programs), 257.46 (gifted and talented programs), 298.4 (management fund levy), and 298.2 (physical plant and equipment fund levy), or to cover any deficiencies in funding for special education instructional services resulting from the application of the special education weighting plan under Iowa Code section 256B.9.

b. *Educational improvement program.* The educational improvement program is a district-initiated program available to districts in special circumstances to provide additional funding to the district's general fund if the district already has the instructional support program in place.
   1) Appropriate uses of educational improvement program funding. Moneys received by a district for the educational improvement program may be used for any general fund purpose.
   2) Inappropriate uses of educational improvement program funding. Inappropriate uses of educational improvement program funding include any expenditure not appropriate to the general fund **(IAC 281--98.61(4)).**

Sources of Revenue

Sources of revenue include all moneys not required by law to be accounted for in another fund **(298A.2)** and interest on the investment of those moneys. Proceeds from the sale or disposition of property other than real property shall be placed in the general fund. Proceeds from the lease of real or other property shall be placed in the general fund **(297.22(1)"b").** Rents or fees received for community uses listed in section 297.9, such as for meetings, for community recreational activities, community education programs, election purposes, other meetings of public interest, public forums, and similar community purposes, are recorded in the general fund. Compensation or rent received for the use of school property shall be accounted for in the general fund **(297.9, 297.10).** Sales of school supplies (commonly called resale) and sales or rentals of textbooks shall be accounted for in the general fund **(301.1(1)).** Any revenue or receipt described in law as a "miscellaneous income" or coming from SBRC modified supplemental amount is restricted to the General Fund.

Sources of revenue in the general fund include all moneys not required by law to be accounted for in another fund and interest on the investment of those moneys. Proceeds from the sale or disposition of property other than real property, proceeds from the lease of real or other property, compensation or rent received for the use of school property, sales of school supplies, and sales or rentals of textbooks shall be accounted for in the general fund. Proceeds for loans for equipment pursuant to Iowa Code section 279.48, federal loans for asbestos projects pursuant to Iowa Code section 279.52, or loans for energy conservation projects pursuant to Iowa Code section 473.20 may be accounted for in the general fund. Any revenue or receipt described in law as "miscellaneous income" or related to modified supplemental amount is restricted to the general fund **(IAC 281--98.61(1))**.

Department of Education Guidance Pursuant to Section 256.9(16):

May a district sell naming rights to school buildings in order to generate revenues for the General Fund?
No. A district may rename buildings if it does so with no expectation of earning any revenue for this activity. A district has no authority to sell naming rights.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed for specific purposes other than debt service and capital projects. Student activity fund, management levy fund, Entrepreneurial Education Fund, PERL Fund, district/AEA support trust funds, AEA special education instruction fund, AEA juvenile home fund, equalization levy fund, Emergency levy fund, disaster recovery fund, and library levy fund are special revenue funds.

Student Activity Fund (21)

Purpose and Use

The student activity fund is a special revenue fund. A student activity fund must be established in any school corporation receiving money from student-related activities such as admissions, activity fees, student dues, student fund-raising events, or other student-related cocurricular or extracurricular activities. Moneys in this fund shall be used to support only the cocurricular program defined in department of education administrative rules **(298A.8).**

Each board shall sponsor a pupil activity program sufficiently broad and balanced to offer opportunities for all pupils to participate. The program shall be supervised by qualified professional staff and shall be designed to meet the needs and interests and challenge the abilities of all pupils consistent with their individual stages of development; contribute to the physical, mental, athletic, civic, social, moral, and emotional growth of all pupils; offer opportunities for both individual and group activities; be integrated with the instructional program; and provide balance so a limited number of activities will not be perpetuated at the expense of others **(IAC 281--12.6(1)).**

If the board sponsors a voluntary program of supervised intramural sports for pupils in grades seven through twelve, qualified personnel and adequate facilities, equipment, and supplies shall be provided. Middle school grades below grade seven may also participate **(IAC 281--12.6(2)).**

If a school district does not provide an interscholastic activity for its students, the board of directors of that school district may complete an agreement with another school district to provide for the eligibility of its students in interscholastic activities provided by that other school district. **(280.13A).**

A public school shall not participate in or allow students representing a public school to participate in any extracurricular interscholastic athletic contest or competition which is sponsored or administered by an organization unless the organization is registered with the department of education, files financial statements with the department in the form and at the intervals prescribed by the director of the department of education, and is in compliance with rules which the state board of education adopts for the proper administration, supervision, operation, adoption of eligibility requirements, and scheduling of extracurricular interscholastic athletic contests and competitions and the organizations. For the purposes of this section *"organization"* means a corporation, association, or organization which has as one of its primary purposes the sponsoring or administration of extracurricular interscholastic athletic contests or competitions, but does not include an agency of this state, a public or private school or school board, or an athletic conference or other association whose interscholastic contests or competitions do not include more than twenty-four schools **(280.13).**

Organizations registered with the department include the following:

1) Iowa high school athletic association
2) Iowa girls high school athletic union
3) Iowa high school music association
4) Iowa high school speech association
5) Unified Iowa high school activities federation **(IAC 281--36.2).**

Cities and towns cannot limit or license school activities **(1928 Op. Att'y Gen. 280 (#27-12-23)).**

In Iowa, in compliance with chapter 291, all funds collected through school activities are under the financial control of the school board. Prudent and proper accounting of all receipts and expenditures in these accounts is, therefore, the responsibility of the board, and therefore, the board secretary and board treasurer. Districts may maintain subsidiary records for student activities, however, all official records of the student activity fund shall be maintained on the single, district-wide Uniform Financial Accounting system, and all subsidiary records must be reconciled to the official records on a monthly basis.

School districts are not required to maintain funds raised by outside organizations in the school's activity fund. A board may regulate fundraising activity during school and school sponsored events, and it may regulate the use of funds derived from those sources **(OAG #83-9-1).**

Employees of a school corporation maintaining a high school who have the custody of funds belonging to the corporation or funds derived from extracurricular activities and other sources in the conduct of their duties, shall be required to furnish suitable bond indemnifying the corporation or any activity group connected with the school against loss, and employees who have the custody of property belonging to the corporation or any activity group connected

with the school may be required to furnish such bond. Said bond or bonds may be in such form and penalty as the board may approve and the premiums shall be paid from the general fund of the corporation **(279.8).**

The student activity fund shall not be used as a clearing account for the general fund or any other fund **(IAC 281—98.60)**. This is not an appropriate fund to use for public tax funds, trust funds, state and federal grants or aids, textbook/library book fines, fees, rents, or sales, textbook/library book purchases, sales of school supplies, curricular activities, or any other revenues or expenditures more properly accounted for in another fund.

The student activity fund must be established in any school district receiving moneys from student-related activities such as admissions, activity fees, student dues, student fund-raising events, or other student-related cocurricular or extracurricular activities. Moneys collected through school activities are public funds that are the property of the school district and are under the financial control of the school board. Upon dissolution of an activity, such as a graduating class or student club, the surplus must be used to support other student activities in the student activity fund. Prudent and proper accounting of all receipts and expenditures in these accounts is the responsibility of the board. School districts may maintain subsidiary records for student activities if those records are reconciled to the official records on a monthly basis; however, all official accounting records of the student activity fund shall be maintained within the school district's chart of account pursuant to Uniform Financial Accounting for Iowa School Districts and Area Education Agencies **(IAC 281—98.70)**.

The Iowa Department of Education released the following guidance document on student activities in **April 2008**. The purpose of this document is to provide guidance to school districts regarding usage of student activity funds, including fundraising by members of student activity groups. Activity groups include Future Farmers of America (FFA), Distributive Education Clubs of America (DECA), Family, Career and Community Leaders of America (FCCLA), National Honor Society (NHS), as well as any other student curricular, co-curricular, and extra-curricular groups that raise funds. Specifically, schools and school auditors were raising questions about proper use of funds raised by student members of such groups.

General Points:

1. Student activity funds are first, last, and always public funds that are property of the school district, the same as any other district funds.

2. It is never appropriate for a school district to give cash to student members of activity groups.

Ensuring Equitable Participation in Benefits:

All members of a student activity group must have an equitable opportunity to participate in the benefits offered by the group. Suggested criteria (in addition to fundraising) that may be used by a school district include the following:

a. Years of membership in the group;
b. Positions of leadership or responsibility held in the group;
c. Attendance at meetings or functions of the group;
d. General conduct (or misconduct).

All criteria for participation in a benefit offered to some, but not all, members of the group must be approved by the local school board. These benefits may be defined locally, but must include attendance at any state-level or national-level conferences, as well as all other activities that are not available to all student members of the group because of cost restrictions.

Notice of all criteria for participation is a benefit offered to some, but not all, members of the group must be provided to the members at the start of each school year.

Fundraising:

If fundraising is used by an activity group, the school district must keep the safety and security of student members as its primary concern. For instance, students should be urged not to go door-to-door alone, if at all. Some alternatives to the door-to-door sales include the following:

a. Selling items at tables or booths (with proper permissions) at a mall, shopping center, or individual place of business;
b. Operating a concession stand at a local event;
c. Cleaning the local football stadium of trash after home events;
d. Waiting on tables one night a year at a local restaurant for the tips;
e. Asking a local business (such as a restaurant) to donate a percentage of its profits on a designated day of each year to the club.

If fundraising is used by an activity group, a community service alternative must be offered to members who cannot or will not undertake the fundraising activity. The alternative project must be safe, available to any member, and must earn the student as much "credit" as would the fundraising. (For instance, if the alternative activity is picking up trash on school grounds, the students must be informed that "X" hours of the activity is the equivalent of selling "X" dollars' worth of the goods or services being sold.) Make sure that the alternative is not punitive in nature.

People purchasing goods or services from a member of a student activity group must be provided with all relevant information about how the funds will be used. For example, "the money raised by this project will help send four members to our national conference."

Give thoughtful consideration to allocation of a percentage of all funds raised to a common pot. Again, the amount credited may not be given to the student, but is used to fund participation of that student in an approved event.

Summer camps and clinics and coaching contacts out of season.

- School personnel, whether employed or volunteers, of a member or associate member school shall not coach that school's student athletes during the school year in a sport for which the school personnel are currently under contract or are volunteers, outside the period from the official first day of practice through the finals of tournament play. Provided, however, school personnel may coach a senior student from the coach's school in an all-star contest once the senior student's interscholastic athletic season for that sport has concluded. In addition, volunteer or compensated coaching personnel shall not require students to participate in any activities outside the season of that coach's sport as a condition of participation in the coach's sport during its season.
- A summer team or individual camp or clinic held at a member or associate member school facility shall not conflict with sports in season. Summertime coaching activities shall not conflict with sports in season.
- Penalty. A school whose volunteer or compensated coaching personnel violate this rule is ineligible to participate in a governing organization-sponsored event in that sport for one year with the violator(s) coaching **(IAC 281—36.15(6)).**

The following Q & A was originally prepared by the Iowa State Auditor's Office and updated by the Iowa Department of Education in 2013. The questions and answers have been reviewed by both the State Auditor's Office and the Department of Education.

Student Activity funds are "public funds". As such, these funds are subject to the statutory requirements for all public funds of the District. Public funds are governed by Article III, Section 31 of the Constitution of the State of Iowa. That is, public funds may only be spent for the public benefit.

Student Activity funds are under the fiduciary control and responsibility of the District's Board of Education (Board). The Board establishes policies and then procedures are put into place by the District's Administration/Business Office to establish internal control over these funds and to ensure compliance with Board policies and other statutory requirements including Dillon's Rule; Chapter 298A of the Code of Iowa; Iowa Department of Education Administrative Code Section 281-12.6(1); court cases; and opinions of the Iowa Attorney General.

The following questions and answers are designed to address issues pertaining to internal control and/or statutory compliance requirements, primarily pertaining to school activities.

QUESTION 1: The District charges admission to its athletic events. What is the best way to account for this?
ANSWER 1: The District should have internal control procedures established for handling cash for all activity events, including athletic events. The Board would of course, approve any policies and the District's business office should be involved in developing the detailed procedures. At a minimum these procedures should include:

a. Cash or change boxes should be established with a specified amount.
b. The District should use pre-numbered tickets.
c. Two or more individuals should be involved in the cash collection/ticket sales process. In addition to cash collection/ticket sales procedures, the individuals should be instructed to not leave the cash/change boxes unattended under any circumstances.
d. At the end of the event, cash should be counted and reconciled (by two or more individuals) to sales/pre-numbered tickets sold including the amount of the beginning cash.
e. To reconcile, the next unsold ticket number less the beginning ticket number determines the number of tickets sold. Multiple the number of tickets sold by the price per ticket to calculate total sales. Total sales compared to total collected should reconcile. Variances, if any should be minimal.

f. A reconciliation form should be completed and signed off by the individuals responsible for counting and reconciling the cash. Click on the "School Finance Tools" in the Department of Education's website A to Z Index for a reconciliation form that can be used.
g. The cash and change box should be turned in to the administrative personnel responsible for the "accounting" function at the event.
h. The administrative personnel should be required to take the cash collections to the night depository at the bank or at a minimum, lock the cash collections in the District's vault or other secure location at the District's office for deposit on the next working day. District procedures should prohibit individuals from taking cash collections home.
i. A pre-numbered receipt should be issued by the Business Office the next working day in the amount of the confirmed deposit.
j. Administrative personnel should periodically review/test the process to ensure procedures are working as prescribed.

Remember: Districts won't be able to know they have accounted for everything, if they don't know how much should have been collected.

QUESTION 2: Are there any special requirements for High School tournament events?
ANSWER 2: The Iowa High School Athletic Association (IHSAA) and Iowa Girls' High School Athletic Union (IGHSAU) issued a joint communication dated January 20, 2005 regarding the ticket sales procedures to be used by member schools during IHSAA and IGHSAU sponsored tournament events. Click on the "Student Activity Fund" in the Department of Education's website A to Z Index for a copy of that letter. The Boards of these organizations adopted a policy required to be used by schools serving as IHSAA and IGHSAU tournament hosts. Specifically, the procedures required include:

1) Collect the money for the ticket(s) sold.
2) Tear ticket(s) off the roll in consecutive order and then tear the ticket(s) in half or have the person at the entrance door tear the ticket(s) in half and deposit them in a receptacle, there upon the spectator may enter the tournament venue.

QUESTION 3: Where should the District record revenue from the state organizations for hosting athletic tournaments, leading to, and including, the state tournaments, and where should the District record the revenue from the state organizations for travel expense reimbursement?
ANSWER 3: Districts should record revenue from the state organizations for hosting athletic tournaments in the General Fund. Under Iowa Code and Uniform Financial Accounting, the revenue is not otherwise required to be recorded in another fund. Also, the maintenance fees and other overhead costs are paid from the General Fund, therefore, the related revenue should be recorded in the General Fund to match and offset the expense. The travel expense reimbursements would be recorded in the District's Student Activity Fund because the travel expense would have been paid from that fund.

QUESTION 4: Are exclusive vendor contracts allowable, and if so, can the revenue from exclusive vendor contracts be recorded directly in the Student Activity Fund?
ANSWER 4: In accordance with an opinion of the Iowa Attorney General dated February 15, 2000, exclusive vendor contracts are allowable. The opinion states in part:

a. "The Board of Directors of a public School District may enter into exclusive contracts with vendors for the purchase of products sold on school premises or at school functions.
b. Vendor contracts for non-educational goods are proprietary in nature and may extend beyond the term of current board members.
c. A marketing firm may be employed to assist with the negotiation and oversight of vendor contracts.
d. While statutory public bidding requirements are not applicable to District contracts for the purchase of goods and services, public policy supports use of competitive bidding procedures for such contracts."

Revenue from exclusive vendor contracts must be recorded directly in the District's General Fund and not in the Student Activity Fund. There is no statutory requirement or authority to record the revenue in another fund. According to guidance provided by the Iowa Department of Education and Auditor of State, Districts must record the revenue from exclusive vendor contracts in the General Fund. It may then be expended for General Fund purposes, including some athletics or other extracurricular activities, to the extent the expenditure would be allowable and appropriate from the General Fund.

QUESTION 5: The District's Athletic (or Band, Vocal Music, PTA, etc) Booster Club, a separate nonprofit organization, received permission from the Board of Education to construct a concession stand on District property. They have asked the District to share in the cost. Can the District make a contribution from the General Fund or Capital Projects, PPEL Fund to the District's Athletic Booster Club for this specific purpose?

ANSWER 5: Pursuant to a Chapter 28E contractual agreement, the District may contribute towards the cost of the District's concession stand. However, the District may not contribute to the District's Athletic Booster Club. The District may make payments to a contractor or other vendor pursuant to Chapter 279.29 of the Code of Iowa for a portion (or percentage share) of the cost of the concession stand. The District must also comply with the bidding requirements for public construction in Chapter 26 of the Code of Iowa.
The District should manage the project in order to ensure compliance with these statutory requirements, as well as to ensure that adequate insurance coverage is in place. The Athletic Booster Club should donate its share to the District and the District account for the entire project.
The District's share of the cost may be paid from the Physical Plant and Equipment Levy (PPEL) Fund but not from the General Fund or the Student Activity Fund, because the General Fund and the Student Activity Fund may not be used for construction.

QUESTION 6: Can salaries for coaches be paid from the Student Activity Fund?
ANSWER 6: Yes, salaries for coaches or other student activity type wages can be paid from the appropriate account in the Student Activity Fund provided the District processes the payments through the District's regular payroll process subject to proper payroll withholdings and reporting.

QUESTION 7: Do employees of the District that officiate have to be paid with regular payroll or may they be treated as an independent contractor?
ANSWER 7: This question is addressed in Chapter 16 of the Uniform Administrative Procedures for Iowa School District and AEA Officials manual. Anyone who performs services is an employee if the employer can control what will be done and how it will be done. This is so even when the employee has considerable freedom of action. It only matters that the employer has the legal right to control the method, result, or other key elements of the services. The employer will be liable for income tax and employee social security and Medicare taxes if these taxes are not deducted and withheld because the employer considered an employee to be a nonemployee **(IRS Publication 15).** Athletic Officials are employees **(Revenue Ruling 57-119, CB 1957-1,331).** Even though athletic officials are not controlled as to their officiating, the employer determines which games, the pay per game, the scheduling of the games, and even the pairing of officials if they want, etc.
In addition, the Auditor of State has a Technical Update "School Districts – Independent Contractor vs. Employee" dated January 2011 located on their website at:
http://auditor.iowa.gov/tech_updates/TecIndependentContractorVsEmployee.pdf
IPERS has determined that even though the individual may otherwise be a covered employee, the income received as a result of performing referee services for varsity and junior varsity athletic events for which a license is needed from the Iowa High School Athletic Association, is excluded from IPERS coverage.
Without regard to IPERS decision on coverage, additional payments to employees of a District who provide additional services to the District shall be handled through the District's regular payroll process and reported as wages on the employee's W-2.

QUESTION 8: Can Districts pay athletic officials immediately following the game?
ANSWER 8: This question was answered in a School Business Alert dated May 1996.
Chapter 279.30 of the Code of Iowa states that "The board of directors of a school district or an area education agency may by resolution authorize the secretary, upon approval of the superintendent or designee, or administrator, in the case of an area education agency, to issue payments when the board of directors is not in session in payment of reasonable and necessary expenses, but only upon verified bills filed with the secretary or administrator, and for the payment of salaries pursuant to the terms of a written contract…"
This chapter goes on to state, "Each payment must be made payable only to the person performing the service or presenting the verified bill, and must state the purpose for which the payment is issued. All bills and salaries for which payments are issued prior to audit and allowance by the board must be passed upon by the board of directors at the next meeting and be entered in the regular minutes of the secretary."
Pursuant to a valid contractual agreement between the school board and the officials, which includes terms and conditions for payment and compliance with Chapters 279.29 and 279.30 of the Code of Iowa, officials could be paid the night of the game, after the service has been rendered. For non-contract officials or substitute officials, payment should be made after services have been rendered and audited and allowed similar to other vendor payments. The District should have a policy and (athletic) officials should be informed that payment will be made in this manner unless a valid contract exists.

QUESTION 9: Can Districts give a gift certificate to volunteers that have assisted the athletic department during the year?
ANSWER 9: Article III, Section 31 of the Constitution of Iowa provides that public funds may only be spent for the public benefit. This concept is also addressed in various court cases and opinions of the Iowa Attorney General, including an opinion dated April 25, 1979.

Because this establishes a precedent, this decision should be made by the District's Board of Education, rather than District officials, department heads or employees.
Expenditures in this "gray" area should be evaluated and determined through the criteria of "public purpose" and the Board should document the public purpose served including how the public benefits through the expenditure of public funds for the particular purpose such as gift certificates. Documentation should be in the Board minutes and/or through established Board policy. The decision and documentation should be in place prior to spending the public funds.
Keep in mind, this decision and related documentation may not eliminate the shadow of doubt surrounding this type of expenditure. It simply establishes the District's consideration and justification for the expenditure.
If the volunteer is also an employee of the District, the value of the gift certificate would be compensation and must be accounted for through the District's regular payroll process subject to withholdings pursuant to Chapter 422.16 of the Code of Iowa. If the volunteer is not an employee of the District, the gift certificate, if provided for services performed, should be reported on a 1099, if applicable.
Better alternatives would be to ask the Athletic Booster Club to provide the gift certificates to the volunteers in lieu of using public funds or for the District to provide a "certificate" for free admission to a district event. It would be best if the District found a way to honor the volunteers that did not involve giving cash or cash equivalents. A banquet might be easier to document as having a public purpose than cash/cash equivalents when the person is an unpaid volunteer.

QUESTION 10: When the District orders merchandise, the vendors sometimes "throw in" some extra items for the coaching staff. Is this allowable?
ANSWER 10: Chapter 68B of the Code of Iowa establishes the ethical requirements for state and local government for Iowa's "gift law". According to a document prepared by the Iowa's Ethics and Campaign Disclosure Board, the gift law "prohibits officials and employees or their immediate family members from receiving or soliciting gifts from a "restricted donor." The School District Board of Education should have a policy regarding compliance with Iowa's gift law.
Chapter 68B.2 (24) includes four definitions for restricted donor including "a person seeking to be a party to a sale, purchase, lease or contract with the agency (includes School Districts) the state official or employee is employed."
Exceptions to the receipt or solicitation of gifts are detailed at Chapter 68B.22 (4) including an exception for nonmonetary items with a value of three dollars or less received from any one donor during one calendar day.
Restricted donors may not "pool" resources to give a gift greater than three dollars. Chapter 68B.22 (3) of the Code of Iowa requires that items received from restricted donors must be turned over to the School District for official use within 30 days.
Referring again to the Iowa Ethics and Campaign Disclosure Board document, "a good rule of thumb is for state (and local) officials and employees to avoid receiving or soliciting gifts from anyone who would have an interest in the actions of the official or employee's agency."
Pursuant to Chapters 68B.25 and 903.1, violating the gift law could result in imprisonment and/or fines and can also be grounds for dismissal or other employee discipline.

QUESTION 11: Do Districts have to approve and account for all fundraising activity including fundraising activities of affiliated organizations as well as Board-sponsored fundraising activities?
ANSWER 11: According to an opinion of the Iowa Attorney General dated September 1, 1983, "Iowa law does not require school district to maintain funds raised by outside organizations in the school activity account. A school district board may regulate fund-raising activity during school and school sponsored events, and it may regulate the use of funds derived from those sources."
Districts should have policies and/or procedures in place to address fund-raising activity including:

a. The Board or its designee should approve all District-sponsored fundraising activity.
b. The Board may also adopt a policy that requires Board approval of all fundraising activity, including fundraising activities of affiliated organizations such as Booster Clubs and the PTO.
c. Boards should establish procedures for fund-raising activity for District sponsored fund-raisers as well as fund-raisers sponsored by outside groups and organizations to help ensure consistency and accountability over fund-raising activities.
d. The Board should determine the extent, if any, of administrative support to be provided for District-sponsored and affiliated organization fundraising activity, including the cost and/or expense associated with staff time used in collecting payments; preparing, printing and/or assembling mailings; postage; etc.
e. Fund-raising activity should be clearly designated as District-sponsored or as sponsored by an outside group or affiliated organization to clearly establish responsibility and accountability.
f. If District-sponsored, the District should account for the fund-raising activity.

QUESTION 12: May Athletic Directors, coaching staff, or other activity sponsors or staff establish separate checking accounts for fundraising or other activities related to athletics and, if so, is it okay to use the District's taxpayer ID number?
ANSWER 12: No. Athletic Directors, coaching staff, or other activity sponsors or staff should not establish separate checking accounts for fundraising or any other purpose using the District's taxpayer identification number or their own

personal taxpayer identification number. Athletic Directors, coaching staff, or other activity sponsors or staff should comply with the accounting procedures established by the District. If a separate checking account is deemed necessary and appropriate, it should be opened and accounted for through the District's business office.
This allows the District to comply with Chapter 291.6 of the Code of Iowa regarding the duties of the District Secretary to "keep an accurate account of all expenses incurred by the corporation, and present the same to the board for audit and payment" pursuant to Chapter 279.29 of the Code of Iowa. This also ensures that proper internal control procedures are in place for compliance and accountability and allows legitimate use of the District's taxpayer identification number and sales tax exemption on purchases made from this account.

QUESTION 13: How should Districts handle sports camps/clinics?
ANSWER 13: Sports Camps/clinics may be handled differently depending on whether the sports camp/clinic is sponsored by the District (Community Education Program) or privately sponsored using District facilities.
The rules established pursuant to Iowa Administrative Code Section 281-36.15(6) must also be addressed and complied with. These rules address summer camps and clinics and coaching contacts out of season. This Q&A is intended to address sports camps/clinics held in compliance with these rules.
Advertisements and other materials related to the sports camp/clinic should clearly identify or distinguish whether it is a District-sponsored sports camp/clinic or a privately sponsored sports camp/clinic using District facilities.
District-sponsored sports camp/clinic: The Board should approve the salaries/wages along with approval to hold the sports camp/clinic (if not otherwise established as a school activity or part of the Community Education program). Revenue for fees collected should be deposited and recorded in the Student Activity Fund. All sports camp/clinic related expenses would require prior approval (purchase order) and payments would be processed through the normal disbursement process. Salaries for District personnel should be negotiated in advance and salary payments should be processed through the District's normal payroll process, subject to withholdings etc. Wages would be reported on the District employee's W-2 at year-end. Non- employees (sports camp/clinic staff not otherwise employed by the District would become employees for the sports camp/clinic and will be paid through payroll.
Sports camp/clinic fees should be based on actual costs anticipated and fees should be established to at least break-even. Excess funds (profit), if any, should be retained by the District in an Enterprise Fund if it is a regular event or in the General Fund if it is not a regular event. Excess funds should not be remitted or retained by the sports camp/clinic coaching staff.

Privately-sponsored sports camp/clinic using District facilities: The contract between the sports camp/clinic facilitator and the District should address facility and equipment use and rental fees; insurance; and other costs of conducting the sports camp/clinic. The sports camp/clinic facilitator would need to rent the equipment and facility at fair rental value for the sports camp/clinic pursuant to Chapter 297.9 and 297.10 of the Code of Iowa and the District's policy. The sports camp/clinic facilitator would need to provide a certificate of insurance for liability coverage. If the District is collecting registration fees or paying any expenses from fees collected for a privately-sponsored sports camp/clinic, it would be accounted for in the Agency Fund. The District may not pay any expenses prior to having cash on hand from fees collected for the organizer. Rental fees and reimbursement of other District costs are receipted into the General Fund.

QUESTION 14: What are some guiding principles regarding camps and clinics?
ANSWER 14: General Principles:

- There may be no out-of-season contact between coaches/students during the school year.
- Summertime out-of-season contact between coaches/students is allowed, but only if the student voluntarily engages in the activity.
- The fact that some colleges call their camps "team camps" does not change the fact that such a camp is subject to all the same rules as any other camp attended by a secondary student.
- NO district funds can be used for any student to pay for a student's participation, either in whole or in part, in any out-of-season camp or clinic.
    - Booster clubs who are independent of the district may offer financial assistance.
    - If a student wants to use school equipment, including school apparel (e.g., a jersey), the district must charge fair rental value.
- When a coach employed by a school district sponsors a summertime, out-of-season camp or clinic, student participation must be voluntary and there can be no use of district funds. The camp or clinic may be operated under either of the following models:
    - The camp/clinic is NOT a district activity.
        - If the district's facilities or equipment is used, the district charges rent at fair rental value to the coach.
        - All accounting and bookkeeping is done apart from district funds.
        - This is the model favored by the DE, IHSAA and IGHSAU.
    - The camp/clinic is sponsored by the district as a community service.
        - The camp/clinic is NOT considered to be either a cocurricular or extracurricular activity. Therefore, any funds associated with it are not to be run through the student activity fund. If the camp/clinic is

a regular event, use the enterprise fund; if the camp/clinic is not a regular event, use the general fund.

- Public funds cannot be used to help students with registration fees.
- Any remuneration to the district's coaches that work the camp/clinic is not part of the coach's chapter 279 contract. Have a separate contract for payment to the coaches. Again, this is because the camp/clinic is NOT a cocurricular or an extracurricular activity of the district.

QUESTION 15: Can the District purchase shirts, jackets or other clothing for District employees from the Student Activity Funds?
ANSWER 15: Article III, Section 31 requires that public funds may only be spent for the public benefit. Student Activity Funds are public funds, therefore, the District must determine the propriety and document the public purpose and public benefit to be derived. Districts should establish a policy to preclude purchases of personal clothing from public funds, and/or define the exceptions, if any, including the requirement for Board consideration, documentation of public purpose and approval.
In addition, based on IRS guidelines the value of the apparel (also applies to other property; award; prize; etc.) must be of "nominal value" and provided "infrequently" to be excludable from an employee's wages, and it may not be cash or cash equivalent (IE: gift card or certificate; savings bond etc.). Examples of excludable de minimis awards include holiday turkey and hams, plaques, and coffee mugs.
Districts may wish to refrain from allowing public funds to be used to purchase personal items of clothing under any circumstances since this establishes a precedent which may be difficult to justify and/or administer fairly and consistently among employees and student groups.
A better alternative would be to ask the Booster Club or other affiliated organization to provide clothing such as team jackets for District coaches and employees in lieu of using public funds or to have employees pay for the cost of the apparel. The payments from the employees would be collected by the District and accounted for in the General Fund. The District would order the apparel when sufficient funds have been collected.

QUESTION 16: The Athletic Booster Club is a separate nonprofit organization not established by the District pursuant to Chapter 279.60 of the Code of Iowa but independently established to benefit the District's athletic program. Does it have to be included in the District's audit?
ANSWER 16: In accordance with criteria established by Governmental Accounting Standards Board (GASB), in GASB statements 14, as amended by statements 39 and 61, auditors must review the organization and financial information of these potential component units (PCU) to determine if they are part of the District's financial reporting entity. The financial reporting entity consists of the District and organizations for which the District is financially accountable. In addition, the District may determine, through exercise of management's professional judgment, that the inclusion of an organization that doesn't meet the financial accountability criteria is necessary in order to prevent the District's financial statements from being misleading. This determination should be based on the nature and significance of the organization's relationship with the District. If the PCU is deemed to be part of the District's financial reporting entity, the auditors will include the activity in the District's audit report.
Some Districts perform the accounting and record-keeping functions for the Booster Club. In this case, the financial information is reported in the District's audit in the Agency Fund since the District has fiduciary responsibility over the Booster Club's financial activity. Whether or not the District performs the accounting and record-keeping function for the organization, inclusion in the audit report is for reporting purposes only. It does not change or affect the legal status or operating activities or requirements of the Booster Club.

Additional questions and answers were provided following the Student Activity Fund Workshop:

Question: If a district has cheerleading and dance as part of its sponsored student activity program, can the district require students who are cheerleaders or dancers to purchase their own uniforms?
Answer: No. Anything that is required or essential for any student activity of the district, would fall under "no fee". Cheer or dance uniforms are necessary and required for cheer or dance squads, so those uniforms are the responsibility of the district to provide. Districts may hold fund raisers if they do not have sufficient funding, and historically most districts ask a booster club to donate funding or to lead fund raisers for that purpose.
Districts could require that students provide and wear undergarments that keep the uniforms sanitary, or shoes that will be worn exclusively by the student and that can be worn as street wear.

Question: If a district decides to customize required uniforms in some way, could it then require the participating students to buy the uniforms?
Answer: No. That would violate the spirit of the law, the rules, and that OAG. If customizing is necessary for some purpose, uniforms can have removable customizing such as a name badge that is sewn on and can be removed.

Question: If a district has cheerleading and dance as part of its sponsored student activity program, can the district require students who are cheerleaders or dancers to attend a camp at the student's expense?

Answer: If the camp is during that sport's season, it is permissible for the district to require participating students to attend a camp. If the district requires students to attend a camp, then the district must pay for the camp from appropriate resources. A coach cannot require students to participate in any activities outside of the season of that coach's sport as a condition of participation in the sport during the season.

Question: There is a new organization (a sports club) forming in our community outside of the school. Our district currently has several booster clubs with which we have a good working relationship, but we are concerned about this new organization. This Club is being formed to subsidize our football program, as we understand, will buy meals on road trips for the team and purchase equipment for students that cannot afford it, such as shoes. They are not forming as a non-profit organization or registering in any way what-so-ever. They are soliciting membership to support our high school football program, using our school on their flyers. Can our team accept these gifts? If the Club buys team shirts and shorts with our school name on them to give to players, is that a violation of the Iowa gift law? Can coaches accept money from the Club to attend clinics? Can our coaches accept apparel or other non-cash items?
Answer: Under Iowa Administrative code 281--- 36.14(3) a student may receive an award from a his school, another secondary school, a registered organization, or the host of an event sanctioned by a registered organization. The value of the award cannot exceed $50. Generally, no student shall receive any award or accept any trip or excursion of any kind from any individual, organization, or group outside the student's own school or the governing organization unless a stated exception applies. A student may receive any award for an outside school activity provided that the award does not violate the amateur award rule of the amateur sanctioning body for that sport. In the absence of an applicable amateur award rule, the student shall not receive any award the value of which exceeds $50. At no time may any student accept an award of cash.
All public employees are subject to Iowa's "gift law." Iowa Code section 68B.22 prohibits, with specific exceptions, a public official or public employee (or that person's spouse and dependent children) from accepting anything valued at more than $3.00 from a restricted donor. In plain language, if the donor stands to benefit in any way from the agency, the donor is a restricted donor.
The district may accept donations from the Club as long as the uses of the funding as requested by the Club are legal uses of funds by a school district. Students, teams, and coaches should not accept gifts directly and cannot accept donations on behalf of the district unless they directly turn over the donation to the district.
The organization cannot imply it is accepting donations on behalf of the district. It can indicate that donation to the organization will be given to the district, however if the organization is not organized under IRC, then donations are most likely not tax-deductible. Contact the IRS with questions regarding deductibility. The organization cannot use the district's federal ID, discounts, tax free status, or any other district benefit etc. because they are not part of the district.

Question: An opinion of the Iowa Attorney general, supported by the Department of Education, states, "…however, school districts are not required to maintain funds raised by outside organizations in the schools activity fund." Staff with the state auditor's office seem to contradict this opinion. They have stated that the district should have control and/or oversight unless the outside organization is a 501c3. Can you please clarify?
Answer: The difference is in the definition of "outside organizations." Entities that use the district's federal ID, discounts, tax exempt status, under the district's insurance policy, etc. are not "outside organizations." Those organizations are part of the district's organization, and their funds must be accounted for by the district.
If the organization has its own federal ID, its own liability, and it may have its own tax exempt status or charitable organization status under IRC, then it is an outside organization. Audit standards may require that the entity be part of the district's audit, but for accounting, the district is not required to directly handle the money or the expenditures on behalf of this organization. The district may do so, if requested by the organization, and if the district chooses to accept that responsibility. In that case, the district would account for these funds in an agency fund.

Question: Non-revenue sports such as cross country and golf often have negative balances at the end of the year. Past practice in our district is to shift money from an "all-activities" or interest bearing account to zero out the account. Our auditor has said we can't subjectively move that money and suggested fundraising in these areas. Requiring certain student athletes to fund-raise when others are not required to do so seems discriminatory. How should a district balance non-revenue sports that have negative accounts annually?
Answer: The auditor probably meant that the district may not transfer money from one fund to another fund without special permission of the SBRC. For example, the district may not transfer money from the general fund to the student activity fund simply because the student activity fund has a negative balance.
Within the student activity fund, however, all funds are public funds under the control of the board. The board may move from one account to another account within the student activity fund, as the board chooses.
A board is required to provide a balanced program of student activities. Some activities will general more gate or ticket revenues than others. But all activities are necessary to meet the requirements in rules for an activity program. The board would re-balance these accounts periodically, and generally at least at year end, so that activities with lower gate or tickets revenues are not put in jeopardy of continuation. It is common for football to subsidize other athletics, and for athletics to subsidize non-athletic district-sponsored activities (drama, music, art…). This is appropriate.

It is also allowable, at the board's discretion, to allow individual accounts to be negative in accounts that will carry forward to the following year as long as the total of all accounts in the student activity fund is positive. For example, district may want to continue an account with a negative balance if revenues are anticipated in the following year that would offset that negative amount.

However, a district would not want to maintain a negative balance in an account that will not continue into the following year, such as the class of 2013 account. The board would move money with a general journal entry money from another account to zero out the negative account which will not continue in existence in the subsequent year.

Question: Our district holds athletic camps and clinics in-season. In what fund should we account for the financial transactions?
Answer: If the camp or clinic was only an incidental event, not intended to recur, then general fund could be used to account for the revenues and the expenditures. However, if the district intends to continue sponsoring camps and clinics on a regular basis, then the financial activity should be accounted for in an Enterprise Fund.

Question: Our district has camp accounts that are separate accounts but currently are in the student activity fund. We have learned that we can only use these funds "in-season." The district's intent in raising funds for the camp accounts was to assist with the costs of summer camps, which is out of season. Can we use the money in the camp accounts out of season, since that was our intent? If not, can we transfer the money in the camp accounts to the Boosters or to our Foundation to operate the summer camps?
Answer: No, the district cannot use the money in the camp accounts to sponsor a camp or clinic outside of the season for that sport nor to pay the cost for a student to participate in a camp or clinic out-of-season. The district must use the money in the camp accounts for allowable in-season camps and clinics. Board intent does not override law.
No, the district cannot transfer its public funding to a separate or private entity. So the district cannot give its camp account money to a Booster Club or to a Foundation. The general principles regarding camp/clinic rules states that even if a college is providing the team camp that the district wants to send its students to, it does not change the fact that such a camp is subject to all the same rules as any other camp attended by a secondary student. Therefore, it is not who (college, Booster Club, Foundation, etc.) is providing the camp or clinic that determines whether or not the rules apply, but rather that the camp is intended to be attended by the district's students. The district cannot use its funding for, or require students (whether a team or individual students) to participate in, any camp or clinic costs when that camp or clinic is out of season, without regard to what entity is offering the camp or clinic.

Question: Can we have parents pay our Foundation or Booster Club instead of the district for the district's out-of-season camp or clinic?
Answer: No. The district cannot allow its revenue to be paid to or transferred to a separate or private entity.

Question: Can we have our Foundation operate out-of-season camps and clinics?
Answer: No. Foundations are separate, legal entities from the district, even if established by the district originally. They are organized under IRC as a non-profit organization or charitable organization. Foundations have their own board of directors, their own legal status, their own charter of purpose, and their own economic activity. Generally, foundations conduct fundraising to generate donations from the community or from alumni, invest those funds, and use the earnings or some of the corpus to support the district. It isn't the district that directs what the foundation does, but rather the foundation's own board of directors. The foundation must determine what activities it could undertake within the limits of its legal or tax status and its charter.
The general principles regarding camp/clinic rules states that even if a college is providing the team camp that the district wants to send its students to, it does not change the fact that such a camp is subject to all the same rules as any other camp attended by a secondary student. Therefore, it is not who (college, Booster Club, Foundation, etc.) is providing the camp or clinic that determines whether or not the rules apply, but rather that the camp is intended to be attended by the district's students. The district cannot use its funding for, or require students (whether a team or individual students) to participate in, any camp or clinic costs when that camp or clinic is out of season, without regard to what entity is offering the camp or clinic.

Question: Can student fund raising activities in high school result in students being paid cash? 281—98.70(3)h says cash payments should not be made to student members of activity groups. In our district, an outside fundraising company oversees the fund raising done by students for a school club and pays out the cash to students. However, all promotional materials about the fund raiser and the card they sell all are on school letterhead, bear the name and logo of the high school, and say nothing about the private company. Are these cash payments to students appropriate? Could the school give shirts or bags or something else to students instead of cash?
Answer: If the district is using the external fundraiser—then it is no different than the district doing the fundraising themselves; the external fundraiser is a purchased service of the district. So all the rules apply, and students cannot receive cash. The students also cannot receive merchandise or personal benefits in lieu of cash—that is still providing district resources to benefit individual students.

If the external fundraiser is its own entity, it must in fact be independent of the district. It cannot use the district letterhead, the district's discounts, the district's tax exempt status, the district's federal ID number, etc. The external fundraiser could state that it is raising money to give to the district, but cannot give the false impression to the public that it is a district activity. The OAG states that the district has the right to regulate fundraising activities during school and during school sponsored events, and to regulate the use of the proceeds for such events. So if the external fundraiser is doing its fundraiser during school or during school events, then the district should be regulating that external fundraiser according to the rules that apply to districts.

If the external fundraiser is independent of the school and presents itself to the public as such, then the external fundraiser might be able to give money to students as long as the fundraiser does not occur during school or during school sponsored events and it does not violate the student's amateur status.

Types of Expenditures

The purpose of the Student Activity Fund is to account for financial transactions related to the cocurricular and extracurricular activities offered as a part of the education program for the students established under **Iowa Administrative Code 281--12.6(1).**

Expenditures that lack public purpose shall not be made from public moneys. The student activity moneys are public funds **(Iowa Supreme Court).**

Appropriate expenditures include the ordinary and necessary expenses of operating district sponsored and supervised student cocurricular and extracurricular activities. Expenditures that may not be made from public moneys include the following:

1. The cost of optional equipment or customizing uniforms.
2. The cost of uniforms when the following two tests are not met:
    a. The activity is a part of the school district's educational program, and
    b. The wearing of the uniform or equipment is necessary in order to participate.
3. Hospital or medical claims for student injuries or procurement of student medical insurance. However, district liability insurance is allowed from public tax funds [Management Fund, or if no Management Fund, then General Fund].
4. Optional costs related to activities such as promotional costs (printing of tickets and posters, or other advertising expenses). The expenditures are not necessary to the extracurricular program, and are therefore optional and shall not come from public funds. [Note: This refers to specialized tickets promoting the event but does not refer to general purpose tickets used by the district for appropriate internal accounting controls.]
5. Membership fees in student activity related associations if the fees are optional, in that non-member schools may participate in sponsored events **(OAG #92-11-13).**

Inappropriate expenditures would include any expenditure more appropriate to other funds. The student activity fund shall not be used as a clearing account for any other fund.

All funds from all student organizations and activities residing in the school district funds including the student activity fund are owned by the school district. The students are not owners of the funds, and the funds do not meet the legal requirement of description to be specific identifiable money **(1967 Senior Class of Pekin vs Tharp, Supreme Court of Iowa, December 12, 1967)**. An excess of revenues over expenditures for any student activity remains under the control of the board and may not be distributed to any individual member of such activity. Residual interest in all student activity moneys belongs to the district and remains in the student activity fund. Upon dissolution of such activity, such as a graduating class, drama club, etc., the surplus must be used to support other student activities in the student activity fund.

Student activity funds may not in any event be devoted or allocated to any private organization nor may they be added to the general fund. These funds shall be maintained in a student activity fund supervised by the board **(OAG #46-3-26).**

Appropriate expenditures in the student activity fund include ordinary and necessary expenses of operating school district-sponsored and district-supervised student cocurricular and extracurricular activities, including purchasing services from another school district to provide for the eligibility of enrolled students in interscholastic activities provided by the other school district when that school district does not provide an interscholastic activity for its students **(IAC 281--98.70(2)).**

Inappropriate expenditures in the student activity fund include the following:

a. Maintenance of funds raised by outside organizations.

b. The cost of bonds for employees having custody of funds derived from cocurricular and extracurricular activities in the conduct of their duties. These are costs to the general fund.
c. Expenditures that lack public purpose.
d. Payments to any private organization unless a fundraiser was held expressly for that purpose and the purpose of the fundraiser was specifically identified.
e. Transfers to any other fund of any surplus within the fund.
f. Payments more properly accounted for in another fund such as public tax funds, trust funds, state and federal grants, textbook/library book fines, fees, rents, purchases or sales, sales of school supplies, or curricular activities.
g. Use of the student activity fund as a clearing account for any other fund.
h. Cash payments to student members of activity groups.
i. The cost of optional equipment or customizing uniforms.
j. The cost of uniforms when the following two tests are not met:
   1) The activity is a part of the school's educational program, and
   2) The wearing of the uniform or equipment is necessary in order to participate.
k. Hospital or medical claims for student injuries or procurement of student medical insurance.
l. Optional costs related to activities that are not necessary to the cocurricular and extracurricular program such as promotional costs.
m. Membership fees in student activity-related associations if the fees are optional, i.e., nonmember schools may participate in sponsored events.
n. Costs to participate in or to allow students to participate in any cocurricular and extracurricular interscholastic athletic contest or competition not sponsored or administered by either the Iowa High School Athletic Association or the Iowa Girls High School Athletic Union **(IAC 281--98.70(3)).**

Sources of Revenue

Sources of revenue in the student activity fund include income derived from student activities such as gate receipts, ticket sales, admissions, student club dues, donations, fund-raising events, and any other receipts derived from student body cocurricular or extracurricular activities, contests, and exhibitions as well as interest on the investment of those moneys **(IAC 281--98.70(1)).**

District Management Levy Fund (22)

Purpose and Use

The district management levy fund is a special revenue fund. A district management levy fund must be established in any school corporation which levies the tax authorized under section 298.4 **(298A.3).**

The purpose of this fund is to pay the costs of unemployment benefits, early retirement benefits, insurance agreements, and costs of liability insurance and judgments or settlements relating to liability. Unencumbered funds collected from the levies authorized in sections 96.31, 279.46, and 296.7 prior to July 1, 1991, [Tort/Insurance Fund, Unemployment Fund, Early Retirement Fund] may be expended for the purposes of unemployment benefits, cost of insurance agreements, and costs of early retirement benefits **(298.4).**

The purpose of the management fund is to pay the costs of unemployment benefits; early retirement benefits; insurance agreements; liability insurance to protect the school districts from tort liability, loss of property, and environmental hazards; and judgments or settlements relating to such liability. The authority to establish a management fund is available to school districts but not to area education agencies **(IAC 281—98.62).**

Employees of a school corporation maintaining a high school who have the custody of funds belonging to the corporation or funds derived from extracurricular activities and other sources in the conduct of their duties, shall be required to furnish suitable bond indemnifying the corporation or any activity group connected with the school against loss, and employees who have the custody of property belonging to the corporation or any activity group connected with the school may be required to furnish such bond. Said bond or bonds may be in such form and penalty as the board may approve and the premiums shall be paid from the general fund of the corporation **(279.8).**

Unemployment Benefits. Political subdivisions may levy a tax outside their general fund levy limits to pay the cost of unemployment benefits. For school districts the cost of unemployment benefits shall be included in the district management levy pursuant to section 298.4 **(96.31).**

Insurance Agreements. School districts are prohibited from using this levy to pay for employee health benefit plans **(OAG #92-10-5(L)).** Any insurance agreements entered into or renewed on or after May 7, 1990, are subject to this

prohibition: management fund may not be used to pay for employee health benefit plans. Management fund may be used to fund qualifying early retirement benefits even if those benefits include continuing health benefits **(OAG #94-1-3((L)).**

1. A school district may contract indebtedness and issue general obligation bonds or enter into insurance agreements obligating the school district to make payments beyond its current budget year for one or more of the following mechanisms to protect the school district from tort liability, loss of property, environmental hazards, or any other risk associated with the operation of the school district:
    a. To procure or provide for a policy of insurance.
    b. To provide a self-insured program.
    c. To establish and maintain a local government risk pool.

    However, this subsection does not apply to an insurance program described in subsection 3.
2. For purposes of subsection 1, an employee benefit plan which includes a specific or aggregate excess loss coverage or a program that self-insures only a per-employee or per-family deductible for each year and which transfers the risk remaining beyond this deductible is not a self-insurance program, but is instead an insurance program. As used in this section, an "employee benefit plan" includes, but is not limited to benefits for hospital and surgical, medical expense, major medical, dental, prescription drug, disability, or life insurance costs or benefits.
3. A school district, providing an insurance program as described in subsection 2, shall not contract indebtedness and issue general obligation bonds or enter into insurance agreements obligating the school district to make payments beyond its current budget year for that employee benefit plan. A school district may, however, apply to the SBRC for relief if necessitated by the expenses in the school district's insurance program as described in subsection 2. [This time period has past for coming to the SBRC.]
4. Taxes may be levied in excess of any limitation imposed by statute for payment of one or more of the following authorized by subsection 1:
    1) Principal, premium, or interest on bonds.
    2) Premium on an insurance policy, including a stop loss or reinsurance policy, except as limited by subsection 3.
    3) Costs of a self-insurance program.
    4) Costs of a local government risk pool.
    5) Amounts payable under an insurance agreement.

    However, for a school district, a tax levied under this section shall be included in the district management levy under section 298.4.
5. A self-insurance program or local government risk pool authorized by subsection 1 is not insurance and is not subject to regulation under chapters 505 through 523C. However, those self-insurance plans regulated pursuant to section 509A.14 shall remain subject to the requirements of section 509A.14 and rules adopted pursuant to that section.
6. Notwithstanding the other provisions of this section or any other statute, the tax levy authorized by this section shall not be used to pay the costs of employee benefits, including, but not limited to costs for hospital and surgical, medical expense, major medical, dental, prescription drug, disability, or life insurance benefits.
7. If the board by resolution restricts the use of money in a fund as a reserve for uninsured liability or a self-insurance program, the use shall be restricted and unavailable for any other purpose until the board removes the restriction. The removal is not effective until all obligations of the restricted fund have been satisfied, or the next fiscal year, whichever occurs later **(296.7).**

"Tort" means every civil wrong which results in wrongful death or injury to person or injury to property or injury to personal or property rights and includes but is not restricted to actions based upon negligence; error or omission; nuisance; breach of duty, whether statutory or other duty or denial or impairment of any right under any constitutional provision, statute or rule of law **(670.1(4)).**

Except as otherwise provided in chapter 670, every municipality [including school districts and AEAs] is subject to liability for its torts and those of its officers and employees, acting within the scope of their employment or duties, whether arising out of a governmental or proprietary function. For the purposes of chapter 670, employee includes a person who performs services for a municipality whether or not the person is compensated for the services, unless the services are performed only as an incident to the person's attendance at a municipality function **(670.2).**

The liability imposed by section 670.2 shall have no application to any claim enumerated in section 670.4. As to any such claim, a municipality shall be liable only to the extent liability may be imposed by the express statute dealing with such claims and, in the absence of such express statute, the municipality shall be immune from liability **(670.4).**

The governing body of a municipality [including school districts and AEAs] may purchase a policy of liability insurance insuring against all or any part of liability which might be incurred by the municipality or its officers, employees, and agents under section 670.2 and section 670.8 and may similarly purchase insurance covering torts

specified in section 670.4. The governing body of the municipality may adopt a self-insurance program, including but not limited to the investigation and defense of claims, the establishment of a reserve fund for claims, the payment of claims, and the administration and management of the self-insurance program, to cover all or any part of the liability. The governing body of a municipality may join and pay funds into a local government risk pool to protect itself against any or all liability. The governing body of a municipality may enter into insurance agreements obligating the municipality to make payments beyond its current budget year to provide or procure such policies of insurance, self-insurance program, or local government risk pool. The premium costs of the insurance, the costs of a self-insurance program, the costs of a local government risk pool, and the amounts payable under the insurance agreements shall be included in the district management levy as provided in section 296.7 if the district has certified a district management levy. If the district has not certified a district management levy, the cost shall be paid from the general fund **(670.7).**

A school district entering into an insurance agreement pursuant to section 296.7(1)"a" to protect against property loss has authority under section 298.4(3) to use its management fund to pay the cost of a physical inventory conducted solely for the purpose of insurance. To the extent that GAAP requires a school district to conduct physical inventories of its property for purposes other than insurance, the district should use its general fund to pay for them **(AG Informal Advice, February, 1996)**.

Judgment. The governing body shall defend its officers and employees, whether elected or appointed and shall save harmless and indemnify the officers and employees against any tort claim or demand, whether groundless or otherwise, arising out of an alleged act or omission occurring within the scope of their employment or duties. However, the duty to save harmless and indemnify does not apply to awards for punitive damages. The exception for punitive damages does not prohibit a governing body from purchasing insurance to protect its officers and employees from punitive damages. The duty to save harmless and indemnify does not apply and the municipality is entitled to restitution by an officer or employee if, in an action commenced by the municipality against the officer or employee, it is determined that the conduct of the officer or employee upon which the tort claim or demand was based constituted a willful and wanton act or omission. Any independent or autonomous board or commission of a municipality having authority to disburse funds for a particular municipal function without approval of the governing body shall similarly defend, save harmless and indemnify its officers and employees against tort claims or demands. The duties to defend and to save harmless and indemnify shall apply whether or not the municipality is a party to the action and shall include but not be limited to cases arising under title 42 United States Code section 1983. In the event the officer or employee fails to cooperate in the defense against the claim or demand, the municipality shall have a right of indemnification against that officer or employee **(670.8).**

The governing body of any municipality may compromise, adjust and settle tort claims against the municipality, its officers, employees and agents, for damages under sections 670.2 or 670.8 and may appropriate money for the payment of amounts agreed upon **(670.9).**

When a final judgment is entered against or a settlement is made by a municipality for a claim within the scope of section 670.2 or 670.8, payment shall be made and the same remedies apply in the case of nonpayment as in the case of other judgments against the municipality. If a judgment or settlement is unpaid at the time of the adoption of the annual budget, the municipality shall budget an amount sufficient to pay the judgment or settlement together with interest accruing on it to the expected date of payment. A tax may be levied in excess of any limitation imposed by statute. However, for school districts the costs of a judgment or settlement under section 670.10 shall be included in the district management levy pursuant to section 298.4 **(670.10).**

The existence of any insurance which covers in whole or in part any judgment or award which may be rendered in favor of the plaintiff, or lack of any such insurance, shall not be material in the trial of any action brought against the governing body of a municipality, or its officers, employees, or agents, and any reference to such insurance, or lack of insurance, is grounds for a mistrial. A self-insurance program or local government risk pool is not insurance and is not subject to regulation under chapters 505 through 523C **(670.7(3)).**

All officers and employees of municipalities are not personally liable for claims which are exempted under section 670.4, except claims for punitive damages, and actions permitted under section 85.20. An officer or employee of a municipality is not liable for punitive damages as a result of acts in the performance of a duty, unless actual malice or willful, wanton and reckless misconduct is proven **(670.12).**

A default judgment shall not be taken against an employee, officer, or agent of a municipality unless the municipality is a party to the action and the time for special appearance, motion or answer by the municipality under rule of civil procedure 1.303 has expired **(670.13).**

When a judgment shall be obtained against a school corporation, its board shall order the payment thereof out of the proper fund [Management Fund] by an order on the treasurer, not in excess, however, of the funds available for that purpose **(298.15).**

If the proper fund is not sufficient, then, unless its board has provided by the issuance of bonds for raising the amount necessary to pay a judgment, the cost of the judgment shall be included in the district management levy **(298.16).**

Where a judgment had been fraudulently obtained against a school district, the fact that the electors had voted a tax to pay such judgment would not stop the district from bringing an action to set it aside within a year after it was obtained **(Independent School District of Rock Rapids v. Schreiner, 1877, 46 Iowa 173).**

Early Retirement Benefits. The board of directors of a school district may adopt a program for payment of a monetary bonus, continuation of health or medical insurance coverage, or other incentives for encouraging its employees to retire before the normal retirement date as defined in chapter 97B. The program is available only to employees who notify the board of directors prior to April 1 of the fiscal year that they intend to retire not later than the start of the next following school calendar [day before teacher contracts begin]. The age at which employees shall be designated eligible for the program shall be at the discretion of the board. An employee retiring under this section may apply for a retirement allowance under chapter 97B or chapter 294 [IPERS]. The board may include in the district management levy an amount to pay the total estimated accumulated cost to the school district of the health or medical insurance coverage, bonus, or other incentive for employees within the age range of 55 to 65 years of age who retire under this section **(279.46).**

An IPERS member's normal retirement date is any of the following, whichever is applicable to the member:

1. The first of the month in which a member attains the age of 65 years if the member has not completed twenty years of membership service.
2. The first of the month in which the member attains the age of 62 years if the member has completed twenty years of membership service.
3. The first of any month in which the member has completed twenty years of membership service if the member has attained the age of 62 years but is not yet 65 years of age.
4. The first of any month in which a member is at least 55 years of age and for which the sum of the number of years of membership service and prior service and the member's age in years as of the member's last birthday equals or exceeds 88 **(97B.45).**

A member's early retirement date shall be the first of the month in which a member attains the age of 55 years or the first of any month after attaining the age of 55 years prior to the member's normal retirement date, provided such date shall be after the last day of service **(97B.47).**

Department of Education Guidance Pursuant to Section 256.9(16):

Is the district required to provide early retirement incentives to employees who meet the qualifications of the law and want to participate in an incentive program?
No. The law specifically grants to the board the discretion to determine if it will provide an early retirement incentive program.

What are the requirements that must be met for early retirement?
The employee MUST: Be between the years of age specified in local board policy. Notify the board prior to April 1. Retire no later than the start of the following school calendar.

Can an employee retire at some time other than after the school calendar ends and before the next school calendar begins?
Yes. An employee can notify the board anytime in the fiscal year in which the employee will retire as long as that notification is before April 1 of that same school year. In other words, the notification can be any day on or after July 1 but before April 1. The date of the employee's retirement can be any day in that same fiscal year after the notification to the board as long as it is no later than the first day of the following school calendar. In other words, the retirement can be any day on or after July 1 of the fiscal year but no later than the day before the teaching contracts begin for the next school year--a retirement window of approximately 14 months.

What if the board's current policy specifies employees must be between the ages of 59 and 65, but the board wants to change the age range to between the ages of 55 and 65. Can employees apply before the policy is changed?
The employee could preface the request for retirement "pending adoption of a district policy allowing the incentive". The board, however, must amend its current board policy and have it in effect on or before the employee's retirement

date.

Does “within the age range” for early retirement include ages 55 and 65?
The intent of the legislation was to provide an incentive to employees to retire before the normal retirement age under chapter 97B.45 and beginning with the age of 55. The oldest normal retirement age in chapter 97B.45 is the first of the month in which the employee turns age 65. Also, the Code language in section 279.46 states age 55 to 65 rather than through 65. So age 55 would be included but age 65 would not.

If an individual retired at less than age 55, may the costs of the incentive be paid from the Management Fund?
No. The incentive costs paid in the year of retirement and all subsequent years for that individual would be paid from the General Fund.

If an individual retired at less than age 55, may the costs of the incentive be paid from the General Fund and then switched to the Management Fund after that individual becomes age 55?
No. The incentive costs paid in the year of retirement and all subsequent years for that individual would be paid from the General Fund.

May the employee take early retirement from one district and go to another to work?
The IPERS regulations would apply to the ability to continue working.

If the district currently offers an early retirement incentive program to employees, must it now allow employees between the ages of 55 and 65 to participate, if those age groups were not already included in the incentive program?
No. The board has the discretion to determine by policy at what age its program will begin and end. Of course, the board must abide by any federal laws regarding age discrimination, etc.

May the district levy in the Management Fund to pay the retirement incentive for retirees?
The district may include in the Management Fund levy an amount to pay the incentives for individuals who were within the age range of 55 to 65 at retirement. The payments if initially allowed from Management Fund may be paid from the Management Fund until the entire incentive has been paid.

Must the district replace the retiring employee and must the district realize a savings on the replacement employee in order to pay for the retirement incentives from the Management Fund?
These requirements have been struck from the law. It is no longer necessary for the district to replace the retiring employee or to realize any savings to the district by the employee’s retirement to use the Management Levy.

Can the district offer early retirement incentives to employees?
Yes. Iowa Code Section 279.46 gives the district the authority to implement an early retirement incentives program for employees within the age range specified in local board policy.

Does the payment of continuation of health or medical insurance coverage conflict with law and Attorney General Opinions determining that health and medical insurance programs may not be expended from the Management Fund?
No. The law specifically allows continuation of health and medical insurance coverage when it is an incentive that is part of the board’s early retirement incentive program adopted in compliance with Section 279.46.

The date for certifying the next year's budget is April 15th. Is it too late to use the Management Fund to pay the incentives for employees who notify after July 1 and retire early enough in the fiscal year to receive a payment before June 30?
The district cannot increase the tax levy in the Management Fund after the certification date. However, the district may amend its certified budget to increase expenditure levels. The budget can be amended after the budget year begins on July 1 and until May 31 of the budget year. The May 31st date allows time for a protest hearing and decision by June 30 should the amendment be protested. Districts may amend their budgets after May 31, but if the amendment is protested the amendment is void. It may not be necessary to amend the budget if the total anticipated expenditures in all budgeted funds for that budget control line (instruction, support services, non-instructional programs, or total other expenditures) will not exceed the amount originally certified. The district could also pay for the incentive from the General Fund if the district has sufficient budget authority.

Must the district levy in the Management Fund to pay the early retirement incentives?
No. The law states that the district may levy in the Management Fund to pay the early retirement incentives of those individuals who retire within the age range of 55 and 65 years of age. The district would also be able to pay the incentive from existing unreserved moneys in the Management Fund or the General Fund.

On which date is the age limitation measured?

Age is measured on the actual date of retirement.

What does “next following school calendar" mean?
It means the individual must retire on or before the first day that teachers are required to be at school pursuant to their contracts.

Types of Expenditures

This fund shall be expended only for the following purposes:
1. To pay the cost of unemployment benefits as provided in section 96.31.
2. To pay the costs of liability insurance and the costs of a judgment or settlement relating to liability together with interest accruing on the judgment or settlement to the expected date of payment.
3. To pay the costs of insurance agreements under section 296.7.
4. To pay the costs of a judgment under section 298.16.
5. To pay the cost of early retirement benefits to employees under section 279.46 **(298.4).**

Appropriate expenditures in the management fund include the following:
a. Costs of unemployment benefits as provided in Iowa Code section 96.31.
b. Costs of liability insurance to protect the school districts from tort liability, loss of property, and environmental hazards.
c. Costs of a final court judgment entered against the district or a settlement made for a tort liability claim including interest accruing on the judgment or settlement to the expected date of payment.
d. Costs, including prepaid costs, of insurance agreements to protect the school districts from tort liability, loss of property, environmental hazards, or other risk associated with operations, but not including employee benefit plans.
e. Costs of early retirement benefits to employees under Iowa Code section 279.46 to pay a monetary bonus, continuation of health or medical insurance coverage, or other incentives for encouraging employees to retire before the normal retirement date for employees within the age range of 55 to 65 who notify the board of directors prior to April 1 of the fiscal year that they intend to retire not later than the start of the next following school calendar.
f. Costs of a physical inventory conducted solely for the purpose of insurance.
g. Transfers to the debt service fund for payment of principal and interest when due on general obligation bonds issued under Iowa Code section 296.7 to protect the school district from tort liability, loss of property, environmental hazards, or other risk associated with operations.
h. Transfers to the appropriate fund for the portion of an insurance claim which was eligible under the insurance agreement but was denied because it was within the deductible limit **(IAC 281--98.62(2)).**

Inappropriate expenditures in the management fund include the following:
a. Costs for employee health benefit plans.
b. Costs to conduct physical inventories of property for purposes other than insurance.
c. Costs to conduct actuarial studies.
d. Costs for supplies or capital outlay.
e. Transfer to a trust fund for other postemployment benefit (OPEB) cost or estimated cost calculated pursuant to Governmental Accounting Standards Board (GASB) Statement 45.
f. Any other costs not expressly authorized in the Iowa Code **(IAC 281--98.62(3)).**

Sources of Revenue

The board of directors of a school district may certify for levy by April 15 of a school year, a tax on all taxable property in the school district for a district management levy. The revenue from the tax levied shall be placed in the district management levy fund **(298.4).** Other sources include interest on the investment of those moneys.

Sources of revenue in the management fund include a property tax and interest on the investment of those moneys **(IAC 281--98.62(1)).**

Entrepreneurial Education Fund (23)

Purpose and Use

For the purposes of enhancing student learning by encouraging students to develop and practice entrepreneurial skills at an early age and of fostering a business-ready workforce in this state, a school corporation may establish an entrepreneurial education fund at the request of a student organization or club and upon approval by the school board. An entrepreneurial education fund is a special revenue fund and shall consist only of moneys earned through entrepreneurial activities or returns on investments made for entrepreneurial purposes by the student organization or club, private donations and private contributions, and any interest earned on such moneys, that are deposited in the fund. Moneys in the fund shall be used only for investments made, or activities undertaken, for entrepreneurial purposes in accordance with this section. The student organization or club may designate an entrepreneurial purpose for the use of moneys in the fund in accordance with this section. A school corporation may expend moneys in the fund for use by the student organization or club in accordance with this section upon approval of the designated entrepreneurial purpose by the school board. A school organization or club shall deposit any return on an investment made with moneys from the fund in the school corporation's entrepreneurial education fund. The school corporation shall not transfer or contribute to the fund any other moneys that are not moneys earned through entrepreneurial activities or returns on investments made for entrepreneurial purposes by the student organization or club **(298A.15(1)).**

For purposes of the entrepreneurial education fund, the following definitions apply:
a. "Entrepreneurial activities" means starting, maintaining, or expanding a business venture, including a seasonal business venture, or rendering other labor or services in return for compensation. *"Entrepreneurial activities"* does not include charitable contributions or other donations or gifts received by the student organization or club for which no labor or services are rendered.
b. "Entrepreneurial purpose" means establishing or investing in a start-up company, early-stage company, or existing company developing a new product or new technology if the investment is in keeping with the education program of the school corporation; if the student organization or club or its members will, as a stated condition of the investment, take an active role in the company which active role directly relates to and furthers the educational purposes for which the student organization or club is established; and if a reasonable return upon the investment is expected.
c. "Immediate family member" means a spouse; natural or adoptive parent, child, or sibling; or stepparent, stepchild, or stepsibling **(298A.15(5)).**

Types of Expenditures

A student organization or club shall not invest moneys from an entrepreneurial education fund for an entrepreneurial purpose in which a member of the student organization or club, an advisor or supervisor of the student organization or club, or an immediate family member of such persons, has a financial interest. Sections 279.7A and 301.28 apply to this section **(298A.15(3)).**

A school corporation shall close an entrepreneurial education fund at the request of the student organization or club for which the school corporation established the fund. All moneys in the fund on the date of closure and any subsequent return on an investment made with moneys from the fund shall be deposited in the school corporation's student activity fund established under section 298A.8 **(298A.15(4)).**

Sources of Revenue
At the request of a student organization or club and upon approval by the school board, a school corporation shall transfer moneys in a student activity fund established under section 298A.8, for deposit by the student organization or club in an entrepreneurial education fund. However, a school corporation shall not transfer such moneys unless the moneys are attributable through appropriate documentation to the specific student organization or club and unless the student organization or club shows through appropriate documentation that the student organization or club earned the moneys through entrepreneurial activities as defined in subsection 5, paragraph *"a"* **(298A.15(2)).**

Public Education and Recreation Levy (PERL) Fund (24)

Purpose and Use

The public education and recreation levy fund is a special revenue fund. A public education and recreation levy fund must be established in any school corporation which levies the tax authorized under section 300.2 or which receives revenue from a 28E agreement authorized under section 300.1 **(298A.6).** Once approved at an election, the authority of the board to levy and collect the tax shall continue until the board votes to rescind the levy and collection of the tax or the voters of the school district by majority vote order the discontinuance of the levy and collection of the tax **(300.3).**

Boards of directors of school districts may establish and maintain for children and adults public recreation places and playgrounds, and necessary accommodations for the recreation places and playgrounds, in the public school buildings and grounds of the district. The board may cooperate under chapter 28E with a public agency having the custody and management of public parts or public buildings and grounds, and with a private agency having custody and

management of buildings or grounds open to the public, located within the school district, and may provide for the supervision and instruction necessary to carry on public educational and recreational activities in the parks, buildings, and grounds located within the district **(300.1).**

The tax levied under sections 300.2 and 300.3 may also be used for community education purposes under chapter 276 **(300.4).**

It is the purpose of chapter 276 to provide educational, recreational, cultural, and other community services and programs through the establishment of the concept of community education with the community school serving as the center for such activity. In cooperation with other community agencies and groups, it is the purpose of the community education act to mobilize community resources to solve identified community concerns and to promote a more efficient and expanded use of existing school buildings and equipment, to provide leadership in working with other entities, to mobilize the human and financial resources of a community, and to provide a wide range of opportunities for all socioeconomic, ethnic, and age groups. A related purpose of chapter 276 is to develop a sense of community in which the citizenry cooperates with the school and community agencies and groups to resolve their school and community concerns and to recognize that the schools belong to the people, and that as the entity located in every neighborhood, the schools are available for use by the community day and night, year-round or any time when the programming will not interfere with the elementary and secondary program **(276.2).**

"Community education" means a life-long education process concerning itself with every facet that affects the well-being of all citizens within a given community. It extends the role of the school from one of teaching children through an elementary and secondary program to one of providing for citizen participation in identifying the wants, needs, and concerns of the neighborhood community and coordinating all educational, recreational, and cultural opportunities within the community with community education being the catalyst for providing for citizen participation in the development and implementation of programs toward the goal of improving the entire community. Community education energizes people to strive for the achievement of determined goals and stimulates capable persons to assume leadership responsibilities. It welcomes and works with all groups without drawing any lines. It is the one institution in the entire community that has the opportunity to reach all people and groups and to gain their cooperation **(276.3(3)).**

The board of directors of a local school district may establish a community education program for schools in the district and provide for the general supervision of the program. Financial support for the program shall be provided from funds raised pursuant to chapter 300 and from any private funds and any federal funds made available for the purpose of implementing community education. The program which recognizes that the schools belong to the people and which shall be centered in the schools may include but shall not be limited to the use of the school facilities day and night, year round including weekends and regular school vacation periods for educational, recreational, cultural, and other community services and programs for all age, ethnic, and socioeconomic groups residing in the community **(276.10(1)).**

If a community education program is established, the board shall appoint a community education director who shall have professional training in the field of community education, recreation, or comparable experience **(276.10(2)).**

The school districts may cooperate with community colleges, institutions under the control of the state board of regents, and AEAs in providing community education programs **(276.10(5)).**

Residents of the affected school district shall determine if community education will function in their community by providing for funding pursuant to chapter 300 **(276.11).** If the voters of a school district have approved the levying of a tax pursuant to section 300.2 prior to July 7, 1978, moneys collected pursuant to the voted tax levy after said date may be used for community education programs **(276.12).**

Boards of directors of school districts may establish and maintain for children and adults public recreation places and playgrounds, and necessary accommodations for the recreation places and playgrounds, in the public school buildings and on the grounds of the district. Financial support for the community education program shall be provided from funds raised pursuant to Iowa Code chapter 300 and from any private funds and any federal funds made available for the purpose of implementing community education. The authority to establish a levy for a PERL fund is available to school districts but not to area education agencies **(IAC 281—98.65).**

Types of Expenditures

Expenditures include those necessary to establish and maintain public recreation places and playgrounds and necessary accommodations, to provide public educational and recreational activities authorized under chapter 300, and to provide community education authorized under chapter 276.

Appropriate expenditures in the PERL fund include the following:

a. Establishing and maintaining free public recreation places and playgrounds, including necessary accommodations.
b. Providing free public educational and recreational activities.
c. Establishing and supervising a free community education program.
d. Providing a community education director if a community education program is established **(IAC 281--98.65(2)).**

Inappropriate expenditures in the PERL fund include the following:

a. Programs for which a fee may be charged such as before- and after-school programs and preschool programs.
b. Any other costs not necessary to provide free programs for community education and for public recreation places, playgrounds, and programs **(IAC 281--98.65(3)).**

Sources of Revenue

The primary sources of revenue are the tax levy not to exceed $0.135 per $1000 of assessed valuation **(300.2),** any appropriation by the agencies involved in a cooperative effort under Iowa Code chapter 28E, federal funding under Public Law 93-380, interest on temporary investment of PERL moneys, and donations.

Sources of revenue in the PERL fund include a property tax levy not to exceed $0.135 per $1000 of assessed valuation, any appropriation by the agencies involved in a cooperative effort under Iowa Code chapter 28E, federal grants, donations, and interest on the investment of those moneys **(IAC 281--98.65(1)).**

AEA Special Education Instruction Fund (25)

Purpose and Use

The special education instruction fund is used to account for the revenues and expenditures of the special education instructional program that an area AEA provides for its member districts under Iowa Code subsection 273.9(2). This does not include special education support services as provided by Iowa Code subsection 273.9(3) which are accounted for in the general fund **(IAC 281—98.71).**

School districts shall pay the costs of special education instructional programs with the moneys available to the districts for each child requiring special education, by application of the special education weighting plan in section 256B.9. Special education instructional programs shall be provided at the local level if practicable, or otherwise by contractual arrangements with the area education agency board as provided in section 273.3, subsection 5, but in each case the total money available through section 256B.9 and chapter 257 because of weighted enrollment for each child requiring special education instruction shall be made available to the district or agency which provides the special education instructional program to the child, subject to adjustments for transportation or other costs which may be paid by the school district in which the child is enrolled. Each district shall cooperate with its AEA to provide an appropriate special education instructional program for each child who requires special education instruction, as identified and counted within the certification by the area director of special education or as identified by the area director of special education subsequent to the certification, and shall not provide a special education instructional program to a child who has not been so identified and counted within the certification or identified subsequent to the certification **(273.9(2)).**

The costs of special education support services provided through the area education agency shall be funded as provided in chapter 257. Special education support services shall not be funded until the program plans submitted by the special education directors of each area education agency as required by section 273.5 are modified as necessary and approved by the director of the department of education according to the criteria and limitations of chapters 256B and 257 **(273.9(3)).**

Types of Expenditures

Appropriate expenditures in the special education instruction fund include those authorized to a school district pursuant to Iowa Code chapter 256B and 281—Chapter 41 **(IAC 281--98.71(2)).**

Inappropriate expenditures in the special education instruction fund include expenditures not allowed to school districts pursuant to Iowa Code chapter 256B and 281—Chapter 41 **(IAC 281--98.71(3)).**

Sources of Revenue

Sources of revenue in the special education instruction fund include tuition charged to districts with students in the special education instruction program and interest on the investment of those moneys **(IAC 281--98.71(1)).**

LEA Equalization Levy Fund (25)

Purpose and Use

If necessary to equalize the division of liabilities and distribution of assets in a reorganization, merger, or dissolution, the board of a school district may provide for the levy of additional taxes upon the property of the former district so as to effect equalization pursuant to Iowa Code section 275.31. Once the levy has been received, the district shall transfer the funds before the end of the fiscal year to the funds for which equalization was necessary and for which the taxes were levied **(IAC 281—98.112).**

If necessary to equalize the division and distribution, the board or boards may provide for the levy of additional taxes, which shall be sufficient to satisfy the mandatory levy required in section 76.2 or other liabilities of the districts, upon the property of a corporation or part of a corporation and for the distribution of the tax revenues so as to effect equalization. When the board or boards are considering the equalization levy, the division and distribution shall not impair the security for outstanding obligations of each affected corporation. Any owner of bonds of an affected corporation may bring suit in equity for adjustment of the division and distribution in compliance with this section **(275.31).**

Types of Expenditures

Appropriate expenditures from the equalization levy fund are limited to transfers to the funds, in the same proportion, for which equalization was necessary and for which the taxes were levied **(IAC 281--98.112(2)).**

Inappropriate uses of the equalization levy fund would include transfers to any fund for which equalization was not required or for which the equalization tax was not levied and any uses other than transfers **(IAC 281--98.112(3)).**

Sources of Revenue

Sources of revenue for the equalization levy fund include a tax levy pursuant to Iowa Code section 275.31, and interest on those moneys **(IAC 281--98.112(1)).**

AEA Juvenile Home Instruction Fund (26)

Purpose and Use

The juvenile home program instruction fund is used to account for the revenues and expenditures for the educational program for students residing in juvenile homes as provided by Iowa Code section 282.30. The juvenile home program supplements, but does not supplant expenditures required of an area education agency under Iowa Code chapter 273. Revenues and expenditures related to federal or state grants serving students in the juvenile homes that supplement, rather than supplant the juvenile home program are included in the general fund, rather than the juvenile home fund **(IAC 281—98.72).**

An area education agency shall provide or make provision for an appropriate educational program for each child living in the following types of facilities located within its boundaries:

1) An approved or licensed shelter care home, as defined in section 232.2, subsection 34.
2) An approved juvenile detention home, as defined in section 232.2, subsection 32 **(282.30(1)"a").**

The area education agency shall provide the educational program by any one of, but not limited to, the following:

1) Providing for the enrollment of the child in the district of residence of the child, subject to the approval of the district in which the child is living.
2) Cooperating with the district of residence of the child and obtaining the course of study and textbooks of the child for use in the special facility into which the child has been placed.
3) Providing for the enrollment of the child in the district in which the child is living, subject to the approval of the district in which the child is living **(282.30(1)"b").**

An area education agency shall not provide educational services to a facility specified in paragraph *"a"* unless the facility makes a request for educational services to the area education agency by either of the following dates:

1) December 1 of the school year prior to the beginning of the school year for which the services are being requested.
2) Ninety days prior to the beginning of the time for which the services are being requested if the facility is a newly established facility **(282.30(1)"c").**

The area education agency where the child is living, the school district of residence, the other appropriate area education agency or agencies, and other appropriate agencies involved with the care or placement of the child shall cooperate with the school district where the child is living in sharing educational information, textbooks, curriculum, assignments, and materials in order to plan and to provide for the appropriate education of the child living in such facility specified in subsection 1 **(282.30(2)).**

A child who lives in a facility pursuant to section 282.30, subsection 1, paragraph "a", and who is not enrolled in the educational program of the district of residence of the child, shall receive appropriate educational services. The area education agency shall submit a proposed program and budget to the department of education by January 1 for the next succeeding school year. The department of education shall review and approve or modify the program and proposed budget and shall notify the department of administrative services and the area education agency of its action by February 1. The department of administrative services shall pay the approved budget amount for an area education agency in monthly installments beginning September 15 and ending June 15 of the next succeeding school year. The installments shall be as nearly equal as possible as determined by the department of management, taking into consideration the relative budget and cash position of the state's resources. The department of administrative services shall transfer the approved budget amount for an area education agency from the moneys appropriated under section 257.16 and make the payment to the area education agency. The area education agency shall submit an accounting for the actual cost of the program to the department of education by August 1 of the following school year. The department shall review and approve or modify all expenditures incurred in compliance with the guidelines pursuant to section 256.7, subsection 10, and shall notify the department of administrative services of the approved accounting amount. The approved accounting amount shall be compared with any amounts paid by the department of administrative services to the area education agency and any differences added to or subtracted from the October payment made under this paragraph for the next school year. Any amount paid by the department of administrative services shall be deducted monthly from the state foundation aid paid under section 257.16 to all school districts in the state during the subsequent fiscal year. The portion of the total amount of the approved budget that shall be deducted from the state aid of a school district shall be the same as the ratio that the budget enrollment for the budget year of the school district bears to the total budget enrollment in the state for that budget year in which the deduction is made **(282.31(1)"a").**

Programs may be provided during the summer and funded under this section if the school district or area education agency determines a valid educational reason to do so **(282.31(5)).**

Types of Expenditures

Appropriate expenditures in the juvenile home program instruction fund include ordinary and necessary expenditures to provide an instructional program to students residing in juvenile homes **(IAC 281--98.72(2)).**

Inappropriate expenditures in the juvenile home program instruction fund include the following:

a. Costs estimated or allocated that are expenditures of the agency, such as insuring agency property.
b. Costs that are not ordinary and necessary to provide instruction.
c. Debt service.
d. Capital outlay related to facilities **(IAC 281--98.72(3)).**

Sources of Revenue

Sources of revenue in the juvenile home program instruction fund include an advance paid pursuant to Iowa Code section 282.31, tuition billed to resident districts, grants in aid and interest on the investment of those moneys **(IAC 281--98.72(1)).**

LEA Emergency Levy Fund (26)

Purpose and Use

A school district may levy a tax for the emergency fund upon the approval of the state appeals board. Once the levy has been received, the district may request approval of the SBRC to transfer the funds to any other fund of the district for the purpose of meeting deficiencies in a fund arising within two years of a disaster as defined in Iowa Code subsection 29C.2(1) **(IAC 281—98.111).**

A municipality [including a school district] may include in the estimate required, an estimate for an emergency fund. A municipality may assess and levy a tax for the emergency fund at a rate not to exceed twenty-seven cents [$0.27] per thousand dollars of assessed value of taxable property of the municipality. However, an emergency tax levy shall not be made until the municipality has first petitioned the state board and received its approval **(24.6(1)).**

a. Transfers of moneys may be made from the emergency fund to any other fund of the municipality for the purpose of meeting deficiencies in a fund arising from any cause. However, a transfer shall not be made except upon the written approval of the state board, and then only when that approval is requested by a two-thirds [2/3] vote of the governing body of the municipality.
b. Notwithstanding the requirements of paragraph "a", if the municipality is a school corporation, the school corporation may transfer money from the emergency fund to any other fund of the school corporation for the purpose of meeting deficiencies in a fund arising within 2 years of a disaster as defined in section 29C.2, subsection 1. However, a transfer under this paragraph "b" shall not be made without the written approval of the SBRC **(24.6(2)).**

"Disaster" means man-made and natural occurrences, such as fire, flood, drought, earthquake, tornado, windstorm, hazardous substance or nuclear power plant accident or incident, which threaten the public peace, health, and safety of the people or which damage and destroy public or private property. The term includes attack, sabotage, or other hostile action from within or without the state **(29C.2(1)).**

Types of Expenditures

Appropriate expenditures in the emergency levy fund include only transfers to other funds for the purpose of meeting deficiencies in a fund arising within two years of a disaster and upon the approval of the SBRC **(IAC 281--98.111(2)).**

Inappropriate expenditures in the emergency levy fund include any expenditures other than a transfer to another fund and any transfer not approved by the SBRC **(IAC 281--98.111(3)).**

Sources of Revenue

Sources of revenue for the emergency levy fund include a tax levy not to exceed $0.27 per $1000 of assessed value of taxable property, and interest on those moneys **(IAC 281--98.111(1)).**

District/AEA Support Trust Fund (27)

Purpose and Use

The District/AEA Support Trust Fund is used to account for moneys received in trust where those moneys, both principal and interest, are to benefit the district. If the district or AEA has more than one District/AEA Support Trust, it will use locally assigned project codes to identify the different trusts in the same fund.

A board must determine that the terms of the gift, devise, or bequest are not inconsistent with the objectives of a public school district, may be accepted by the board, and the board may exercise such powers with reference to the gift, devise, or bequest. The board of directors must take action to accept or establish trust or agency funds. It is the board's responsibility to insure that the funds will be used for purposes that are compatible with the mission of and restrictions on the district. Once accepted, it is the responsibility of the board to insure that the fiduciary relationship is carried out according to the terms of the agreement. If the purpose for which the money is to be spent is not in keeping with the overall objectives of the school, the board shall not assume responsibility as a trustee for the fund. Gifts of cash or other assets shall not be accepted if the board cannot legally meet, justify, or agree to the prescribed conditions.

Upon their acceptance, gifts and bequests of money become public funding under the stewardship of the recipient. A court would likely void any transfer of public funds to a nonprofit organization **(OAG #00-8-2(L)).**

Trust, permanent, or agency funds shall be established by any school corporation to account for gifts it receives to be used for a particular purpose or to account for money and property received and administered by the district as trustee

or custodian or in the capacity of an agent. Boards may establish trust, permanent, or agency funds as necessary **(298A.13).**

School corporations are authorized to take and hold property, real and personal, by gift and bequest and to administer the property through the proper officer in pursuance of the terms of the gift or bequest. Title shall not pass unless accepted by the governing board of the corporation. Conditions attached to the gifts or bequests become binding upon the corporation upon acceptance **(565.6).**

The board of directors of a school district which receives funds through a gift, devise, or bequest shall deposit the funds in a trust fund, permanent fund, or agency fund [as appropriate under GAAP] and shall use the funds in accordance with the terms of the gift, devise, or bequest **(279.42).**

The district/AEA support trust fund is used to account for moneys received in trust where those moneys, both principal and interest, are to benefit the school district/AEA. The school district or area education agency shall not transfer its own resources to a district/AEA support trust fund. If the school district or area education agency has more than one district/AEA support trust, it will use locally assigned project codes pursuant to Uniform Financial Accounting for Iowa School Districts and Area Education Agencies to identify the different trusts in the same fund. The district/AEA support trust fund is not an irrevocable trust. The board of directors of the school district must take action to accept or establish each gift, devise, or bequest in the district support trust fund. It is the board's responsibility to ensure that the terms of the gift, devise, or bequest are compatible with the mission of and legal restrictions on the school distric/AEA. Once accepted, gifts, devises, and bequests become public funding under the stewardship of the school district/AEA. If the purpose for which the moneys are to be spent is not in keeping with the overall objectives of the school district/AEA or legal authority of the school district/AEA, the board shall not assume responsibility as the trustee **(IAC 281—98.66).**

Types of Expenditure

The characteristics of the expenditures from a District/AEA Support Trust Fund depend on the nature of the donor's conditions or the responsibilities of the trustee. All expenditures will be for the benefit of the district's programs.

Appropriate expenditures in the district/AEA support trust fund include those that are consistent with the terms of the agreement, are legal expenditures to a school district/AEA, and are for the benefit of the school district/AEA **(IAC 281—98.66(2)).**

Inappropriate expenditures in the district/AEA support trust fund include transfers to nonprofit or private organizations or any expenditure which is not consistent with the terms of the agreement, legal to a school district/AEA, or for the benefit of the school district/AEA **(IAC 281—98.66(3)).**

Sources of Revenue

Sources of revenue include donations of cash, investment instruments, property, and interest on investments held. In a District/AEA Support Trust fund, both principal and interest, are available to expend to benefit the district's programs.

Sources of revenue in the district/AEA support trust fund include donations of cash, investment instruments, property, and interest on investments held. In a district/AEA support trust fund, both principal and interest are available to benefit the school district/AEA's programs **(IAC 281—98.66(1)).**

Disaster Recovery Fund (28)

Purpose and Use

The disaster recovery fund is a special revenue fund. The fund is established to account for the financial transactions related to disaster recovery that extend over more than one fiscal year, are normally accounted for in multiple other funds, and are not required to be accounted for in the emergency levy fund. Establishment of a disaster recovery fund for a qualified disaster is not required of the district or AEA but is available for the convenience of the district or AEA in accumulating financial information necessary for FEMA or similar grants.

"Disaster" means man-made and natural occurrences, such as fire, flood, drought, earthquake, tornado, windstorm, hazardous substance or nuclear power plant accident or incident, which threaten the public peace, health, and safety of the people or which damage and destroy public or private property. The term includes attack, sabotage, or other hostile action from within or without the state **(29C.2(1)).**

Types of Expenditures

Expenditures include those directly related to the identified disaster.

Sources of Revenue

The source of revenue includes, but is not limited to, grants and insurance proceeds.

[Amana] Library Levy Fund (29)

Purpose and Use

The library levy fund is a special revenue fund. A library levy fund must be established in any school corporation which levies the tax authorized under section 298.7 **(298A.7).**

The board of directors of any school corporation in which there is no free public library may contract with any free public library for the free use of such library by the residents of such school district, and pay the library the amount agreed upon for the use of the library as provided by law. During the existence of the contract, the board shall certify annually a tax sufficient to pay the library the consideration agreed upon, not exceeding twenty cents per thousand dollars of assessed value of the taxable property of the district. During the existence of the contract, the school corporation is relieved from the requirement that the school treasurer withhold funds for library purposes. This section does not apply in townships where a contract for other library facilities is in existence **(298.7(1)).** However, if a school district which is qualified to contract for library services under subsection 1 levies a tax not to exceed twenty cents per thousand dollars of assessed valuation of the taxable property for school library purposes in the fiscal year before a reorganization involving the district, the tax levy shall remain valid for succeeding fiscal years, and shall be levied and collected against the taxable property of the former district which is part of the reorganized district for school library purposes. The contract and the tax levy may be discontinued by a petition signed by eligible electors residing in the former district **(298.7(2)).**

The Clear Creek Amana Community School District is the only district eligible to implement the library levy.

Each city within its corporate boundaries and each county within the unincorporated area of the county shall levy a tax of at least six and three-fourths cents per thousand dollars of assessed value on the taxable property or at least the monetary equivalent thereof when all or a portion of the funds are obtained from a source other than taxation, for the purposes of providing financial support to the public library which provides library services within the respective jurisdictions **(256.69).** This would include all cities and counties other than Amana.

The board of directors of a school district in which there is no free public library may contract with any free public library for the free use of such library by the residents of the school district and pay the library the amount agreed upon for the use of the library as provided by law. During the existence of the contract, the board shall certify annually a tax sufficient to pay the library the agreed-upon consideration **(IAC 281—98.63)**.

Types of Expenditures

Appropriate expenditures in the library levy fund include expenditures necessary to provide a free public library **(IAC 281--98.63(2)).**

Inappropriate expenditures in the library levy fund include the following:

a. Capital expenditures related to land or buildings.
b. Debt service.
c. Any other costs not necessary to provide a free public library **(IAC 281--98.63(3)).**

Sources of Revenue

Sources of revenue are derived from the tax levy authorized under section 298.7 and interest on investment of those moneys.

Sources of revenue in the library levy fund include a property tax not to exceed $0.20 per $1000 of assessed value of the taxable property of the district and interest on the investment of those moneys **(IAC 281--98.63(1)).**

Capital Projects Funds (30-39)

Purpose and Use

Capital projects funds are used to account for financial resources to acquire or construct major capital facilities [other than those of proprietary funds and trust funds] and to account for revenues from SAVE. Boards of directors of school districts are authorized to establish more than one capital projects fund as necessary **(IAC 281—98.69).**

Capital Project funds 31-32 are used to account for capital projects financed with general obligation bonds. These are the bonds commonly called "bond issues" or "GO bonds."

Capital Project fund 33 is used to account for revenues received from the SAVE. If a district has more than one county with a SAVE with different revenue purpose statements, the fund code may be supplemented by the classification Project/Reporting code.

Capital Project fund 36 is used to account for the Physical Plant and Equipment Levy Fund.

Capital Project funds 34-35 and 37-39 are used to account for capital projects financed with sources other than general obligation bonds or SAVE.

A capital project fund must be established in any school corporation which issues bonds or other authorized indebtedness for capital projects or which initiates a capital project, or which receives grants or other funds for capital projects. Boards are authorized to establish more than one capital project fund as necessary. Any balance remaining in a capital project fund after the capital project is completed may be retained for future capital projects in accordance with the original purpose of the bond issue or voter-approved levy; or may be transferred, by board resolution, to the debt service fund, the physical plant and equipment levy fund or other capital project fund, or other fund from which the surplus originated; or transferred to the general fund in accordance with subsection 278.1(1), paragraph "e" **(298A.9).**

All local option sales and services taxes for school infrastructure purposes imposed under chapter 423E are repealed **(423F.2(1)"a").** The distribution of moneys in the secure an advanced vision for education fund (SAVE) and the use of the moneys for infrastructure purposes or property tax relief shall be as provided in chapter 423F **(423F.2(1)"b").** It is the intent of the general assembly that the [one cent] increase in the state sales, services, and use taxes shall be used solely for purposes of providing revenues to local school districts under chapter 423F to be used solely for school infrastructure purposes or school district property tax relief **(423F.1).** The tax revenues, SAVE, and the bond proceeds shall be deposited in the SAVE capital projects fund 33.

The board of directors of a school district shall be authorized to issue negotiable, interest-bearing school bonds, without election, and utilize tax receipts derived from the sales and services tax for school infrastructure purposes and the supplemental school infrastructure amount for principal and interest repayment. Proceeds of the bonds issued pursuant to section 423E.5 shall be utilized solely for school infrastructure needs as school infrastructure is defined in section 423E.1(3), Code 2007, and section 423F.3 **(423E.5).**

A school district may anticipate its share of the revenues under section 423F.2 by issuing bonds in the manner provided in section 423E.5. However, to the extent any school district has issued bonds anticipating the proceeds of an extended local sales and services tax for school infrastructure purposes imposed by a county pursuant to former chapter 423E, Code and Code Supplement 2007, prior to July 1, 2008, the pledge of such revenues for the payment of principal and interest on such bonds shall be replaced by a pledge of its share of the revenues under section 423F.2 **(423F.4).**

Types of Expenditures

Expenditures in capital project funds, unless otherwise restricted by Code, include the cost of purchasing, building, furnishing, reconstructing, repairing, improving or remodeling a schoolhouse or schoolhouses and additions thereto, gymnasium, stadium, field house, school bus garage, teachers' or superintendent's home/s, and procuring a site, or purchasing land to add to a site already owned, or procuring and improving a site for an athletic field, or improving a site already owned for an athletic field, and for any one or more of such purposes **(296.1).** Expenditures include acquiring sites for school purposes; erecting, completing or improving buildings authorized for school purposes; or acquiring equipment for schools, sites, and buildings **(298.21).**

SAVE proceeds shall be utilized solely for school infrastructure purposes or property tax relief. It is the intent of the general assembly that the [one cent] increase in the state sales, services, and use taxes shall be used solely for purposes of providing revenues to local school districts under chapter 423F to be used solely for school infrastructure purposes

or school district property tax relief **(423F.1).** School infrastructure means those activities for which a school district is authorized to contract indebtedness and issue general obligation bonds under section 296.1, except those activities related to a teacher's or superintendent's home or homes. These activities include the construction, reconstruction, repair, demolition work, purchasing, or remodeling of schoolhouses, stadiums, gyms, fieldhouses, and bus garages and the procurement of schoolhouse construction sites and the making of site improvements, and those activities for which revenues under section 298.3 (PPEL) or 300.2 (PERL) may be spent. Additionally, school infrastructure includes the payment or retirement of outstanding bonds previously issued for school infrastructure purposes as defined in this subsection, and the payment or retirement of bonds issued under section 423E.5 **(423E.1(3), 2007 Code).**

Notwithstanding 423F.3, a school district may apply SAVE receipts collected pursuant to chapter 423F for the purposes of payment of either principal or interest, or both principal and interest, on bonds, and the levy for the payment of the bonds correspondingly reduced **(76.4).** This Code section was enacted to permit SAVE to be used to pay subsequent bond issues in addition to the previous bond issues allowed by 423F.

The tax expenditure purposes expressed in the revenue purpose statement are binding upon the governing body after the revenue purpose statement is approved by the voters **(OAG #91-11-1).**

The voters can approve ballot language on uses of the revenues pertaining to one school district within the county that is different from the uses of the revenues for another school district within the county **(OAG #00-2-1).**

Chapter 423E/F on SAVE does not per se prohibit the salaries and benefits of a school district employee whose activities are solely related to the infrastructure activities outlined in section 423E.1(3), 2007 Code, from being paid with the tax proceeds received under chapter 423E/F **(OAG #00-4-4(L)).**

Appropriate expenditures in a capital projects fund, excluding SAVE, include the following:

1) Purchasing, constructing, furnishing, equipping, reconstructing, repairing, improving, or remodeling a schoolhouse or schoolhouses and additions thereto, gymnasium, stadium, field house, school bus garage, or teachers' or superintendents' home(s).
2) Procuring a site, or purchasing land to add to a site already owned, or procuring and improving a site for an athletic field, or improving a site already owned for an athletic field.
3) Transferring to the PPEL fund or debt service fund by board resolution any balance remaining in a capital projects fund after the capital project is completed and after return of any excess amount transferred into the capital projects fund from another fund. The voters in the district may authorize the district to transfer the remaining balance to the general fund instead of the PPEL fund or debt service fund pursuant to Iowa Code subsection 278.1(1)*"e"* **(IAC 281--98.69(2)"a")**.

Appropriate expenditures in the SAVE capital projects fund shall be expended in accordance with a valid revenue purpose statement if a valid revenue purpose statement exists, otherwise appropriate expenditures include the following in order:

1) Payment of principal and interest on revenue bonds issued pursuant to Iowa Code sections 423E.5 and 423F.4 for which the revenue has been pledged.
2) Reduction of debt service levies.
3) Reduction of regular and voter-approved PPEL levies.
4) Reduction of the PERL levy.
5) Reduction of any schoolhouse tax levy under Iowa Code subsection 278.1(1)*"e."*
6) Any authorized infrastructure purpose of the district pursuant to Iowa Code subsection 423F.3(6), which includes the following:
    a. Payment or retirement of outstanding general obligation bonded indebtedness issued for school infrastructure purposes.
    b. Payment or retirement of outstanding revenue bonds issued for school infrastructure purposes.
    c. Purchasing, constructing, furnishing, equipping, reconstructing, repairing, improving, remodeling, or demolition of a schoolhouse or schoolhouses and additions thereto, gymnasium, stadium, field house, or school bus garage.
    d. Procuring a site, or purchasing land to add to a site already owned, or procuring and improving a site for an athletic field, or improving a site already owned for an athletic field.
    e. Expenditures listed in Iowa Code section 298.3.
    f. Expenditures listed in Iowa Code section 300.2 **(IAC 281--98.69(2)"b")**.

Inappropriate expenditures in a capital projects fund include student construction or any expenditure not expressly authorized in the Iowa Code. Additionally, expenditures from SAVE for new construction or for payments for bonds issued for new construction in any district that has a certified enrollment of fewer than 250 pupils in the district or a

certified enrollment of fewer than 100 pupils in the high school without a certificate of need issued by the department of education. This restriction does not apply to payment of outstanding general obligation bonded indebtedness issued pursuant to Iowa Code section 296.1 before April 1, 2003. This restriction also does not apply to costs to repair school buildings; purchase of equipment, technology or transportation equipment authorized under Iowa Code section 298.3; or for construction necessary to comply with the federal Americans With Disabilities Act **(IAC 281--98.69(3))**.

Types of Transfers

When a new district is organized the funds cannot be placed in the schoolhouse [any capital projects] fund and used for building purposes **(OAG #55-7-26).**

The electorate, by vote, may direct the school district board of directors to transfer any surplus funds in the debt service fund, PPEL fund, capital projects funds, or PERL fund to the general fund [but not the reverse] **(278.1(1)"e").**

Any governmental fund authorized to be used to construct or acquire capital facilities, must transfer those funds to a capital projects fund to be accounted for there. Any balance remaining in a capital project fund after the capital project is completed may be retained for future capital projects in accordance with the original purpose of the bond issue or voter-approved levy; or may be transferred, by board resolution, to the debt service fund, the physical plant and equipment levy fund or other capital project fund, or other fund from which the surplus originated; or transferred to the general fund in accordance with subsection 278.1(1), paragraph "e" **(298A.9).**

An AEA only has authority for capital projects which are lease-purchase agreements. In the case of an AEA, there should not be any balance remaining in a capital projects fund because none should have been transferred from the general fund until expenditures were due for payment. If there had been any balance remaining, it would be returned to the general fund immediately follow the completion of the capital project. Subsection 278.1(1), paragraph "e" does not apply to an AEA.

An AEA may hold property and execute purchase agreements within 2 years of a disaster as defined in section 29C.2, subsection 1, and lease-purchase agreements pursuant to section 273.3, subsection 7, and if the lease-purchase agreement exceeds ten [10] years or the purchase price of the property to be acquired pursuant to a purchase or lease-purchase agreement [which equals or] exceeds $25,000, the AEA shall conduct a public hearing on the proposed purchase or lease-purchase agreement and receive approval from the AEA board of directors and the state board of education or its designee before entering into the agreement **(273.2(2)).**

The AEA board is authorized to lease, purchase, or lease-purchase, subject to the approval of the state board of education or its designee and to receive by gift and operate and maintain facilities and buildings necessary to provide authorized programs and services. However, a lease for less than ten [10] years and with an annual cost of less than $25,000 does not require the approval of the state board. The state board shall not approve a lease, purchase, or lease-purchase until the state board is satisfied by investigation that public school corporations within the area do not have suitable facilities available. A purchase of property that is not a lease-purchase may be made only within 2 years of a disaster as defined in section 29C.2, subsection 1, and subject to the requirements of this subsection **(273.3(7)).**

Sources of Revenue

Sources of revenue in a capital projects fund include sale of general obligation bonds, grants and donations for capital facility projects, and transfers from other funds which authorized indebtedness for capital facility projects or which initiated a capital facility project or which received grants or other funding for capital projects, and tax receipts or revenue bonds issued for the state sales and services tax for school infrastructure **(IAC281--98.69(1))**.

In the case of an AEA, transfers from the general fund to a capital projects fund are limited to payments from proceeds accounted for in the general fund when payments are due on a capital project under a lease-purchase agreement pursuant to Iowa Code subsection 273.3(7) **(IAC281--98.69(1))**. AEAs do not have bonding or taxing authority. The primary source of revenue in a capital projects fund for an AEA is a transfer from General Fund where the lease-purchase proceeds were deposited and accounted for.

Physical Plant and Equipment Levy (PPEL) Fund (36)

Purpose and Use

The physical plant and equipment levy fund is a capital project fund. A physical plant and equipment levy fund must be established in any school corporation which levies the tax authorized, whether regular or voter-approved, under section 298.2 **(298A.4).**

The physical plant and equipment levy (PPEL) consists of the regular PPEL of not exceeding thirty-three cents ($0.33) per thousand dollars of assessed valuation and a voter-approved PPEL of not exceeding one dollar and thirty-four cents ($1.34) per thousand dollars of assessed valuation, for a total of one dollar and sixty-seven cents ($1.67) **(298.2(1)).**

The physical plant and equipment levy (PPEL) consists of the regular PPEL not to exceed $0.33 per $1000 of assessed valuation and a voter-approved PPEL not to exceed $1.34 per $1000 of assessed valuation, for a total of $1.67. The authority to establish a PPEL fund is available to school districts but not to area education agencies **(IAC 281—98.64).**

Types of Expenditures

The revenue from the regular and voter-approved physical plant and equipment levies shall be placed in the physical plant and equipment levy fund and expended <u>only</u> for the following purposes:

a. The purchase and improvement of grounds.
    1) "Purchase of grounds" includes the legal costs relating to the property acquisition, costs of surveys of the property, costs of relocation assistance under state and federal law, and other costs incidental in the property acquisition.
    2) "Improvement of grounds" includes grading, landscaping, paving, seeding, and planting of shrubs and trees; constructing sidewalks, roadways, retaining walls, sewers and storm drains, and installing hydrants; surfacing and soil treatment of athletic fields and tennis courts; exterior lighting, including athletic fields and tennis courts; furnishing and installing flagpoles, gateways, fences, and underground storage tanks which are not parts of building service systems; demolition work; and special assessments against the school district for public improvements, as defined in section 384.37.
b. The construction of schoolhouses or buildings and opening roads to schoolhouses or buildings.
c. The purchase, lease, or lease-purchase of equipment or technology exceeding five hundred dollars ($500) in value per purchase, lease, or lease-purchase transaction. Each transaction may include multiple equipment or technology units.
d. The payment of debts contracted for the erection or construction of schoolhouses or buildings, not including interest on bonds.
e. Procuring or acquisition of library facilities.
f. Repairing, remodeling, reconstructing, improving, or expanding the schoolhouses or buildings and additions to existing schoolhouses.
    1) "Repairing" means restoring an existing structure or thing to its original condition, as near as may be, after decay, waste, injury, or partial destruction, but does not include maintenance.
    2) "Reconstructing" means rebuilding or restoring as an entity a thing which was lost or destroyed.
g. Expenditures for energy conservation, including payments made pursuant to a guarantee furnished by a school district entering into a financing agreement for energy management improvements, limited to agreements pursuant to section 473.19, 473.20, or 473.20A. [However repayment of such agreements shall only be paid from the fund into which the proceeds were originally deposited **(279.53)**.]
h. The rental of facilities under chapter 28E.
i. Purchase of transportation equipment for transporting students.
j. The purchase of buildings or lease-purchase option agreements for school buildings.
k. Equipment purchases for recreational purposes.
l. Payments to a municipality or other entity as required under subsection 403.19(2) [TIF].
m. Demolition, clean up, and other costs if such costs are necessitated by, and incurred within two years of, a disaster as defined in section 29C.2, subsection 1 **(298.3(1)).**

All or a portion of the taxes for the PPEL shall be paid by the school district to the municipality if the auditor certifies to the school district by July 1 the amount of such levy that is necessary to pay the principal and interest on bonds issued by the municipality to finance an urban renewal project, which were issued before July 1, 2001. Indebtedness incurred to refund bonds issued prior to July 1, 2001, shall not be included in the certification. Such school district shall pay over the amount certified by November 1 and May 1 of the fiscal year following certification to the school district **(403.19(2)).**

Interest earned on money in the physical plant and equipment levy fund may be expended for a purpose listed in this section **(298.3(2)).** Unencumbered funds collected prior to July 1, 1991, from the levy previously authorized under section 297.5, Code 1991, [Site fund] may be expended for the purposes listed in this section **(298.3(3)).**

Revenue from the regular and voter-approved PPEL levies shall not be expended for school district employee salaries or travel expenses, supplies, printing costs or media services, or for any other purpose not expressly authorized in this section **(298.3(4)).**

"Single unit of equipment" refers to both equipment and furnishings and does not include bulk purchases or multiple purchases of units. The cost limitation for a single unit of equipment under paragraph "c" does not apply to equipment that becomes part of the real property itself such as furnaces, boilers, water heaters, and central air conditioning units that would be included in repairs to the building under paragraph "f."

"Public Improvement" includes the principal structures, works, component parts and accessories of any of the following:

a. Sanitary, storm, and combined sewers.
b. Drainage conduits, channels and levees.
c. Street grading, paving, graveling, macadamizing, curbing, guttering, and surfacing with oil, oil and gravel or chloride.
d. Street lighting fixtures, connections and facilities.
e. Sewage pumping stations, and disposal and treatment plants.
f. Underground gas, water, heating, sewer and electrical connections located in streets for private property.
g. Sidewalks and pedestrian underpasses or overpasses.
h. Drives and driveway approaches located within the public right-of-way.
i. Waterworks, water mains and extensions.
j. Plazas, arcades and malls.
k. Parking facilities.
l. Removal of diseased or dead trees from any public place, publicly owned right-of-way or private property.
m. Traffic-control devices, fixtures, connections, and facilities **(384.37(19)).**

The board of directors of a local school district for which a voter-approved PPEL has been voted may enter into a rental or lease arrangement, consistent with the purposes for which the voter-approved PPEL has been voted, for a period not exceeding ten (10) years and not exceeding the period for which the voter-approved PPEL has been authorized by the voters **(279.26).**

The board may, with approval of sixty percent [60%] of the voters voting in an election in the school district, make extended time contracts not to exceed twenty [20] years in duration for rental of buildings to supplement existing schoolhouse facilities; and where it is deemed advisable for buildings to be constructed or placed on real estate owned by the school district, these contracts may include lease-purchase option agreements, the amounts to be paid out of the PPEL fund **(278.1(2)"a").**

The board of directors may pay the actual cost of an asbestos project and repayment of a federal asbestos loan program from the general fund or from the PPEL fund. The loan must be repaid over a 3-year period. Cost of an asbestos project includes the costs of inspection and re-inspection, sampling, analysis, assessment, response actions, operations and maintenance, training, periodic surveillance, developing of management plans and recordkeeping requirements relating to the presence of asbestos in school buildings of the district and its removal or encapsulation **(279.52).** The board of directors shall expend the amount of the principal and interest due each year to maturity from the same fund into which the loan proceeds were deposited **(279.53, IAC 281—98.60).**

The local school board may purchase buses from funds available (on-hand) in the PPEL fund, or enter into contracts to pay for such buses over a 5-year period as follows: ¼ of the cost when the bus is delivered to the district and the balance in equal annual installments, plus simple interest due. The interest rate shall be the lowest rate available and shall not exceed the rate in effect under Iowa Code section 74A.2. The bus shall serve as security for balance due **(285.10(7).**

School districts may enter into financing arrangements with the authority or its duly authorized agents or representatives obligating the school district to make payments on the energy loans beyond the current budget year of the school district. Chapter 75 shall not be applicable. School district shall repay the loans from their debt service funds [from money transferred there from PPEL fund] **(473.20).** Principal and interest shall be transferred when due from the fund where the original proceeds were recorded as revenues to the debt service fund. The payment of principal and interest is made each year from the debt service fund using money transferred to the debt service fund from the originating fund. Money in the debt service fund from other sources may not be used to repay the debt. The board of directors shall expend the amount of the principal and interest due each year to maturity from the same fund into which the loan proceeds were deposited **(279.53, IAC 281—98.60).**

School districts may purchase, erect, or otherwise acquire a building for use as a school meal facility, and equip a building for that use, and pay for the acquisition or equipping from funds available in the PPEL fund, subject to the terms of section 298.2 **(283A.9).**

Moneys received from the condemnation, sale, or other disposition for public purposes of schoolhouses, school sites, or both schoolhouses and school sites, shall be deposited in the PPEL fund and may without a vote of the electorate be used for purposes authorized under section 298.3 [PPEL] as ordered by the board of directors of the school district **(279.41).**

If and to whatever extent the voter-approved PPEL tax that is levied in any year in excess of the amount of principal and interest falling due in that year under a loan agreement, the first available proceeds, to an amount sufficient to meet maturing installments of principal and interest under the loan agreement, shall be paid into the debt service fund for the loan before the taxes are otherwise made available for other school purposes, and the amount required to be annually set aside to pay principal of and interest on the money borrowed under the loan agreement constitutes a first charge upon the proceeds of the voter-approved PPEL, which tax shall be pledged to pay the loan and the interest on the loan **(297.36).**

No school attendance center fence shall be constructed of barbed wire, nor shall any barbed wire fence be placed within ten [10] feet of any school attendance center (**297.14; 1912 Op. Att'y Gen. 738 (#12-4-20)).**

Appropriate expenditures in the PPEL fund include the following:

a. Purchase of grounds including the legal costs relating to the property acquisition, costs of surveys of the property, costs of relocation assistance under state and federal law, and other costs incidental in the property acquisition.

b. Improvement of grounds including grading, landscaping, paving, seeding, and planting of shrubs and trees; constructing sidewalks, roadways, retaining walls, sewers and storm drains, and installing hydrants; surfacing and soil treatment of athletic fields and tennis courts; exterior lighting, including athletic fields and tennis courts; furnishing and installing flagpoles, gateways, fences, and underground storage tanks which are not parts of building service systems; demolition work; and special assessments against the school district for public improvements.

c. Construction of schoolhouses or buildings.

d. Construction of roads to schoolhouses or buildings.

e. Purchasing, leasing, or lease-purchasing equipment or technology exceeding $500 in value per purchase, lease, or lease-purchase transaction.

(1) "Equipment" means both equipment and furnishings. The cost limitation for equipment does not apply to recreational equipment pursuant to paragraph 98.64(2)*"n"* or equipment that becomes an integral part of real property such as furnaces, boilers, water heaters, and central air-conditioning units that are included in repairs to a building pursuant to paragraph 98.64(2)*"h."*

(2) "Transaction" means a business deal or agreement between a school district and a provider of goods or services. Technology may be bundled for purposes of exceeding $500 per transaction.

f. Transferring to debt service for payments, when due, of debts contracted for the erection or construction of schoolhouses or buildings, not including interest on bonds.

g. Procuring or acquisition of library facilities.

h. Repairing, remodeling, reconstructing, improving, or expanding the schoolhouses or buildings and the additions to existing schoolhouses. "Repairing" means restoring an existing structure or thing to its original condition, as near as may be, after decay, waste, injury, or partial destruction, but does not include maintenance. "Reconstructing" means rebuilding or restoring as an entity a thing which was lost or destroyed. "Maintenance" means to cause to remain in a state of good repair or to keep equipment in effective working condition and ready for daily use. Maintenance includes cleaning, upkeep, inspecting for needed maintenance, preserving the existing state or condition, preventing a decline in the existing state or condition, and replacing parts, unless otherwise a repair.

i. Energy conservation projects.

j. Transferring interest and principal to the debt service fund when due for loans to purchase equipment authorized under Iowa Code section 279.48, for loans in anticipation of the collection of the voter-approved property under Iowa Code section 297.36, and loans to be used for energy conservation measures under Iowa Code section 473.20, in the case of a school district, when the original proceeds were accounted for in the PPEL fund.

k. The rental of facilities under Iowa Code chapter 28E.

l. Purchase of transportation equipment for transporting students.

m. Purchase of buildings or lease-purchase option agreements for school buildings.

n. Purchase of equipment for recreational purposes.

o. Payments to a municipality or other entity as required under Iowa Code section 403.19, subsection 2.

p. Asbestos projects including costs of inspection and reinspection, sampling, analysis, assessment, response actions, operations and maintenance, training, periodic surveillance, development of management plans and record-keeping requirements relating to the presence of asbestos in school buildings of the district and its removal or

encapsulation.
q. Purchase, erect, or acquire a building for use as a school meal facility, and equip a building for that use. **(IAC 281--98.64(2)).**

Inappropriate expenditures in the PPEL fund include the following:
a. Student construction.
b. Salaries and benefits.
c. Travel.
d. Supplies.
e. Facility, vehicle, or equipment maintenance.
f. Printing costs or media services.
g. Any other purpose not expressly authorized in the Iowa Code **(IAC 281--98.64(3)).**

1. Technology, as the term is used in section 298.3(1)(c) includes all of the components listed on page 88 herein as (a) through (q) except for the following, both of which are likely to be expenditures not associated with the initial acquisition of the laptop computers associated with the 1:1 initiative:
• Software that is educational or instructional software
• Professional development of staff that does not train staff in the operation of the computers.
2. Because the response to the first question includes all of the expenditures associated with the initial acquisition of technology, "bundling" is allowable to the extent that all expenditures are within the meaning of technology as discussed in this declaratory order, are allowable from a single fund, and provide sufficient information to account for the expenditures properly. If items are more appropriately expended from another fund, they must be accounted for in that other fund. For purposes of this order, "bundling" is a collection of items from a single vendor related to a specific purchase.
3. The extent to which a district must have detailed invoices that segregate allowable costs from PPEL vs. allowable costs from the General Fund parallels our response to the second question. Nothing about this declaratory order relieves a school district of its obligation to account for all items appropriately and in more contexts than just the fund from which the expenditure was appropriate.
4. When disposing of the laptops, a school district must comply with Iowa Code section 297.22(1)(d).
This declaratory order has the same status and binding effect as a final order issued in a contested case proceeding **(DE Dec. Ord. 26 87).**

Note: *Declaratory Order 26 87 and the 1:1 FAQ were developed based on a Code section that has since been struck and replaced. Some answers may no longer be entirely correct based on the new language in the Iowa Code and Iowa Administrative Code regarding technology.*

Department of Education Guidance Pursuant to Section 256.9(16):

Question: May a district pay a portion of its whole grade sharing tuition from PPEL and designate that amount for school infrastructure?
Answer: No. Tuition is not an allowable use from PPEL. Also all tuition is a General Fund expenditure to the sending district and a General Fund revenue to the receiving district and may not be used or designated for school infrastructure purposes.

Question: May a district share its PPEL revenues with its whole grade sharing partner or any other entity?
Answer: No. PPEL Fund is one fund that is more restricted than Dillon's Rule in that PPEL Fund can only be used for those expenditures that are expressly stated in Iowa Code 298.3. Sharing PPEL is not a listed legal use of PPEL revenues.

Question: Could a district charge a portion of a transportation purchased services contract from PPEL, as if it were for leasing buses instead of paying the full contract from the General Fund?
Answer: A bus lease that is a legal lease agreement, where the district obtains buses that it will use itself, can be paid from PPEL. However, it would not be appropriate to deem a portion of a purchased services contract to be the equivalent of a lease agreement. This would be especially inappropriate if the district were deeming a portion of a purchased service contract to be a lease agreement to obtain buses, when that same service provider is actually the one using the buses to transport the district's students. PPEL Fund is one fund that is more restricted than Dillon's Rule in that PPEL Fund can only be used for those expenditures that are expressly stated in Iowa Code 298.3.

Districts are disallowed from splitting a public improvement contract for purposes of avoiding bid law. The concept of splitting a public improvement contract would be similar to splitting a purchased services busing contract to expend a portion of the contract from a fund where it would not otherwise have been allowable.

In addition, Iowa Code 285.5 and 285.1(17)"b" allow contracting for school bus service with private parties to transport nonpublic students. However, the Code states that the contracts shall not provide payment in excess of the average per pupil transportation costs of the school district for that year. Splitting a contract could result in submitting an incorrect amount for the payment.

1. Question: What is a bundle?
Answer: A bundle means a collection of items from the same vendor related to a specific purchase. A district may purchase components of technology from multiple vendors, but may only bundle those items purchased from the same vendor.

2. Question: Is a bundle the same thing as a group purchase?
Answer: No. A group purchase is multiple items/units of the same or substantially similar items; i.e., 50 desks or 50 desks and 50 chairs, or 50 desk and chair combinations. A bundle consists of relatively dissimilar items that function together as a unit. "Bundle" is a term used with technology purchasing, but is actually used in similar ways for other costs such as remodeling—remodeling could include labor, supplies, purchased services, and equipment within the meaning of "remodeling." Within technology, a bundle probably will include supplies, equipment, and purchased services.

3. Question: How do school districts or AEAs account for, inventory, insure, or have audited a bundled technology unit?
Answer: School finance experts were involved in writing the Declaratory Order to ensure that districts (or AEAs) would be able to continue to meet all of their fiscal obligations while being able to expand purchasing opportunities and funding opportunities by bundling costs for purchasing purposes. The Declaratory Order on page 93 states that *"bundling is allowed to the extent that all expenditures are within the meaning of technology as discussed in this declaratory order, are allowed from a single fund, and provide sufficient information to account for the expenditures properly…Nothing about this declaratory order relieves a school district of its obligation to account for all items appropriately and in more contexts than just the fund from which the expenditure was appropriate.*"
Bundling is a purchasing concept. For accounting purposes, the district will continue to follow the correct Uniform Financial Accounting coding; for example, functions and objects for accounting and for reporting; will continue to tag/identify each unit of equipment for inventory purposes; and will continue to handle insuring equipment and supplies in the same way it has negotiated with its agent for other equipment and supplies.

4. Question: How can an AEA bundle technology for purchasing when it does not have a PPEL Fund/Levy?
Answer: Bundling is a purchasing concept and is not limited to the PPEL fund. Each "bundle" must be appropriate to the single fund from which it will be purchased, but AEAs could bundle technology in the General Fund. Districts could bundle technology in the General Fund, in the PPEL fund, or possibly in the SAVE fund or PERL as long as technology is an allowable expenditure from that fund and each bundle is separated by the fund that is paying for the purchase.

5. Question: When the district records the asset, does it bundle the entire 1:1 purchase as a single asset or does it divide the total cost by the number of units?
Answer: Recall that a bundle consists of relatively dissimilar items that function together as a unit purchased from the same vendor. Dividing the total cost by the number of functioning units might not be appropriate; for example, multiple laptops or electronic tablets might jointly use a single server, but the server is much more costly than the individual laptops or tablets. Dividing the cost evenly over the various items that made up the functioning unit would cause the server to be undervalued and the laptops/tablets to be overvalued. This would not work well for insurance purposes if the server were destroyed by a lightning strike, but all the laptops/tablets were unharmed.
Because the district would have disaggregated the bundle for recording the items in the accounting system by correct UFA coding, the district would have a more accurate basis for determining the unit cost working from the accounting side rather than the purchasing side. At that disaggregated level, it would be possible for the district to divide the cost of like items by the total cost that was disaggregated to those items. So the cost of the server would be different than the cost of the laptops/tablets, but the cost of each laptop/tablet might be identical to the cost of another laptop/tablet in the same bundle.
Each laptop/tablet will have a distinct serial number even if they have the same model number. Some districts will tag the laptops/tablets by that serial number with an individual cost in the inventory and/or insurance records and will also use that unique serial number to determine which laptop/tablet was assigned to each student/individual. Other districts will record the laptops/tablets as a group of a specific number of laptops/tablets purchased in a single bundle that are the same model and purchase date while keeping the serial numbers and student assignments in a separate subsidiary record. The method used by districts would be determined locally to meet the district's needs.

6. Question: Is bundling the same thing as capitalization allowed by generally accepted accounting principles (GAAP)?

Answer: No. Bundling is a purchasing concept that may include items that are not appropriate for capitalization under GAAP. Capitalization under GAAP is allowed for purposes of recording capital assets in a governmental fixed asset inventory or for the entity-wide statements in the audits or for recording capital assets in a proprietary fund and certain trust funds that use full accrual accounting. The latter (proprietary and certain trust funds) records depreciation expense annually on equipment, but governmental funds such as General Fund, PPEL fund, PERL fund, and SAVE fund record equipment expenditures by function and object.

7. Question: Some of the individual items that could be included in the purchase of bundled technology, such as the warranties, shoulder straps, and bags, would not meet the cost and criteria for capitalization as described in question 6. If the district included some of these otherwise non-capitalized items in the bundled price, does that violate GAAP regarding capitalized assets?
Answer: No. The fact that the district bundled costs for purchasing purposes does not change how the district will record assets. GAAP requires that capital/fixed assets be reported at historical cost including ancillary charges necessary to place the asset into its intended location and condition for use. Therefore, the cost of the capitalized asset could include warranties as well as shoulder straps and bags under GAAP, but would not include costs such as contracted technical services, for example. The Declaratory Order has not changed this GAAP guidance.

8. Question: The Declaratory Order states that *"we assume that most of the expenditures associated with the 1:1 laptop initiative are appropriate from PPEL unless it appears that a more appropriate fund exists from which to pay an expenditure."* How does the Declaratory Order reconcile with Iowa Code and Iowa Administrative Code? For example, Iowa Code states that maintenance is not a PPEL expenditure in 298.3(1), paragraph "f" and in 298.3(4) states that PPEL shall not be expended for employee salaries or travel expenses, supplies, printing costs, or media services, etc. Iowa Administrative Code subrule 281--98.64(3) repeats these disallowed uses:
"Inappropriate expenditures in the PPEL fund include the following:
a. Student construction.
b. Salaries and benefits.
c. Travel.
d. Supplies.
e. Facility, vehicle, or equipment maintenance.
f. Printing costs or media services.
g. Any other purpose not expressly authorized in the Iowa Code."
Answer: The response is two-fold. One portion deals with the disallowed costs in 298.3(4) and the other portion deals with the definition of maintenance as used in 298.3(1).
A. Previous guidance given to districts regarding this issue in PPEL in 298.3(4) has stated that stand-alone costs included in the list of disallowed items (employee salaries or travel expenses, supplies, printing costs, or media services) would not be appropriate from PPEL. That same paragraph in Iowa Code goes on to state "or for any other purpose not expressly authorized in this section." The guidance given to districts has said that those same items that are an integral part of an expressly allowed expenditure from PPEL were not intended to be disallowed by that paragraph. For example, general supplies would not be appropriate from PPEL, but supplies that are necessary for the purchase and improvement of grounds, construction of facilities, repairing, remodeling, energy conservation, and demolition would be allowable from PPEL because those activities are specifically and expressly authorized in the Iowa Code section. The Declaratory Order has added "technology" to the list of activities where those costs from paragraph (4) are allowable when they are an integral part of technology.
B. The term "maintenance" is used loosely to describe various activities. However, the law and court cases have a narrower definition of what is meant by that term. "Maintenance" and "repair" are separated, and each definition excludes the other. "Maintenance" in those cases means to cause to remain in a state of good repair; it includes cleaning, upkeep, preventative maintenance, keeping equipment in effective working condition and ready for daily use, minor repairs, replacing parts, inspecting for needed maintenance, preserving the existing state or condition, preventing a decline in the existing state or condition. Repair means restoring an existing structure or thing to its original condition, as near as may be, after decay, waste, injury, or partial destruction. This is the definition intended in section 298.3(1).
What is commonly called "maintenance" related to technology is not what the definition in law or court cases has meant; instead, districts are actually referring to a license renewal fee; technical assistance support contract; Internet subscriptions, licenses and fees; or cable or satellite services, etc. That is the meaning of maintenance from the laundry list in the Declaratory Order of potential items that fit within the definition of "technology."

9. Question: Would technology be a qualifying expenditure from SAVE?
Answer: The law states that SAVE may be used for any purposes allowed in 298.3 (PPEL). Therefore, if the expenditure is allowable from PPEL and is allowed by the district's revenue purpose statement, it is allowable from SAVE.

10. Question: Which items included in a technology bundle cannot be purchased from PPEL?
Answer: Excluded items would include software that is educational or instructional and professional development of staff that does not train staff in the operation of the computers/technology.

Bundling is optional. The reason a district might consider bundling is to meet the $500 threshold in the PPEL statute. Thus, all items in the bundle must be allowable under PPEL (meaning you can't include non-PPEL-covered items in a bundle being funded by PPEL).

11. Question: Can a district pay for contracted technology services from PPEL?
Answer: Yes, as long as the cost, whether stand alone or part of a bundle, meets the definition of technology, meets the $500 per unit (stand-alone unit or bundled technology unit, as applicable) cost threshold in PPEL, and is in reality a license renewal fee; a technical assistance support contract; an Internet subscription, license, or fee; or a cable or satellite service.

12. Question: Can a district pay for subsequent or discrete contracted technology services or for extended warranties from PPEL?
Answer: Even if the contracted technology service or the extended warranty is not part of the initial bundled technology purchase, it may still qualify as a technology cost in its own standing if it meets the criteria listed in the answer to question 11.

13. Question: Does the answer to question 11 mean that a district must terminate its employee and then contract the services with an outside provider in order to pay from PPEL?
Answer: Although the Declaratory Order intended to expand purchasing and funding opportunities for districts, the question related to employee salary and benefits was not submitted, and therefore, the Declaratory Order did not contemplate nor deal with this question—it neither specifically included nor excluded employees from providing the technology services to his/her employing district.

There are concerns in terminating an employee such as reduced availability to students and staff members, potential union issues, loss of IPERS, benefits, etc. If a district wishes to pursue this, they would be well-advised to first consult legal counsel.

In addition, the individual would need to meet the IRS requirements for an independent contractor determined through an IRS form SS-8 ruling. It is the Department's understanding that the IRS intends to take a close and careful look at these (high risk) situations due to abuse.

Costs associated with contracted technology services should be expensed, not capitalized unless, of course, the costs meet the capitalization criteria of GASB 51 (intangible assets) and the district's capitalization threshold for entity-wide statements.

14. Question: Software is a supply. Can it be expended from PPEL?
Answer: Even though a supply, software meets the definition of technology. Software can be either a stand-alone technology purchase or part of the bundled cost with the acquisition of a technology unit. The only software not eligible to be purchased from PPEL is software that is educational or instructional.

The costs associated with the software package will be coded as a supply; however, if the costs meet the capitalization criteria of GASB 51 (intangible assets) and the district's capitalization threshold, the costs may be capitalized for the entity-wide statement in the audit.

15. Question: Does the subject of this FAQ apply to electronic tablets as well as laptops?
Answer: Smartphones, electronic tablets, and other personal computing devices are not significantly different than laptops for the purposes of this FAQ. Smartphones and electronic tablets are designed to sync with and be backed upon other electronic devices; transferring files and printing is accomplished by some type of networking system or virtual storage that all devices can access, and additional applications may be necessary to perform functions needed by the district and its students, etc.; therefore, bundling and other discussions would apply.

16. Question: Our district uses a technology system/software to maintain our HVAC system. This purchased service/software monitors our building temperatures and functioning of our systems. Is this a technology cost that we can pay using PPEL funds? Can the HVAC system be considered "technology" so that maintenance is allowable from PPEL?
Answer: The HVAC system itself would be purchased under 298.3(1), paragraphs "b", "f" or "g" but not under paragraph "c." The Declaratory Order, Iowa Code, and this FAQ does not re-characterize expenditures. HVAC, without

regard to cost, would be expended from PPEL under 298.3(1)"b" if a new facility or under 298.3(1)"f" if a replacement or major repair to the HVAC system. The latter expressly states that repair "does not include maintenance."

Maintenance on the HVAC system would be payable from General Fund rather than PPEL; repair of the HVAC system could be expended from PPEL.

The purchase cost of the monitoring technology may be paid from PPEL if it qualifies as technology separate from the HVAC system itself and to the extent it meets the criteria listed in the answer to question 11.

17. Question: What procedures must the district follow to sell/dispose of laptops purchased from PPEL? Where are the proceeds deposited from the sale?
Answer: The district will follow the procedures required by Iowa Code section 297.22. This section requires that proceeds from the sale of personal property be receipted into the General Fund—it does not matter that the original cost was accounted for in the PPEL fund.

18. Question: When does this Declaratory Order go into effect?
Answer: This Declaratory Order was effective on the date it was issued, April 14, 2011, for the fiscal year 2010-2011.

Note that the Declaratory Order has been superceded by enacted amendments to Iowa Code and to rules.

19. Question: May a district change previous entries in its accounting records based on the broader definition of technology now in effect?
Answer: Districts cannot make adjustments to accounting transactions that were prior to the effective date of the broader definition.

20. Question: Is Microsoft Office considered educational software that by Iowa Code must be purchased only from the General Fund?
Answer: If the district has determined that the students need the software to participate in class or to do homework for a class, then it is educational software and consequently not covered by PPEL. (If the district would allow the nonpublic school to use its nonpublic textbook money to purchase the software, then it is educational software. It is the same definition for purposes of Iowa Code.)

21. Question: May a district charge a technology fee to students? Are there limits on fees? Are waivers required? What about deposits? Do deposits have to be returned?
Answer: A technology fee is allowable as a textbook rental fee and would follow the same requirements. Fees must be based on actual costs. If a technology fee is charged to students, the district is saying that the technology is a textbook substitute; in which case the technology can only be purchased from the General Fund and not from PPEL. If a technology fee is charged, the waiver provisions must be honored.

If a deposit is charged to students, it must be a reasonable amount. The district should deposit the check, but hold the deposits in that account and not use the deposits to pay any expenditure, such as repair or maintenance. The amount of the deposit would be returned to the student when the computer/technology is returned to the district; however, the district may reduce the amount of the deposit that it returns to the student by the actual costs of damage inflicted by the student while the computer/technology was in his/her possession (or should have been in his/her possession).

Refundable deposits are not subject to the free/reduced waiver provisions.

If the computer/technology is actually stolen and the theft reported, it is a theft of school property and is handled in the same way the district handles a theft from its computer lab.

The district should have a policy approved by its board on appropriate use, responsibilities, deposits, fees/fines, damage, and theft.

22. Question: What types of specific technology are permissive under PPEL or SAVE?
Answer: Although the Department appreciates that the list of potential items that might qualify as technology is very long, it believes that the districts can make these determinations locally using the guidance provided in the Code, rules, and this FAQ. The district administrative team, with or without its auditor, can make this determination by considering the following basic questions provided throughout this FAQ:
Does the cost meet the definition of "technology?" *(See question 11).*
Is the technology a stand-alone unit or does it qualify to be considered a bundled technology unit *(See questions 1 and 2)*
Has it been purchased, leased or lease-purchased from a single vendor in a single transaction?

Is the cost limited to the General Fund by Iowa Code? *(See question 10.)*

Is the cost otherwise excluded from PPEL? *(See question 8.)*

Does the cost meet the $500 threshold required in PPEL, for the stand-alone technology unit or the bundled technology unit in a single transaction, as appropriate? *(See question 11.)*

Is the cost considered "maintenance" as defined in Iowa Code/court cases, and therefore, disallowed from PPEL? *(See question 8 "B".)*

Sources of Revenue

Sources of revenue in the PPEL fund include a property tax, income surtax, and interest on the investment of those moneys, and proceeds from loan agreements in anticipation of the collection of the voter-approved property. Proceeds from the condemnation, sale or disposition of real property are revenue to the PPEL fund. Proceeds from loans for equipment pursuant to Iowa Code section 279.48, federal loans for asbestos projects pursuant to Iowa Code section 279.52, or loans for energy conservation projects pursuant to Iowa Code section 473.20 may be accounted for in the PPEL fund. If the school board intends to enter into a rental, lease, or loan agreement, only a property tax shall be levied for those purposes **(IAC 281--98.64(1)).**

The revenue from the regular and voter-approved PPEL levies shall be placed in the PPEL fund **(298.3).** The PPEL/VPPEL levy shall not exceed $1.67 per thousand dollars of assessed valuation. The regular PPEL shall not exceed 33 cents per thousand dollars of assessed valuation in the district and the voter-approved PPEL shall not exceed $1.34 per thousand dollars of assessed valuation in the district **(298.2(1).** Other sources include interest earned on money in the PPEL Fund **(298.3).**

The voter-approved PPEL may consist of a combination of a PPEL property tax levy and a PPEL income surtax **(298.2(1)).** VPPEL shall be funded either by a PPEL property tax, or by a combination of a PPEL property tax and PPEL income surtax [but not entirely from a PPEL income surtax]. However, if the board intends to enter into a rental or lease arrangement under section 279.26, or intends to enter into a loan agreement under section 297.36, only a property tax shall be levied for those purposes **(298.2(4)).**

In order to make immediately available proceeds of the voter-approved PPEL which has been approved by the voters as provided in section 298.2, the board of directors may, with or without notice, borrow money and enter into loan agreements in anticipation of the collection of the tax with a bank, investment banker, trust company, insurance company, or insurance group. The proceeds of a loan must be deposited in the PPEL fund. Payments from this fund must be for purposes authorized for the voter-approved PPEL. The fact that a school corporation may have previously borrowed money and entered into loan agreements under authority of section 297.36 does not prevent the school corporation from borrowing additional money and entering into further loan agreements if the aggregate of the amount payable under all of the loan agreements does not exceed the proceeds of the voter-approved PPEL **(297.36).**

Proceeds from the sale or disposition [but not the rental or lease] of real property shall be placed in the PPEL fund **(297.22(1)).** Moneys received from the condemnation, sale, or other disposition for public purposes of schoolhouses, school sites, or both schoolhouses and school sites, shall be deposited in the PPEL fund and may without a vote of the electorate be used for purposes authorized under section 298.3, as ordered by the board of directors of the school district **(279.41).**

Debt Service Fund (40)

Purpose and Use

A debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. A school district or AEA shall have only one debt service fund **(IAC--281—98.68).**

A debt service fund must be established in any school corporation which issues bonds or other authorized indebtedness. The debt service fund shall be used to pay interest as it becomes due and the amount necessary to pay the principal when due on bonds or other authorized indebtedness issued by the district, and to make payments required under a loan, lease-purchase agreement, or other evidence of indebtedness authorized by Code. Moneys available to service this debt and received from other sources shall be transferred to the debt service fund and the payment of the debt shall be made from this fund. Funds remaining in the debt service fund after payment of all outstanding debt in accordance with the original purpose of the indebtedness may be transferred by board resolution to the physical plant and equipment levy fund, or transferred to the general fund in accordance with subsection 278.1(1), paragraph "e" **(298A.10).**

In the case of an AEA, there should not be any balance remaining in a debt service fund because none should have been transferred from the general fund until principal and interest payments were due for payment. If there had been any balance remaining, it would be returned to the general fund immediately following each payment of principal and interest in the fiscal year. Subsection 278.1(1), paragraph ”e” does not apply to an AEA.

The board of directors shall expend the amount of the principal and interest due each year to maturity from the same fund into which the loan [or lease-purchase] proceeds were deposited **(279.53).** These amounts are transferred from the fund into which the loan or lease-purchase proceeds were deposited to the debt service fund when payment is due on the debt. This does not apply to bonded indebtedness. An AEA will deposit all long-term debt proceeds into the general fund and repay all long-term debt obligations from general fund resources that have been transferred to the debt service fund.

School boards shall not incur original indebtedness by the issuance of bonds until authorized by the voters of the school corporation **(274.2).**

Bonds shall mature within a period not exceeding twenty [20] years from date of issue, shall bear interest at a rate or rates not exceeding that permitted by chapter 74A, and shall be of such form as the board of directors shall by resolution provide, but the aggregate indebtedness of any school district shall not exceed five percent [5%] of the actual value of the taxable property within the district, as ascertained by the last preceding state and county tax lists **(296.1).**

The debt service fund contains only the current portion of the bonding program. Current assets include cash and temporary investments. Current liabilities include bonds due but unpaid and other unpaid debt service obligations. Amounts representing future bond maturities are shown in the governmental long-term liabilities/debt summary account.

Types of Expenditures

Expenditures from the debt service fund include the payment of principal and interest of the lawful bonded indebtedness maturing in the current year. An issuer of public bonds or obligations may provided for the payment of the costs of registration of its public bonds or obligations by the levy of additional taxes for the payment from the fund for the payment of the principal and interest of general obligation [GO] bonds or from any revenue source from which the principal and interest of the public bonds or obligations are payable **(76.10(6)).** The school board may pay in addition to the amount required to pay interest due on lawful bonded indebtedness such amount as it may deem necessary to apply on the principal **(298.18).** Expenditures also include the principal and interest payment on other indebtedness from resources transferred for that purpose from other funds.

Appropriate expenditures in the debt service fund include the following:

a. Payment of principal and interest of the lawful bonded indebtedness maturing in the current year as it becomes due. In determining how much is necessary to service bonds that mature in the current year, the board of directors shall consider the amount of earnings from temporary investments of debt service funds and beginning cash balances.
b. Payment of costs of registration of public bonds or obligations.
c. Payment of additional amounts as the board deems necessary to apply on the principal.
d. Payment of principal and interest when due that are required under a loan agreement, lease-purchase agreement, or other evidence of indebtedness authorized by the Iowa Code other than bonded indebtedness paid from resources transferred for that purpose to the debt service fund from other funds.
e. Payment of transfers to the PPEL fund by board resolution when funds remain in the debt service fund after payment of the entire balance of outstanding debt in accordance with the original purpose of the bonded indebtedness and after return of any excess amount transferred into the debt service fund from another fund or other indebtedness. The voters in the district may authorize the district to transfer the remaining balance to the general fund instead of the PPEL fund pursuant to Iowa Code subsection 278.1(1), paragraph *“e”* **(IAC 281--98.68(2)).**

Inappropriate expenditures in the debt service fund include payment of debt issued by one fund from resources transferred from a different fund unless expressly authorized by the Iowa Code and any other expenditure not listed in subrule 98.68(2) **(IAC 281--98.68(3)).**

Types of Transfers

The electorate, by vote, may direct the school board of directors to transfer any surplus funds in the debt service fund, PPEL fund, capital projects funds, or PERL fund to the general fund [but not the reverse] **(278.1(1)"e").** This does not apply to an AEA.

Any governmental fund authorized to incur long-term indebtedness and to make payments required under that loan, lease-purchase agreement, or other evidence of indebtedness authorized by Code, must transfer the amount of money necessary to pay principal and interest when due to the debt service fund to be accounted for there. Any balance remaining in the debt service fund after payment of all outstanding debt in accordance with the original purpose of the indebtedness may be transferred, by board resolution, to the physical plant and equipment levy fund; or transferred to the general fund in accordance with subsection 278.1(1), paragraph "e" **(298A.10).**

In the case of an AEA, there should not be any balance remaining in a debt service fund because none should have been transferred from the general fund until principal and interest were due for payment. If there had been any balance remaining, it would be returned to the general fund immediately following each payment of principal and interest in the fiscal year. Subsection 278.1(1), paragraph "e" does not apply to an AEA.

Sources of Revenue

Revenues include the levy on taxable property necessary to service the current year's bonds maturing and include earnings from temporary investments of debt service funds. The levy authorization is established by the voters under the provisions of 298.21. In determining how much is necessary to service the current year's bonds maturing, the board of directors shall consider the amount of earnings from temporary investments of debt service funds and consider beginning fund balance. The amount estimated and certified to apply on principal and interest for any one year shall not exceed two dollars and seventy cents [$2.70] per thousand dollars of the assessed valuation of taxable property except as follows. The amount estimated and certified may exceed two dollars and seventy cents [$2.70] by the amount approved by the voters of the district, but not exceeding four dollars and five cents [$4.05] per thousand of the assessed valuation of the taxable property within the school corporation, provided that the registered voters have first approved such increased amount at an election **(298.18).**

Revenues also include transfers from other funds for principal and interest due on authorized indebtedness authorized by Code in those funds **(298A.10).** The board of directors shall expend the amount of the principal and interest due each year to maturity from the same fund into which the loan [or lease-purchase] proceeds were deposited **(279.53).** These amounts are transferred from the fund into which the loan or lease-purchase proceeds were deposited to the debt service fund when payment is due on the debt. This does not apply to bonded indebtedness. An AEA will deposit all long-term debt proceeds into the general fund and repay all long-term debt obligations from general fund resources that have been transferred to the debt service fund.

The primary source of revenue in the debt service fund for an AEA is a transfer from General Fund when principal and interest is due on a lease-purchase of a capital project.

Sources of revenue in the debt service fund include the levy on taxable property authorized by the voters pursuant to Iowa Code section 298.21 and necessary to service bonds that mature in the current year, transfers from other funds for payments of interest and principal when due that are required under a loan, lease-purchase agreement, or other evidence of indebtedness authorized by the Iowa Code, and earnings from temporary investment of moneys in the debt service fund **(IAC 281--98.68(1)).**

Permanent Funds (50-59)

Purpose and Use

Permanent funds are used to account for resources received that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the school district's programs. The school district or area education agency shall not transfer its own resources to a permanent fund. The board of directors of the school district must take action to accept or establish each gift, devise, or bequest in permanent funds. It is the board's responsibility to ensure that the terms of the gift, devise, or bequest are compatible with the mission of and legal restrictions on the school district. Once accepted, gifts, devises, and bequests become public funding under the stewardship of the school district. If the purpose for which the moneys are to be spent is not in keeping with the overall objectives of the school district or AEA or legal authority of the school district or AEA, the board shall not assume responsibility of the moneys **(IAC 281—98.67(2))**.

A board must determine that the terms of the gift, devise, or bequest are not inconsistent with the objectives of a public school district/AEA, may be accepted by the board, and the board may exercise such powers with reference to the gift, devise, or bequest. The board of directors must take action to accept or establish trust funds [permanent funds]. It is the board's responsibility to insure that the funds will be used for purposes that are compatible with the mission of and restrictions on the district or AEA. Once accepted, it is the responsibility of the board to insure that the fiduciary relationship is carried out according to the terms of the agreement. If the purpose for which the money is to be spent is not in keeping with the overall objectives of the school district or AEA, the board shall not assume responsibility as a trustee for the fund. Gifts of cash or other assets shall not be accepted if the board cannot legally meet, justify, or agree to the prescribed conditions.

Upon their acceptance, gifts and bequests of money become public funding under the stewardship of the recipient. A court would likely void any transfer of public funds to a nonprofit organization **(OAG #00-8-2(L)).**

Trust, permanent, or agency funds shall be established by any school corporation to account for gifts it receives to be used for a particular purpose or to account for money and property received and administered by the district as trustee or custodian or in the capacity of an agent. Boards may establish trust, permanent, or agency funds as necessary **(298A.13).**

School corporations are authorized to take and hold property, real and personal, by gift and bequest and to administer the property through the proper officer in pursuance of the terms of the gift or bequest. Title shall not pass unless accepted by the governing board of the school corporation. Conditions attached to the gifts or bequests become binding upon the school corporation upon acceptance **(565.6).**

The board of directors of a school district which receives funds through a gift, devise, or bequest shall deposit the funds in a trust fund, permanent fund, or agency fund [as appropriate under GAAP] and shall use the funds in accordance with the terms of the gift, devise, or bequest **(279.42).** This would also apply to an AEA.

Types of Expenditure

The characteristics of the expenditures from a Permanent [Trust] Fund depend on the nature of the donor's conditions or the responsibilities of the trustee. All expenditures will be for the benefit of the district's programs.

Appropriate expenditures in the permanent funds include those that are consistent with the terms of the agreement, are legal expenditures to a school district/AEA, and are for the benefit of the school district/AEA **IAC 281--98.67(2)).**

Inappropriate expenditures in the permanent funds include transfers to nonprofit or private organizations, expenditure from principal, or any expenditure which is not consistent with the terms of the agreement, or legal to a school district/AEA, or for the benefit of the school district/AEA, or any expenditure from the principal portion **(IAC 281--98.67(3)).**

Sources of Revenue

Sources of revenue in the permanent funds include donations of cash, investment instruments, property, and interest on investments held. In permanent funds, only interest is available to benefit the school district's or AEA's programs **(IAC 281--98.67(1))**.

Proprietary Funds

Enterprise Funds

Enterprise funds are used to account for any activity for which a fee is charged to external users for good and services. Enterprise funds are required to be used to account for any activity whose principal revenue sources meet any of the following criteria:

- Legal requirement to recover costs through fees and charges, or
- Policy decision of the governing board of management to recover the costs of providing services through fees and charges.

School Nutrition Fund (61)

Purpose and Use

A school nutrition fund is an enterprise fund. A school nutrition fund must be established in any school corporation receiving moneys from the school meal program authorized under chapter 283A **(298A.11).**

All school districts shall operate or provide for the operation of lunch programs at all attendance centers in the school district. A school district may operate or provide for the operation of school breakfast programs at all attendance centers in the district, or provide access to a school breakfast program at an alternative site to students who wish to participate in a school breakfast program **(IAC 281—98.73)**.

A school district shall operate or provide for the operation of lunch programs at all attendance centers in the district. A school district may operate or provide for the operation of school breakfast programs at all attendance centers in the district, or provide access to a school breakfast program at an alternative site to students who wish to participate in a school breakfast program. The programs shall provide students with nutritionally adequate meals and shall be operated in compliance with the rules of the state board of education and pertinent federal law and regulation. The school lunch program shall be provided for all students in each district who attend public school four or more hours each school day and wish to participate in a school lunch program. School districts may provide school breakfast and lunch programs for other students **(283A.2(2)).**

Federal regulations require that the department of education annually review the operating balance of school lunch funds. If the operating balance exceeds three month's normal operating cost, schools are to establish and implement a plan of action to reduce the balance. Suggested methods might include:

1. Lower the student lunch price.
2 Start a breakfast program or expand an existing breakfast program.
3. Improve food quality and/or quantity.

A school which in good faith donates food to a charitable or nonprofit organization for ultimate free distribution to needy individuals is not subject to criminal or civil liability arising from the condition of the food if the donor reasonably inspects the food at the time of the donation and finds the food fit for human consumption. The immunity provided by this subsection does not extend to a donor if damages result from the negligence, recklessness, or intentional misconduct of the donor, or if the donor has, or should have had, actual or constructive knowledge that the food is tainted, contaminated, or harmful to the health or well-being of the ultimate recipient **(672.1(2)).**

Types of Expenditures

Appropriate expenditures in the school nutrition fund include the following:

a. Expenditures necessary to operate a school breakfast or lunch program such as salaries and benefits for employees necessary to operate the food service program, food, purchased services, supplies, and school nutrition equipment not included in Iowa Code section 283A.9.
b. Costs to provide food service for school staff and ancillary food services to staff meetings and authorized organizations for meetings on the premises in accordance with the rules of the board of directors of the school district if those costs are reimbursed by another fund, organization, or individual **(IAC 281--98.73(2))**.

Inappropriate expenditures in the school nutrition fund include the following:

a. Costs to provide food service for school staff and ancillary food services to staff meetings and authorized organizations for meetings on the premises at less than actual costs involved in providing the services including the value of donated government commodities.
b. Operating transfers to any other fund.
c. Costs to purchase, construct, reconstruct, repair, remodel, or otherwise acquire or equip a building for use as a school meal facility. These costs are permitted from the PPEL fund.
d. Costs estimated or allocated that are expenditures of the district **(IAC 281--98.73(3))**.

The acquisition of school meal facilities and equipping may be paid from the PPEL fund, subject to the terms of section 298.2 **(283A.9).**

Boards may authorize the use by senior citizen organizations of school meal facilities subject to reasonable rules and regulations of the board. Such use shall not interfere with the use of the facilities for public school purposes. The board may charge for such use an amount not to exceed the cost to the district **(283A.8**).

As a practical matter, food service is also available to school staff and may provide ancillary food services to staff meetings and authorized organizations for meetings on the premises in accordance with the rules of the board. The charges for such services must be no less than the actual costs involved in providing the services including the value of donated government commodities.

The Code does not allow school districts to provide school lunches without charge to staff members, except where staff members are on lunchroom supervisory duty or pursuant to contract **(OAG #82-2-6(L)).**

Operating transfers shall not be made from the school nutrition fund to any other fund.

Sources of Revenue

Sources of revenue in the school nutrition fund include food sales to pupils and adults, ancillary food services, state and federal grants in aid for the operation of a nutrition program, gifts, sales of services to other funds, donated government commodities, and interest on investment of school nutrition fund moneys. Also included are fees charged for providing food services to staff meetings and authorized organizations for meetings on the premises in accordance with the rules of the board. The charges for such services must be no less than the actual costs involved in providing the services including the value of donated government commodities **(IAC 281--98.73(1))**.

School boards may use gifts, funds disbursed to them under the provisions of chapter 283A, revenues received from sale of school breakfasts or lunches, and any other funds legally available for the purpose of operating a school breakfast or lunch program **(283A.2(1)).**

To define the term "any other funds legally available" used in section 283A.2 in reference to funds available to provide a school lunch program, the following is provided: in order that property tax funds could be used to pay for any part of the school lunch program an express statutory authority could be required for such use **(OAG #65-6-30).**

Child Care & Before and After School Program Fund (62)

Purpose and Uses

A child care fund is an enterprise fund. A child care fund must be established in any school corporation receiving moneys from the child care program authorized under section 279.49 **(298A.12).**

The board of directors of a school district may operate or contract for the operation of a program to provide child care to children not enrolled in school or to students enrolled in kindergarten through grade 6 before and after school, or to both **(IAC 281—98.74)**.

The board of directors of a school corporation may operate or contract for the operation of a program to provide child care to children not enrolled in school or to students enrolled in kindergarten through grade six before and after school, or to both. Programs operated or contracted by a board shall either meet standards for child care programs adopted by the state board of education or shall be licensed by the DHS under chapter 237A as a child care center. A program operated by a board under contract which is not located on property owned or leased by the board must be licensed by DHS **(279.49(2)).** The facilities housing a program operated under section 279.49 shall comply with standards adopted by the state fire marshal for school buildings under chapter 100. In addition, if a program involves children who are younger than school age, the facilities housing those children shall meet the fire safety standards which would apply to that age of child in a child care facility licensed by DHS **(279.49(4)).** The person employed to be responsible for a program operated or contracted by a board that is not licensed by DHS shall be an appropriately licensed teacher under chapter 272 or shall meet other standards adopted b the state board of education **(279.49(3)).**

The components of programs established under 279.49 for child care shall include, but are not limited to, parental involvement in program design and direction, activities designed to further children's physical, mental, and emotional development, and a parental education component to educate parents about the physical, mental, and emotional development of children **(279.49(7)).**

Types of Expenditures

Appropriate expenditures in the child care fund include salaries and benefits for employees necessary to operate the child care program or before- and after-school program, purchased services, supplies, and equipment **(IAC 281--98.74(2))**.

Inappropriate expenditures in the child care fund include debt service, capital outlay related to facilities, or any other expenditure not ordinary and necessary to operate the child care program or before- and after-school program **(IAC 281--98.74(3)**).

Sources of Revenue

Sources of revenue in the child care fund include a fee established by the board for the cost of participation in the program. The fee shall be established pursuant to a sliding fee schedule based upon staffing costs and other expenses and a family's ability to pay. If a fee is established, the parent or guardian of a child participating in a program shall be responsible for payment of any agreed-upon fee. The board may require the parent or guardian to furnish transportation of the child. If the board does not establish a fee, it must finance the program through grants or donations. The board may utilize or make application for program subsidies from any existing child care funding streams **(IAC 281--98.74(1))**.

The board may establish a fee for the cost of participation in a child care [and before & after school program] authorized under section 279.49. The fee shall be established pursuant to a sliding fee schedule based upon staffing costs and other expenses and a family's ability to pay. If a fee is established, the parent or guardian of a child participating in a program shall be responsible for payment of any agreed upon fee. The board may require the parent or guardian to furnish transportation of the child **(279.49(5)).**

If the board does not establish a fee, it must finance the program through grants or donations or other allowable sources. The board may utilize or make application for program subsidies from any existing child care funding streams **(279.49(6)).** No other fund may be used to subsidize the day care program unless such use is authorized by Code from that fund.

The child development coordinating council, subject to the availability of funds appropriated or otherwise available for the purpose of providing child development services, shall award grants for programs that provide new or additional child development services to at-risk children **(256A.3(5)).** Program grants funded under this subsection may integrate children not meeting at-risk criteria into the program and shall establish a fee for participation in the program in the manner provided in section 279.49, but grant funds shall not be used to pay the costs of those [non at-risk] children **(256A.3(5)"b").**

The board of each school district may develop and offer a program which provides outreach and incentives for the voluntary participation of expectant parents and parents of children in the period of life from birth through age 5, who reside within district boundaries, in educational family support experiences designed to assist parents in learning about the physical, mental, and emotional development of their children. A board may contract with another school district or public or private nonprofit agency for provision of the approved program or program site **(256A.4(1)).** A district may receive moneys from state and federal sources, and may solicit funds from private sources. The district shall maintain a separate account [fund] within the district for moneys allocated for family support programs **(256A.4(4)).**

Regular Education Preschool (63)

Purpose and Uses

The board of directors of a school district may establish a preschool for students who are not of school age **(IAC 281—98.75)**. The portion of the preschool program that is comprised of the statewide voluntary four-year-old preschool is accounted for in the general fund. The preschool program for students with instructional IEPs is accounted for in the general fund. All other regular education preschool programs are accounted for in an enterprise fund, called the regular education preschool fund.

The board may establish a preschool for students who are not of school age, generally 3 and 4 year olds without IEPs. The board may establish a fee for the cost of participation based on costs. If a fee is established, the parent or guardian of a child participating in a program shall be responsible for payment of any agreed upon fee. If the board does not establish a fee, it must finance the program through grants or donations or other allowable sources.

Types of Expenditures

Appropriate expenditures in the regular education preschool fund include salaries and benefits for employees necessary to operate the regular education preschool program, purchased services, instructional supplies, and instructional equipment (**IAC 281--98.75(2))**.

Inappropriate expenditures in the regular education preschool fund include debt service, capital outlay related to facilities, or any other expenditure not ordinary and necessary to operate the regular education preschool program **(IAC 281--98.75(3))**.

Sources of Revenue

Sources of revenue in the regular education preschool fund include a fee established by the board for the cost of participation in the program. If a fee is established, the parent or guardian of a child participating in a program shall be responsible for payment of any agreed-upon fee. If the board does not establish a fee, it must finance the program through grants or donations. The statewide voluntary four-year-old preschool program established under Iowa Code chapter 256C shall not be accounted for in the regular education preschool fund **(IAC 281--98.75(1))**.

Student Construction (64)

Purpose and Uses

281—98.76(298A) Student construction fund. If the board of directors of a school district establishes a construction program whereby students learn a construction trade and the facility constructed is sold to cover costs of construction, the revenues and expenses will be accounted for in the student construction fund.

The provisions of section 297.22, subsections 1 and 2, related to the sale, lease, or disposition of school district property do not apply to student-constructed buildings and the property on which student-constructed buildings are located. The board of directors of a school district may sell, lease, or dispose of a student-constructed building and the property on which the student-constructed building is located, and may purchase sites for the erection of additional student-constructed structures, by any procedure which is adopted by the board **(297.22(3)).**

The Guidance from the Iowa State Auditor's Office was released in July 2008 was revised in 2013 to reflect the Position of the Department of Education:

What fund should Districts use to account for a student construction program?
A student construction program is accounted for in an Enterprise Fund – fund 64 per DE chart of accounts. Districts using General Fund money (as discussed below) for allowable start-up costs of the educational program should transfer from the General Fund to the Enterprise Fund, as needed to pay specific invoices to the extent the new program was approved by the SBRC.

To maintain proper accountability and control, and to avoid misstatement of the General Fund unspent balance, Districts should not transfer a lump-sum from the General Fund to the Enterprise Fund.

How can Districts finance the materials and supplies needed for subsequent student construction?
Districts should use the proceeds from the sale of previous student construction in the Enterprise Fund to purchase materials and supplies for subsequent construction. If the proceeds are insufficient, Districts can borrow from any fund with funds available to loan, including the General, PPEL or SAVE funds. Loans, including terms (interest, if any, and repayment timeline) should be approved by the Board of Education and documented in the Board minutes.

Do Districts have to repay the loan by June 30 (year-end) or can the District's record an interfund loan receivable/payable at year-end?
The Department of Education issued a revised Declaratory Order, dated June 16, 2008, and further revised October 2009 available on the Department of Education's web site at:
http://educateiowa.gov/index.php?option=com_content&view=article&id=1572&Itemid=4213#AppealDecisions

According to the Order, there are four requirements which Districts must comply with to issue loans between funds. Requirement number 4 (on page 3 of the Order) requires the loan to be repaid before October 1st of the fiscal year following the fiscal year within which the loan occurred.

So, if a District executes a loan agreement, as described in the Order and is unable to repay the loan by the following October 1st, the District would need to make a request to the SBRC for a longer period in which to repay the interfund loan.

Loans outstanding at fiscal year-end would be recorded on the balance sheet as an interfund loan receivable or an interfund loan payable. Interfund operating transfers would not be used for this transaction.

Can Districts expend PPEL and/or SAVE dollars for student construction, rather than "loan" these funds to the Enterprise Fund, Student Construction account?

Yes. PPEL and/or SAVE dollars may be used for the purpose of land as part of the start-up costs for a new district program, but not for materials and supplies for a facility intended to be sold.

If students constructed a building or shed for the school district, retained by and used by the school district, PPEL and/or SAVE dollars could be expended by the District for construction materials and supplies of the project.

What costs, if any, can be paid from the General Fund?
Districts may pay the start-up costs of a new education program, the instructor's salary and benefits, and other classroom costs and related student transportation from the General Fund.

Are there any statutory requirements pertaining to the disposition of student-constructed buildings?
Chapter 297.22(3) of the Code of Iowa, states: "The provisions in subsections 1 and 2 relating to the sale, lease, or disposition of school district property do not apply to student-constructed buildings and the property on which student-constructed buildings are located. The board of directors of a school district may sell, lease, or dispose of a student-constructed building and the property on which the student-constructed building is located, and may purchase sites for the erection of additional [student-constructed] structures, by any procedure which is adopted by the board."

The Board's approval of the procedures should be documented and included in the published Board minutes. If Districts do not already have a policy relating to the disposition of student constructed buildings/property, the Board of Directors should address this through Board policy.

Chapter 98.76 of the Iowa Administrative Code, states:
"If the board of directors of a school district establishes a construction program whereby students learn a construction trade and the facility constructed is sold to cover costs of construction, the revenues and expenses will be accounted for in the student construction fund."

Does 297.22(3) allow outright purchase of sites (not loans) from General; PPEL and/or SAVE?
No. Approval of procedures does not include the authority to select a fund that could not otherwise purchase land or construction materials.
For a new program, start up costs for the first student construction project may be paid from funds other than Enterprise. Land may be purchased from PPEL and SAVE if the RPS allows pursuant to 298.3(1)"a"(1), and construction materials and supplies may be paid from the general fund for student construction intended to be sold.

What is the best way to "sell" student-constructed buildings?
Typically, students complete the construction and the District advertises and offers the building on a competitive bid basis, publicly invited and opened. Districts could also build to specifications of a predetermined buyer provided the District does not use public funds to "subsidize" the cost of the construction. In this case, the District should have a written agreement with the buyer, and the buyer must cover all costs needed for the construction including costs, if any, to transport the materials and supplies to the building site. The written agreement with the buyer should include provisions to ensure the buyer remains responsible for increases in cost; change orders; etc. and to ensure that no public funds are used for the land or construction.

A School Foundation has requested a District to consider adopting/adding a program to construct student built houses with the house sale proceeds donated to the Foundation to provide funding for student scholarships. The Foundation has asked the District to provide the funds to purchase the lot, materials, supplies and any contracted services that may need to be purchased and pay the insurance coverage. The students would supply the labor, as part of a high school curriculum program for high school credit. The instructor's salary and benefits would be paid from the General Fund.

Article III, Section 31 of the Constitution of the State of Iowa requires public funds be spent for the public benefit. Districts cannot divert public funds to a Foundation for scholarships or other purposes. Since the District is funding the program, providing the insurance coverage and providing the financial support, the proceeds from the sale of the building are public funds and may not be given to a private, non-profit organization such as a Foundation.

What does a district do with the balance remaining in the student construction enterprise fund when the board has discontinued its student construction program?
Any balance remaining in a student construction enterprise fund shall be retained for future student construction projects; however, in the case of a discontinued program, the balance may be transferred, by board resolution, to the general fund or other fund from which the surplus originated.

Enterprise Funds 65-67 are used for community service enterprises. These are activities provided by the district for a fee to the general community or segment of the community that are not required to be free or required to be accounted

for in the PERL or Library Funds. Examples are public libraries, community pool, community wellness center, community or adult education.

Enterprise Funds 68-69 are used for enterprises that support the school program. Examples would be a student farm, greenhouse, COOP purchasing, school stores, or major resale activities.

Enterprise funds are used to account for any activity for which a fee is charged to external users for goods and services. Enterprise funds are required to be used to account for any activity whose principal revenue sources are fees and charges to recover the costs of providing goods or services where those fees and charges are permitted by the Iowa Code. Funds discussed in rules 281—98.73(283A,298A) through 281—98.76(298A) are enterprise funds. In addition, enterprise funds include those activities related to community service enterprises or enterprises that support the school curricular program. Community service enterprises are activities provided by the district for a fee to the general community or segment of the community that are not in the PERL or library funds such as public libraries, community pool, community wellness center, and community or adult education. Enterprises that support the school program include activities such as a student farm, greenhouse, cooperative purchasing, school stores, or major resale activities **(IAC 281—98.77).**

Internal Service Funds (70-79)

Internal service funds are used to account for the financing of services provided within the district to provide goods or services to other funds, component units, or other governments on a cost-reimbursement basis. The use of an internal service fund is appropriate only for activities in which the agency, school district or area education agency is the predominant participant in the activity. If the district or area education agency is not the primary user of the goods or services provided by the internal service fund, then the activity should be accounted for in an enterprise fund rather than an internal service fund. Internal service funds include, but are not limited to, self-insurance funds, flex-benefit (cafeteria) plan funds, print shops, health reimbursement arrangements (HRAs), central warehousing and purchasing, and central data processing **(IAC 281—98.82)**.

Self-Insurance Fund (71)

Flex-Benefits (Cafeteria) Plan Fund (72)

Print Shop Fund (73)

Health Reimbursement Arrangements (HRAs) Fund (74)

Fiduciary Funds

Trust, permanent, or agency funds shall be established by any school corporation to account for gifts it receives to be used for a particular purpose or to account for money and property received and administered by the district as trustee or custodian or in the capacity of an agent. Boards may establish trust, permanent, or agency funds as necessary **(298A.13).** Trust and agency funds are fiduciary.

A school district or AEA which acts as the fiscal agent for a grant will use an agency fund, if not appropriate to the general fund, to account for the grant received on behalf of the other members of the consortium rather than a trust fund.

A board must determine that the terms of the gift, devise, or bequest are not inconsistent with the objectives of a public school district/AEA, may be accepted by the board, and the board may exercise such powers with reference to the gift, devise, or bequest. The board of directors must take action to accept or establish trust or agency funds. It is the board's responsibility to insure that the funds will be used for purposes that are compatible with the mission of and restrictions on the district/AEA. Once accepted, it is the responsibility of the board to insure that the fiduciary relationship is carried out according to the terms of the agreement. If the purpose for which the money is to be spent is not in keeping with the overall objectives of the school district/AEA, the board shall not assume responsibility as a trustee, custodian or agent for the fund. Gifts of cash or other assets shall not be accepted if the board cannot legally meet, justify, or agree to the prescribed conditions.

Upon their acceptance, gifts and bequests of money become public funding under the stewardship of the recipient. A court would likely void any transfer of public funds to a nonprofit organization **(OAG #00-8-2(L)).**

Trust, permanent, or agency funds shall be established by any school corporation to account for gifts it receives to be used for a particular purpose or to account for money and property received and administered by the district as trustee or custodian or in the capacity of an agent. Boards may establish trust, permanent, and agency funds as necessary **(298A.13).**

School corporations are authorized to take and hold property, real and personal, by gift and bequest and to administer the property through the proper officer in pursuance of the terms of the gift or bequest. Title shall not pass unless accepted by the governing board of the corporation. Conditions attached to the gifts or bequests become binding upon the corporation upon acceptance **(565.6).**

The board of directors of a school district/AEA which receives funds through a gift, devise, or bequest shall deposit these funds in a trust fund, permanent fund, or an agency fund [as appropriate under GAAP] and shall use the funds in accordance with the terms of the gift, devise, or bequest **(279.42).**

Trust Funds (80-89)

These funds account for assets held by a school district in a trustee capacity for others (e.g., members and beneficiaries of pension plans and other postemployment benefit [OPEB] plans, external investment pools, or private-purpose trust arrangements) and that therefore cannot be used to support the school district's own programs. Trust funds are generally accounted for using the economic resources measurement focus and the accrual basis of accounting (except for the recognition of certain liabilities of defined benefit pension plans and certain postemployment health care plans; refer to GASB Statements 26, 27, 43, and 45 for guidance on the recognition of these liabilities). These Trust Funds will include both those that allow use of only the interest on the investments and those that allow use of both principal and interest. Trust funds include pension trust funds (including OPEB plans), investment trust funds, and private-purpose trust funds.

Purpose and Use

The Trust Fund is used to account for moneys received in trust where those moneys, both principal and interest, or just interest, are held for others and therefore cannot be used to benefit the district.

Trust funds are fiduciary funds established to account for gifts the school district/AEA receives to be used for a particular purpose or to account for moneys and property received and administered by the school district/AEA as trustee. These trust funds are used to account for assets held by a school district/AEA in a trustee capacity to benefit individuals, private organizations, or other governments, and cannot be used to support the school district's or AEA's own programs. These trust funds include both those that allow use of only the interest on the investments and those that allow use of both principal and interest. The school district or area education agency shall not transfer its own resources to a trust fund. Other trust funds may include but not be limited to pension trust funds and investment trust funds. Pension trust funds are used to account for resources that are required to be held in trust for members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other benefit plans. Typically, these pension trust funds are used to account for local pension and other employee benefit funds that are provided by a school district/AEA in lieu of or in addition to any state retirement system. Investment trust funds are used to account for the external portion (i.e., the portion that does not belong to the school district/AEA) of investment pools operated by the school district/AEA **(IAC 281—98.93).**

Types of Expenditure

The characteristics of the expenditures from a Trust Fund depend on the nature of the donor's conditions or the responsibilities of the trustee. None of the expenditures will be for the benefit of the district's programs.

Sources of Revenue

Sources of revenue include donations of cash, investment instruments, property, and interest on investments held.

Private-Purpose Trust Funds (81-84)

Purpose and Use

Private purpose trust funds are fiduciary funds established to account for gifts the school district/AEA receives to be used for a particular purpose or to account for moneys and property received and administered by the school district/AEA as trustee. These trust funds are not irrevocable trusts and are used to account for assets held by a school district/AEA in a trustee capacity to benefit individuals, private organizations, or other governments, and therefore cannot be used to support the school district's or AEA's own programs. These trust funds include both those that allow use of only the interest on the investments and those that allow use of both principal and interest. Scholarship trust funds are an example of private purpose trust funds. If a school district has more than one scholarship trust, the school district shall use project codes in accordance with Uniform Financial Accounting for Iowa School Districts and Area Education Agencies to separately account for the trusts. The district or area education agency shall not transfer its own resources to a private purpose trust fund **(IAC 281—98.9)**.

Types of Expenditure

Appropriate expenditures in the private purpose trust fund include those that are consistent with the terms of the agreement or are for the benefit of a private purpose other than the school district/AEA. None of the expenditures will be for the benefit of the school district's or AEA's own programs **(IAC 281--98.92(2))**.

Inappropriate expenditures in the private purpose trust fund include any expenditure which is not consistent with the terms of the agreement, not legal to a school district, or that benefits the school district's programs **(IAC 281--98.92(3))**.

Sources of Revenue

Sources of revenue in the private purpose trust fund include donations of cash, investment instruments, property, and interest on investments held **(IAC 281--98.92(1)).**

Scholarship Trust Funds (81)

Scholarship Trust Funds are Private-Purpose Trust Funds. If a district has more than one Scholarship Trust, it will use project codes to separately account for the trusts.

Pension Trust Funds (85-86)

These funds are used to account for resources that are required to be held in trust for members and beneficiaries of defined benefit pension plans, defined contribution plans, other post-employment benefit plans, or other benefit plans. Typically, these funds are used to account for local pension and other employee benefit funds that are provided by a school district/AEA in lieu of or in addition to any state retirement system. Des Moines Independent School District is the only district with a Pension Trust Fund.

Investment Trust Funds (87-89)

These funds are used to account for the external portion (i.e., the portion that does not belong to the school district/AEA) of investment pools operated by the school district/AEA.

Agency Funds (90-99)

Purpose and Use

Agency funds are used to account for funds that are held in a custodial capacity by the school district/AEA for individuals, private organizations, or other governments. Agency funds may include moneys collected for another government, a grant consortium when the school district/AEA serves as fiscal agent for the other school districts or AEAs but has no managerial responsibilities, or funds for a teacher or a parent-teacher organization which has its own federal identification number (FIN). In an agency fund, the school district or AEA merely renders a service as a custodian of the assets for the organization owning the assets and the school district or AEA is not an owner. Agency funds typically involve only the receipt, temporary investment and remittance of assets to their rightful owners **(IAC 281—98.101)**.

Moneys owned by the school district/AEA would not be accounted for in agency funds.

Types of Disbursements

Appropriate disbursements from an agency fund depend on the nature of the rightful owners' conditions or the responsibilities of the custodian. Typically, disbursement will involve remittance of assets to their rightful owners or to a third party on behalf and at the request of the rightful owners. The school district cannot disburse more funds at any point in time than it has received from the rightful owner **(IAC 281--98.101(2))**.

Inappropriate disbursements from agency funds include any disbursement which is not consistent with the terms of the agreement, not legal to a school district, or that exceeds the amount of funds that have been received from the rightful owner or on behalf of the rightful owner **(IAC 281--98.101(3))**.

Sources of Receipts

Sources of receipts in the agency funds include temporary receipts of cash, investment instruments, property, and interest on investments held **(IAC 281--98.101(1))**.

CHAPTER 10

FINANCIAL MANAGEMENT OF CATEGORICAL FUNDING

DEFINITIONS

"Budgetary allocation" means the portion of the funding that is specifically earmarked for a particular purpose or designated program and which, in the case of the general fund, has been rolled into, or added to, the school district cost per pupil or school district regular program cost. Budgetary allocations may include both state aid and property tax. Budgetary allocations increase budget authority on the first day of the fiscal year for which the allocation has been certified or on the date that the school budget review committee approves modified supplemental amount for a specific purpose or program; the budget authority remains even if the full amount of revenue is not received or if the local board does not levy a cash reserve. There is no assumption that a school district or AEA will receive the same amount of revenue as it has received in budget authority due to delinquent property taxes, cuts in state aid, or legislative decisions to fund other instructional programs off the top of state aid. The school district or AEA must expend the full amount of budget authority for the specific purposes for which it was earmarked. When the school district or state cost per pupil is transferred from one school district to another school district in the form of tuition as required by the Iowa Code, any budgetary allocation that is included in the school district or state cost per pupil shall be considered transferred to the receiving school district and shall be expended for the specific purpose for which it was earmarked **(IAC 281—98.1).**

"Categorical funding" means financial support from state and federal governments that is targeted for particular categories of students, special programs, or special purposes. This support is in addition to school district or area education agency general purpose revenue, is beyond the basic educational program, and most often has restrictions on its use. Where categorical funding requires a local match, that local match also is considered to be categorical funding. Categorical funding includes both grants in aid and budgetary allocations. Although grants in aid and budgetary allocations are both categorical funding, they are defined separately to distinguish unique characteristics of each type of categorical funding **(IAC 281—98.1).**

"Grants in aid" means financial support, usually from state or federal appropriations, that is either allocated to the school district or AEA or for which a school district or AEA applies. This support is paid separately from state foundation aid. In the general fund, grants in aid become miscellaneous income and increase budget authority when the support is received as revenue **(IAC 281—98.1).**

"Supplement, not supplant" means that the categorical funding shall be in addition to general purpose revenues; that categorical funding shall not be used to provide services required by federal or state law, administrative rule, or local policy; and that general purpose revenues shall not be diverted for other purposes because of the availability of categorical funding. Supplanting is presumed to have occurred if the school district or AEA

1. uses categorical funding to provide services that it was required to make available under other categorical funding or law, or
2. uses categorical funding to provide services that it provided in prior years from general purpose revenues, or
3. uses categorical funding to provide services to a particular group of children or programs for which it uses general purpose revenues to provide the same or similar services to other groups of children or programs.

These presumptions are rebuttable if the school district or AEA can demonstrate that it would not have provided the services in question with general purpose revenues if the categorical funding had not been available **(IAC 281—98.1)**.

GENERAL PROVISIONS

The categorical funding provided for various purposes to school districts and AEAs includes general financial characteristics that are detailed in the following.

<u>Indirect cost recovery</u>
Categorical funding provided by the state to school districts or AEAs is not eligible for indirect cost recovery unless the Iowa Code section authorizing the funding or allocation expressly states that indirect cost recovery is permitted from that source. If the Iowa Code permits indirect cost recovery, the school district or AEA shall utilize its restricted indirect cost rate developed by the department for federal programs from data submitted by the school district or AEA on its certified annual report [CAR] **(IAC 281--98.2(1).**

The accounting structure used in governmental financial reporting is based on the expenditure classifications of fund, function, and object. These elements are the foundation for recording and reporting the financial data for school districts. Although this level of reporting can be used to compare district and state information, the data needs of school board members, administrators, school patrons, special-interest groups (including employees and parents), state policymakers, the media, and the public—the "data user groups" of the school district—may extend beyond expenditure classifications to school and program reporting. In order to get to greater detail to meet these local needs requires districts to utilize additional dimensions than just those assigned in the expenditure classifications, or to create reports externally in a database using exports from the accounting system. These special reports may be used for local purposes but shall not be used for audit reports or official financial reports **(UFA, chapter 7).**

Restriction on supplanting
Categorical funding shall supplement, but shall not supplant, expenditures in the appropriate fund into which the categorical funding is deposited and accounted for, unless the Iowa Code section authorizing the funding or allocation expressly states that supplanting is permitted from that source **(IAC 281--98.2(2).**

Mandatory carryforward
Any portion of categorical funding provided by the state that is not expended by the end of the fiscal year in which it was received by or for which it was allocated to the school district or AEA shall be carried forward as a reserved fund balance and added to the subsequent year's budget for that purpose. The funding can only be expended for the purposes permitted for that categorical funding. Where a local match is required for categorical funding, the amount unexpended at the end of the fiscal year that is carried forward shall not be used as part of the required local match **(IAC 281--98.2(3)**.

Discontinued funding
In the event that a categorical funding source is discontinued and an unexpended balance remains, the school district or AEA shall carry forward the unexpended balance and expend the remaining balance within the subsequent 24 months for the purposes which were allowed in the final year that the funding was allocated or granted prior to discontinuation unless a rule in this chapter provides for a longer period. This subrule does not apply to market factor incentive pay funding, which may be carried forward until expended, but any expenditures from the market factor incentive pay funding must be appropriate under Iowa Code section 284.11 (2007 and 2007 supplement) **(IAC 281--98.2(4)**.

Expenditures
Expenditures from categorical funding shall be limited to direct costs of providing the program or service for which the funding was intended. Expenditures shall not include costs that are allocated costs or that are considered indirect costs or overhead. Expenditures for the functions of administration, business and central services, operation and maintenance of plant, transportation, enterprise and community service operations, facility acquisition and construction, or debt service generally are not allowed from categorical funding unless expressly allowed by the Iowa Code or if the expenditure represents a direct, allowable cost. In order for costs of administration, business and central services, operation and maintenance of plant, transportation, or enterprise and community service operations to be considered direct costs,

1. the costs must be necessary because of something that is unique to the program that is causing the need for the service, not otherwise needed or not otherwise provided to similar programs;
2. the costs must be in addition to those which are normally incurred; and
3. the costs must be measurable directly without allocating.

Where a local match is required for categorical funding, that local match requirement shall not be met by the use of other categorical funding except where expressly allowed by the Iowa Code. Expenditures shall not include reimbursing the school district or AEA for expenditures it paid in a previous year in excess of the funding available for that year **(IAC 281--98.2(5)**.

Restriction on duplication
The school district or AEA shall not charge the same cost to more than one funding source **(IAC 281--98.2(6)**.

Excess expenditures
The school district or AEA shall not charge to categorical funding more expenditures than the total of the current year's funding or allocation plus any carryforward balance from the previous year **(IAC 281--98.2(7)**.

Commingling prohibited
Categorical funding shall not be commingled with other funding. All categorical funding shall be accounted for separately from other funding. School districts and area education agencies shall use a project code and program code as defined by Uniform Financial Accounting for Iowa School Districts and AEAs, as appropriate or required **(IAC 281--98.2(8)**. "Appropriate or required" is determined by the Department of Education.

APPROPRIATE USE OF BUDGETARY ALLOCATIONS

Categorical and Noncategorical Student Counts

The certified enrollment data collection includes both student counts related to budgetary allocations for the subsequent budget year that are provided for the purpose of offering a program that is in addition to the basic educational program for a specific category of students and student counts that are general in nature and can be used for any legal general fund purpose. Student counts that are general in nature are used to generate funding through the school aid foundation formula and are not intended to fund a specific program or a specific category of students. General student counts include the basic enrollment of full-time resident students **(IAC 281—98.11)**.

Counts for part-time nonpublic students participating in public school classes pursuant to Iowa Code section 257.6(3) and counts for part-time dual enrolled competent private instruction students in grades 9 through 12 are the full-time equivalent enrollment of a regularly enrolled student. Counts for dual enrolled competent private instruction students in grades lower than grade 9 are the legislatively set equivalent of a regularly enrolled full-time student. Counts for part-time nonpublic students and for part-time dual enrolled competent private instruction students in grades 9 through 12 who participate in the postsecondary enrollment option Act (PSEO) classes are the full-time equivalent of a regularly enrolled student based on cost. Because these counts are the full-time equivalent of a regularly enrolled student, and are not in addition to the full-time equivalent, the funding generated within the school aid foundation formula based on these counts is considered general in nature **(IAC 281—98.11)**.

Student counts related to categorical budgetary allocations are those that generate funding intended to be used for only that specific category of students being counted or for the specific program for which the additional counts are authorized in the Iowa Code **(IAC 281—98.11)**.

"Dual enrollment" means enrollment of a child who receives competent private instruction, including a child over compulsory attendance age, in a school district to enable the child to participate in any academic or extracurricular activity on the same basis as similarly-situated public school children. Dual, as the name implies, is enrollment in two places: public education for classes or extracurricular activities and private education under CPI. So the same student is both a public student and a private student for portions of the school day.

If a parent, guardian, or legal custodian of a school-age child who is receiving competent private instruction under chapter 299A submits a request, the child shall also be registered in a public school for dual enrollment purposes. If the child is enrolled in a public school district for dual enrollment purposes the child

1. shall be permitted to participate in any academic activities in the district and
2. shall also be permitted to participate on the same basis as public school children in any extracurricular activities available to children in the child's grade or group.

Dual enrollment of a child solely for purposes of accessing the annual achievement evaluation shall not constitute a dual enrollment purpose **(299A.8).**

If a child is under dual enrollment and the standardized test option has been selected by the child's parent, guardian, or legal or actual custodian, the district shall administer the standardized test to the child, delegate the test administration to the appropriate AEA, or allow the child's parent, guardian, or legal or actual custodian to procure standardized testing through a correspondence or other school accredited by an accrediting agency approved by the federal Department of Education, or through any testing service authorized by the publisher of any test approved by the state Department of Education for assessment purposes. If the child is under dual enrollment, no fee is charged to the parent, guardian, or legal or actual custodian **(IAC 281—31.5(2)"a").**

A child under dual enrollment may participate in academic or instructional programs of the district on the same basis as any regularly enrolled student. A child under dual enrollment also is eligible to enroll in courses that offer secondary and postsecondary credit on the same basis as any regularly enrolled student. A child under dual enrollment must receive at least one-quarter [1/4 or 25%] of the child's instruction by way of competent private instruction and no more than three-quarters [3/4 or 75%] by way of the district's academic programs **(IAC 281—31.6(2)).**

A child under dual enrollment is eligible to receive the services and assistance of the appropriate AEA on the same basis as are children otherwise enrolled in the district. The district shall act as liaison between the parent, guardian, or legal or actual custodian of a child who is receiving competent private instruction and the AEA **(IAC 281—31.6(5)).**

Specific Budgetary Allocation Program

Home School Assistance Program

The home school assistance program (HSAP) is a program for a specific category of students and is provided outside the basic educational program that is provided to regularly enrolled students by the school district **(IAC 281—98.12).** The students in a HSAP program are private school students who are being taught by parents, guardians, or legal custodians and those parents, guardians or legal custodians are being supervised by a teacher who is a public school teacher.

"Private instruction" means instruction using a plan and a course of study in a setting other than a public or organized accredited nonpublic school **(299A.1).**

"Competent private instruction" means private instruction provided on a daily basis for at least one hundred forty-eight [148] days during a school year, to be met by attendance for at least thirty-seven [37] days each school quarter, by or under the supervision of a licensed practitioner in the manner provided under section 299A.2 [HSAP or licensed practitioner who is, or is provided by, the parent, guardian, or legal custodian of the child], which results in the student making adequate progress **(299A.1).**

"Independent private instruction" means instruction that meets the following criteria:
(1) Is not accredited.
(2) Enrolls not more than four unrelated students.
(3) Does not charge tuition, fees, or other remuneration for instruction.
(4) Provides private or religious-based instruction as its primary purpose.
(5) Provides enrolled students with instruction in mathematics, reading and language arts, science, and social studies.
(6) Provides, upon written request from the superintendent of the school district in which the independent private instruction is provided, or from the director of the department of education, a report identifying the primary instructor, location, name of the authority responsible for the independent private instruction, and the names of the students enrolled.
(7) Is not a nonpublic school and does not provide competent private instruction as defined in this subsection.
(8) Is exempt from all state statutes and administrative rules applicable to a school, a school board, or a school district, except as otherwise provided in chapter 299 and this chapter **(299A.1).**

A HSAP is not dual enrollment, but the parent, guardian, or legal or actual custodian of a child enrolled in a HSAP may request dual enrollment in addition to enrollment in a HSAP **(IAC 281—31.5(5)).**

Children participating in a HSAP are not required to have the annual evaluation required otherwise by Code **(299A.2).** A school district or area education agency shall, if requested, administer the annual achievement evaluation at no cost to the parent, guardian, or legal custodian of the child being evaluated, and, in addition, the parent, guardian, or legal custodian is not required to reimburse the evaluating entity for costs incurred as a result of evaluation under section 299A.9. The administration of the annual achievement evaluation shall not constitute a dual enrollment purpose under section 299A.8. **(299A.4(6)).** In the rare situation where the parent, guardian, or legal custodian did not request the annual evaluation but has given permission to the HSAP supervisor to have the annual evaluation conducted in order for the HSAP supervisor to perform his/her responsibility of determining that annual progress has been made by the child and this determination could not be made without the annual evaluation, the cost of the evaluation would be an appropriate expenditures of HSAP funds **(DE guidance, 2010).**

If a child under competent private instruction, and not under dual enrollment, is to be administered a standardized test for purposes of assessment, the district shall charge and collect from the child's parent, guardian, or legal or actual custodian a fee for the actual cost of the testing if administered by the public school or area education agency. The fee shall include the cost of the test materials, a prorated fee reflective of the personnel costs of administration based upon the number of students taking the test, and the cost of scoring **(IAC 281—31.5(2)"b").**

Unless the child is under dual enrollment, the parent, guardian, or legal or actual custodian who has selected the standardized testing option shall timely reimburse the school district for the cost of testing the child **(IAC 281—31.8(2)"d").**

A school district shall not make monetary payments, including cash and cash equivalents, or give publicly funded resources, directly or indirectly to the parent, guardian, or legal or actual custodian or to a child receiving competent private instruction. A school district shall not purchase texts or supplementary materials for or on behalf of a child receiving competent private instruction if such texts or supplementary materials are not appropriate for use by regularly enrolled students of the school district **(IAC 281—31.5(4)"a")**.

A district may provide to children receiving competent private instruction available texts or supplementary materials on

the same basis as they are provided to enrolled students and shall provide available texts or supplemental instructional materials on the same basis as they are provided to enrolled students when a child is under dual enrollment or in a HSAP. If a fee, such as a textbook or towel rental fee, is charged to regularly enrolled students for participation in a class or extracurricular activity, that fee may also be charged to dual-enrolled students on the same basis as it is charged to enrolled students, but only for the specific class or extracurricular activity **(IAC 281—31.5(4)"b")**.

The parent, guardian, or legal or actual custodian who provides competent private instruction to a child of compulsory attendance age may access the services and materials available from the AEA by requesting assistance through the school district of residence. The AEA shall make services and materials available to the child on the same basis as they are available to regularly enrolled students of the district if the child is dual enrolled or enrolled in a HSAP. The district of residence shall act as liaison between the parent, guardian, or legal or actual custodian of a child who is receiving competent private instruction and the AEA **(IAC 281—31.5(4)"c").**

If the school district determines that the expenditures associated with providing competent private instruction pursuant to chapter 299A are in excess of the revenue attributed to the school district's weighted enrollment for such instruction in accordance with this subparagraph, the school district may submit a request to the SBRC for a modified supplemental amount in accordance with section 257.31, subsection 5, paragraph "n". A HSAP shall not provide moneys received pursuant to this subparagraph, nor resources paid for with moneys received pursuant to this subparagraph, to parents or students utilizing the program. Moneys received by a school district pursuant to this subparagraph shall be used as provided in section 299A.12 **(257.6(1)"a"(5)).**

The board of directors of a school district shall expend moneys received pursuant to section 257.6, subsection 1, paragraph "a", subparagraph (5), for purposes of providing a HSAP **(299A.12(1)).**

Purposes for which a school district may expend funds received pursuant to section 257.6, subsection 1, paragraph "a", subparagraph (5), shall include but not be limited to the following:

a. Instruction for students and assisting parents with instruction.
b. Support services for students and teaching-parents and staff support services.
c. Salary and benefits for the supervising teacher of the HSAP students. If the teacher is a part-time HSAP teacher and a part-time regular classroom teacher, funds received pursuant to section 257.6, subsection 1, paragraph "a", subparagraph (5), may be used only for the portion of time in which the teacher is a HSAP teacher.
d. Salary and benefits for clerical and office staff of the HSAP. If the staff members are shared with other programs or functions within the district, funds received pursuant to section 257.6, subsection 1, paragraph "a", subparagraph (5), shall only be expended for the portion of time spent providing the HSAP services.
e. Staff development for the HSAP teacher.
f. Travel for the HSAP teacher.
g. Resources, materials, computer software and hardware, supplies, and purchased services that meet the following criteria:
    1) Are necessary to provide the services of home school assistance.
    2) Are retained as the possessions of the school district for its prekindergarten through grade twelve HSAP **(299A.12(2)).**

Purposes for which a school district shall not expend funds received pursuant to section 257.6, subsection 1, paragraph "a", subparagraph (5), include but are not limited to the following:

a. Indirect costs or use charges.
b. Operational or maintenance costs other than those necessary to operate and maintain the program.
c. Capital expenditures other than equipment or facility acquisition, including the lease or rental of space to supplement existing schoolhouse facilities.
d. Student transportation except in cases of HSAP approved field trips or other educational activities.
e. Administrative costs other than the costs necessary to administer the program.
f. Concurrent and dual enrollment costs and postsecondary enrollment options program costs.
g. Any other expenditures not directly related to providing the HSAP. A HSAP shall not provide moneys to parents or students utilizing the program **(299A.12(3)).**

<u>Appropriate uses of funding for a HSAP</u>

Appropriate uses of the HSAP funding include, but are not limited to, the following:

a. Assisting parents with instruction.
b. Services to support students enrolled in a HSAP, to support the parents of the students, and to support HSAP staff.

c. Salary and benefits for the supervising teacher of the HSAP. If the teacher is a part-time HSAP teacher and a part-time regular classroom teacher, then the portion that is related to providing the HSAP can be charged to the program, but the regular classroom portion could not.
d. Salary and benefits for clerical and office staff of the HSAP. If the staff member's employment supports other programs of the school district, only that portion of the staff member's salary and benefits that is related to providing the HSAP can be charged to the program.
e. Staff development for the HSAP teacher.
f. Travel for the HSAP teacher.
g. Resources, materials, computer software, supplies, and purchased services
    1) that are necessary to provide the services of home school assistance and
    2) that will remain with the school district for its HSAP.
h. A copier and computer hardware that support the HSAP **(IAC 281--98.12(1))**.

<u>Inappropriate uses of categorical funding for HSAP</u>
Inappropriate uses of the HSAP funding include, but are not limited to, indirect costs or use charges; operational or maintenance costs in addition to the cost of maintaining school district facilities; capital expenditures; student transportation except in cases of home school assistance program-approved field trips or other educational activities; administrative costs; concurrent enrollment program costs, including postsecondary enrollment options [PSEO] program costs; or any other expenditures not directly related to providing the HSAP. A HSAP shall not provide moneys to parents or students utilizing the program **(IAC 281--98.12(2)).** Note that concurrent enrollment program costs and PSEO program costs are inappropriate uses of HSAP categorical funding because those program costs are dual enrollment categorical funding costs and paid from dual enrollment funding.

Because the appropriate and inappropriate uses of HSAP funding in rules are identical to the uses listed in Iowa Code, these rules are not eligible for waiver or rebuttal under subrules 281—98.1 and 281--98.2(5).

Statewide Voluntary Four-year-old Preschool Program

The statewide voluntary four-year-old preschool program is a program for a specific category of students. Funding for the program is for the purpose of providing a high-quality early learning environment for four-year-old children whose families choose to access such programs **(IAC 281—98.13)**. The students in the statewide voluntary four-year-old preschool program are public school students for the portion of time their program is funded by this categorical funding. The purpose of the preschool program is to provide an opportunity for all young children in the state to enter school ready to learn by expanding voluntary access to quality preschool curricula for all children who are four years old **(256C.2(1)).**

General funding provisions include:
a. State funding provided under the preschool program shall be based upon the enrollment of eligible students in the preschool programming provided by a school district approved to participate in the preschool program.
b. A school district approved to participate in the preschool program may authorize expenditures for the district's preschool programming from any of the revenue sources available to the district from the sources listed in chapter 298A, provided the expenditures are within the uses permitted for the revenue source. In addition, the use of the revenue source for preschool or prekindergarten programming must have been approved prior to any expenditure from the revenue source for the district's approved local program. [Chapter 298A includes all funds in the district, so this provision is saying that the preschool program may use the funds of a school district in ways that are appropriate to those funds, i.e. renting a facility pursuant to a 28E from PPEL.]
c. Funding provided under the preschool program is intended to supplement, not supplant, existing public funding for preschool programming. [Existing public funding means other grants and special education weighting.]
d. Preschool foundation aid funding shall not be commingled with the other state aid payments made under section 257.16 to a school district and shall be accounted for by the local school district separately from the other state aid payments. Preschool foundation aid payments made to school districts are miscellaneous income for purposes of chapter 257.A school district shall maintain a separate listing for preschool foundation aid payments received and expenditures made. A school district shall certify to the department of education that preschool foundation aid funding received by the school district was used to supplement, not supplant, moneys otherwise received and used by the school district for preschool programming.
e. Preschool foundation aid funding shall not be used for the costs of constructing a facility in connection with an approved local program. [However, paragraph "b" would allow these costs from capital project funds if authorized by the voters/revenue purpose statement such as from VPPEL, bond issues or LOSST/SAVE.] Preschool foundation aid funding may be used by approved local programs and community providers for professional development for preschool teachers, for instructional equipment, for material and equipment designed to develop pupils' large and small motor skills, and for other direct costs. Preschool foundation aid funding

received by an approved local program that remain unexpended or unobligated at the end of a fiscal year shall be used to build the approved local program's preschool program capacity in the next succeeding fiscal year.

f. The receipt of funding by a school district for the purposes of chapter 256C, the need for additional funding for the purposes of chapter 256C, or the enrollment count of eligible students under chapter 256C shall not be considered to be unusual circumstances, create an unusual need for additional funds, or qualify under any other circumstances that may be used by the SBRC to grant supplemental aid to or establish a modified supplemental amount for a school district under section 257.31.

g. For the fiscal year beginning July 1, 2011, and each succeeding fiscal year, of the amount of preschool foundation aid received by a school district for a fiscal year in accordance with section 257.16, not more than five percent [5%] may be used by the school district for administering the district's approved local program.

h. For the fiscal year beginning July 1, 2012, and each succeeding fiscal year, of the amount of preschool foundation aid received by a school district for a fiscal year in accordance with section 257.16, not less than ninety-five percent [95%] of the per pupil amount shall be passed through to a community-based provider for each pupil enrolled in the district's approved local program. For the fiscal year beginning July 1, 2011, and each succeeding fiscal year, not more than five percent [5%] of the amount of preschool foundation aid passed through to a community-based provider may be used by the community-based provider for administrative costs. **(256C.4(1)).**

No state funding received under this program shall be commingled with other state aid payments made under Iowa Code section 257.16. All state funding received under this program shall be accounted for by the applicant district separately from other state aid payments **(IAC 281—16.11(3)).**

Children participating in preschool in an approved local program under Iowa Code chapter 256C may be provided transportation services. However, transportation services provided to such children are not eligible for reimbursement **(IAC 281—16.12).**

<u>Appropriate uses of statewide voluntary four-year-old preschool program categorical funding</u>
Because the program is specifically instructional, expenditures generally are limited to the functions of instruction, student support services and staff support services, but include expenditures required in 281—Chapter 16 **(IAC 281--98.13(1)).**

<u>Inappropriate uses of statewide voluntary four-year-old preschool program categorical funding</u>
Inappropriate uses of the statewide voluntary four-year-old preschool program funding include, but are not limited to, indirect costs or use charges, capital expenditures other than equipment, facility acquisition, debt service, operational or maintenance costs or administrative costs that supplant, or any other expenditures not directly related to providing the statewide voluntary four-year-old preschool program or that supplant existing public funding for preschool programming **(IAC 281--98.13(2)).**

Supplementary Weighting

Supplementary weighting provides funding in addition to the student count that generates general purpose revenues and is for the purpose of incenting sharing of students and staff between school districts and providing postsecondary opportunities for qualified students. It is assumed that supplementary weighting covers only a portion of the costs of sharing or providing postsecondary opportunities and shall be fully expended within the fiscal year. Therefore, school districts are not required to account for the supplementary weighting funding separate from the general purpose revenues **(IAC 281—98.14)**.

Supplementary weighting for district-to-district sharing is covered in Iowa Code subsection 257.11(2), for concurrent enrollment programs (community college) is covered in subsection 257.11(3), and for ICN shared classes in Iowa Code subsection 257.11(7). Information on ineligible students is covered in subsection 257.11(8) and information on required curriculum standards for shared classes is covered in subsection 257.11(9).

"Career academy" shall mean a program of study as defined in 281—Chapter 47. A course offered by a career academy shall not qualify as a regional academy course. A career academy course may qualify as a concurrent enrollment course if it meets the requirements of Iowa Code section 261E.8. *"Regional academy"* shall mean an educational program established by a school district to which multiple school districts send students in grades 9 through 12. The curriculum shall include advanced-level courses and, in addition, may include career-technical courses, Internet-based courses, and coursework delivered via the ICN. Regional academy courses shall not qualify as concurrent enrollment courses and do not generate any postsecondary credit. School districts participating in regional academies are eligible for supplementary weighting as provided in Iowa Code section 257.11, subsection 2 **(IAC 281—97.1, IAC 281—97.4(6)).**

If all or a substantial portion of the students in any grade are shared with another one or more school districts for all or a substantial portion of a school day, then no students in that grade level are eligible for supplementary weighting except as authorized by rule 281—97.5(257). No students in the grade levels who meet the criterion in this subrule are eligible for supplementary weighting even in the absence of an agreement executed pursuant to Iowa Code sections 282.10 through 282.12. A district that discontinues grades pursuant to Iowa Code section 282.7 is deemed to be whole-grade sharing the resident students in those discontinued grades for purposes of these rules **(IAC 281—97.2(7)).**

A school district that includes students in a virtual class for supplementary weighting shall reserve 50 percent of the supplementary weighting funding the district will receive as a result of including the resident students in the virtual class for supplementary weighting as additional pay for the virtual class teacher.

a. The employer of the virtual class teacher will make the payment.
b. The additional pay includes salary and the employer's share of FICA and IPERS.
c. The employer shall pay the virtual class teacher during the same school year in which the virtual class is provided.
d. The employer may pay the virtual class teacher at the conclusion of the virtual class or may pay the teacher periodic payments that represent the portion of the virtual class that has been provided. The employer may not pay the teacher prior to services being rendered.
e. The additional pay shall be calculated as 0.5 multiplied by the supplementary weighting for the virtual class multiplied by the district cost per pupil in the subsequent budget year.
f. If the teacher's contract includes additional pay for teaching the virtual class, the teacher shall receive the higher amount of the additional pay in the contract or the amount of the additional pay calculated pursuant to paragraphs *"b"* and *"e"* above. For purposes of this comparison, the employer shall compare the salary portions only.
g. The contract between the agencies shall provide for the additional pay for the teacher of the virtual class. That 50 percent of the supplementary weighting funding would be paid in addition to the tuition sent to the providing district or community college to be paid as additional pay to its teacher employee **(IAC 281—97.6(3)).**

Operational Function Sharing Supplementary Weighting

Operational function sharing supplementary weighting provides funding in addition to the student count that generates general purpose revenues and is for the purpose of incenting sharing of management-level staff. It is assumed that operational function sharing supplementary weighting covers only a portion of the costs of sharing management-level staff and shall be fully expended within the five-year period of sharing. Therefore, school districts and AEA are not required to account for the operational function sharing supplementary weighting funding separate from the general purpose revenues **(IAC 281—98.15)**.

Supplementary weighting for operational function sharing is covered in Iowa Code subsection 257.11(6).

"*Operational function sharing*" means sharing of managerial personnel in the discrete operational function areas of superintendent management, business management, human resources management, student transportation management, or facility operation or maintenance management. "*Operational function sharing*" does not mean sharing of clerical personnel, librarians, counselors, nurses, and curriculum directors. The operational function sharing arrangement does not need to be a newly implemented sharing arrangement in order to be eligible for supplementary weighting **(IAC 281—97.7(2)).**

Except for students listed under subrule 97.2(6), a resident student is eligible for supplementary weighting if the student is eligible to be counted as a resident student for certified enrollment and if <u>all</u> of the following criteria are met:

a. The district shares a discrete operational function with one or more other political subdivisions pursuant to a written contract.
b. The district shares the operational function for at least 20 percent of the contract time period during the fiscal year that is customary for a full-time employee in the operational function being shared, and at least one of the sharing partners also shares the operational function for at least 20 percent of the contract time period during the fiscal year. The 20 percent is measured each fiscal year and for each discrete operational function.
c. Personnel shared as part of the operational function are employees of one of the sharing partners but are not employees of more than one of the sharing partners.
d. If the district shares an operational function with more than one political subdivision, the sharing arrangement is listed only once for purposes of supplementary weighting.
e. If the district shares more than one individual in the same operational function, that operational function shall be listed only once for the purposes of supplementary weighting.

f. No individual personnel shall be included for operational function sharing more than once for supplementary weighting in the same fiscal year.
g. If more than one sharing arrangement is implemented in any one operational function area and the services shared are substantially similar as determined by the department of education, only the sharing arrangement implemented first will be eligible for supplementary weighting.
h. The operational function areas shared include one or more of the areas listed in subrule 97.7(2) **(IAC 281—97.7(1)).**

A school district that implements more than one sharing arrangement within any discrete operational function area shall be eligible for supplementary weighting for only one sharing arrangement in that discrete operational function **(IAC 281—97.7(8)).**

Limited English Proficiency (LEP) Weighting

Limited English proficiency weighting provides funding in addition to the student count that generates general purpose revenues and is for the purpose of providing funding for the excess costs of instruction of limited English proficiency students above the costs of instruction of pupils in a regular curriculum. In addition, the SBRC may grant a modified supplemental amount to continue funding of the excess costs beyond the five [5] years of weighting. Funding for the limited English proficiency weighting and the modified supplemental amount for limited English proficiency programs are both categorical funding and may have different restrictions than the federal limited English proficiency funding **(IAC 281—98.16)**.

The SBRC may grant a modified supplemental amount for an unusual need to continue providing a program or other special assistance to non-English speaking pupils after the expiration of the five-year [5-yr] period specified in section 280.4 **(257.31(5)"j").**

In order to provide funds for the excess costs of instruction of limited English proficient students above the costs of instruction of pupils in a regular curriculum, students identified as limited English proficient shall be assigned an additional weighting of twenty-two hundredths [0.22], and that weighting shall be included in the weighted enrollment of the school district of residence for a period not exceeding five [5] years. However, the SBRC may grant supplemental aid or a modified supplemental amount to a school district to continue funding a program for students after the expiration of the five-year [5-yr] period **(280.4(3)).**

Appropriate expenditures for the limited English proficiency program are those that are direct costs of providing instruction which supplement, but do not supplant, the costs of the regular curriculum. These expenditures are delineated in 281—Chapter 98 **(IAC 281—60.6(3)).**

Inappropriate expenditures are delineated in 281—Chapter 98 **(IAC 281—60.6(4)).**

Limited English proficient funding is categorical funding and follows the general provisions in 281—Chapter 98 **(IAC 281—60.6(5)).**

Districts shall include and identify the detail of financial transactions related to limited English proficient resources, expenditures, and carryfoward balances on their certified annual report. School districts shall use the account coding appropriate to the limited English proficient program as defined by Uniform Financing Accounting for Iowa School Districts and AEAs. Each district shall submit its certified annual report following the close of the fiscal year but no later than September 15 **(IAC 281—60.6(6)).**

<u>Appropriate uses of LEP categorical funding</u>
Appropriate uses of funding for the limited English proficiency program are those that are direct costs of providing instruction which supplement, but do not supplant, the costs of the regular curriculum. These expenditures include, but are not limited to, salaries and benefits of teachers and paraeducators; instructional supplies, textbooks, and technology; classroom interpreters; support services to students served in limited English proficiency programs above the services provided to pupils in regular programs; support services to instructional staff such as targeted professional development, curriculum development or academic student assessment; and support services provided to parents of limited English proficiency students and community services specific to limited English proficiency **(IAC 281--98.16(1))**.

<u>Inappropriate uses of LEP categorical funding</u>
Inappropriate uses of funding for the limited English proficiency program include, but are not limited to, indirect costs,

operational or maintenance costs, capital expenditures other than equipment, student transportation, administrative costs, or any other expenditures not directly related to providing the limited English proficiency program beyond the scope of the regular classroom **(IAC 281--98.16(2))**.

Special Education Weighting

Special education weighting provides funding in addition to the student count that generates general purpose revenues for the purpose of providing additional instruction and services to an identified group of students. Further information on the special education program is provided in 281—Chapter 41 and on the website **(IAC 281—98.17)**.

The board of directors of each public school district shall make adequate educational provisions for each resident child requiring special education appropriate to the nature and severity of the child's disability pursuant to rules promulgated by the Department of Education under the provisions of chapters 256B and 273 **(280.8).**

The board of each school district shall provide special education programs and services for its resident children which comply with rules of the state board of education implementing Iowa Code chapters 256, 256B, 273, and 280 **(IAC 281—12.5(9)).**

Special education costs are the excess costs of instruction of children requiring special education, above the costs of instruction of pupils in a regular curriculum **(256B.9(1)).**

Costs that are ordinary and necessary costs provided to all students and are not directly linked to a need inherit in the student's disability would not be direct special education costs. Instead those costs are covered by the 1.0 funding and other local revenues all students receive if appropriate to the general fund or covered by the funding generated in other funds that would apply equally to all students **(Department guidance, 6-28-2006).**

"Educational program" includes all school curricular programs and activities both on and off school grounds **(IAC 281—41.405(1)).**

Instructional services are the specially designed instruction and accommodations provided by special education instructional personnel to eligible individuals. These services are ordinarily provided by the LEA but, in limited circumstances, may be provided by another LEA, the AEA or another recognized agency through contractual agreement **(IAC 281—41.408(1)).**

Support services are the specially designed instruction and activities that augment, supplement or support the educational program of eligible individuals. These services include special education consultant services, educational strategist services, audiology, occupational therapy, physical therapy, school psychology, school social work services, special education nursing services, and speech-language services. Support services are usually provided by the AEA but may be provided by contractual agreement, subject to the approval of the board, by another qualified agency **(IAC 281—41.409).**

Related services and supplementary aids and services shall be provided to an eligible individual in accordance with an IEP. Such services that are also support services under rule 281—41.409 are usually provided by the AEA but may be provided by contractual agreement, subject to the approval of the board, by another qualified agency. Other such services are usually provided by the LEA but may be provided by contractual agreement, subject to the approval of the board, by another qualified agency **(IAC 281—41.411).**

"Children requiring special education" means persons under twenty-one [21] years of age, including children under five [5] years of age, who have a disability in obtaining an education because of a head injury, autism, behavioral disorder, or physical, mental, communication, or learning disability, as defined by the rules of the Department of Education. If a child requiring special education reaches the age of twenty-one [21] during an academic year, the child may elect to receive special education services until the end of the academic year **(256B.2(1)"a").**

"Special education" means classroom, home, hospital, institutional, or other instruction designed to meet the needs of children requiring special education as defined in this subsection; transportation and corrective and supporting services required to assist children requiring special education, as defined in this subsection, in taking advantage of, or responding to, educational programs and opportunities, as defined by rules of the state board of education **(256B.2(1)"b").**

"Special education" means specially designed instruction, at no cost to the parents, to meet the unique needs of a child with a disability, including:

a. Instruction conducted in the classroom, in the home, in hospitals and institutions, and in other settings; and
b. Instruction in physical education.

Any service listed in chapter 281--41, including support services, related services, and supplemental aids and services, that is specially designed instruction under subrule 41.39(1) or state standards or is required to assist an eligible individual in taking advantage of, or responding to, educational programs and opportunities;

b. Travel training; and
c. Vocational education **(IAC 281—41.39).**

The terms in this definition are defined as follows:

a. *"At no cost"* means that all specially designed instruction is provided without charge, but does not preclude incidental fees that are normally charged to nondisabled students or their parents as a part of the regular education program. An AEA or LEA may ask, but not require, parents of children with disabilities to use public insurance or benefits or private insurance proceeds to pay for services if they would not incur a financial cost, as described in rule 281—41.154.

b. *"Physical education"* means the development of physical and motor fitness; fundamental motor skills and patterns; and skills in aquatics, dance, and individual and group games and sports, including intramural and lifetime sports; and includes special physical education, adapted physical education, movement education, and motor development.

c. *"Specially designed instruction"* means adapting, as appropriate to the needs of an eligible child under this chapter, the content, methodology, or delivery of instruction:

(1) To address the unique needs of the child that result from the child's disability; and

(2) To ensure access of the child to the general curriculum, so that the child can meet the educational standards within the jurisdiction of the public agency that apply to all children.

d. *"Travel training"* means providing instruction, as appropriate, to children with significant cognitive disabilities, and any other children with disabilities who require this instruction, to enable them to:

(1) Develop an awareness of the environment in which they live; and

(2) Learn the skills necessary to move effectively and safely from place to place within that environment (e.g., in school, in the home, at work, and in the community).

e. *"Vocational education"* means organized educational programs that are directly related to the preparation of individuals for paid or unpaid employment, or for additional preparation for a career not requiring a baccalaureate or advanced degree **(IAC 281—41.39(3)).**

Transition services for children with disabilities may be special education, if provided as specially designed instruction, or a related service if required to assist a child with a disability to benefit from special education **(IAC 281—41.43(2)).**

In providing or arranging for the provision of nonacademic and extracurricular services and activities, including meals, recess periods, and the services and activities set forth in rule 281—41.107, each public agency must ensure that each child with a disability participates with nondisabled children in the extracurricular services and activities to the maximum extent appropriate to the needs of that child. The public agency must ensure that each child with a disability has the supplementary aids and services determined by the child's IEP team to be appropriate and necessary for the child to participate in nonacademic settings **(IAC 281—41.117).**

It is the policy of this state to require school districts and state-operated educational programs to provide or make provision, as an integral part of public education, for a free and appropriate public education sufficient to meet the needs of all children requiring special education. This chapter is not to be construed as encouraging separate facilities or segregated programs designed to meet the needs of children requiring special education when the children can benefit from all or part of the education program as offered by the local school district. To the maximum extent possible, children requiring special education shall attend regular classes and shall be educated with children who do not require special education. Whenever possible, hindrances to learning and to the normal functioning of children requiring special education within the regular school environment shall be overcome by the provision of special aids and services rather than by separate programs for those in need of special education. Special classes, separate schooling, or other removal of children requiring special education from the regular educational environment, shall occur only when, and to the extent that the nature or severity of the educational disability is such, that education in regular classes, even with the use of supplementary aids and services, cannot be accomplished satisfactorily. For those children who cannot adapt to the regular educational or home living conditions, and who are attending facilities under chapters 263, 269, and 270, upon the request of the board of directors of an AEA, the department of human services [DHS] shall provide residential or detention facilities and the AEA shall provide special education programs and services. The AEAs shall cooperate with the board of regents to provide the services required by this chapter **(256B.2(2)).**

Special aids and services shall be provided to children requiring special education who are less than five [5] years of age if the aids and services will reasonably permit the child to enter the educational process or school environment when the child attains school age **(256B.2(3)).**

Every child requiring special education shall, if reasonably possible, receive a level of education commensurate with the level provided each child who does not require special education. The cost of providing such an education shall be paid as provided in section 273.9, this chapter, and chapter 257. It shall be the primary responsibility of each school district to provide special education to children who reside in that district if the children requiring special education are properly identified, the educational program or service has been approved, the teacher or instructor has been licensed, the number of children requiring special education needing that educational program or service is sufficient to make offering the program or service feasible, and the program or service cannot more economically and equably be obtained from the AEA, another school district, another group of school districts, a qualified private agency, or in cooperation with one or more other districts **(256B.2(4)).**

General education and special education personnel share responsibility in providing appropriate educational programs for eligible individuals and in providing intervention and prevention services to individuals who are experiencing learning or adjustment problems **(IAC 281—41.400(2)).**

It is the responsibility of each eligible individual's resident LEA to provide or make provision for appropriate special education and related services to meet the requirements of state and federal statutes and rules. This responsibility may be met by one or more of the following: by each LEA acting for itself, by action of two or more LEAs through the establishment and maintenance of joint programs, by the AEA, by contract for services from approved public or private agencies offering the appropriate special education and related services, or by any combination of these options. The AEA shall support and assist LEAs in meeting their responsibilities for providing appropriate special education and related services. The requirements of Part B of the Act and of this chapter are binding on each public agency that has direct or delegated authority to provide special education and related services regardless of whether that agency is receiving funds under Part B of the Act **(IAC 281—41.400(1)).**

A school district shall determine its additional enrollment because of special education, as defined in 257.6, by November 1 of each year and shall certify its additional enrollment because of special education to the department of education by November 15 of each year, and the department shall promptly forward the information to the department of management. *"Additional enrollment because of special education"* is determined by multiplying the weighting of each category of child under section 256B.9 times the number of children in each category totaled for all categories minus the total number of children in all categories **(257.6(3)).**

Moneys received by the school district of the child's residence for the child's education, derived from moneys received through chapter 257, this chapter, and section 273.9 shall be paid by the school district of the child's residence to the appropriate education agency, private agency, or other school district providing special education for the child pursuant to contractual arrangements as provided in section 273.3, subsections 5 and 6 **(256B.2(5)).**

In order to provide funds for the excess costs of instruction of children requiring special education, above the costs of instruction of pupils in a regular curriculum, a special education weighting plan for determining enrollment in each school district is adopted **(256B.9(1)).**

The weighting for each category of child multiplied by the number of children in each category in the enrollment of a school district, as identified and certified by the director of special education for the area, determines the weighted enrollment to be used in that district for purposes of computations required under the state school foundation plan in chapter 257 **(256B.9(2)).**

The weight that a child is assigned under this section shall be dependent upon the required educational modifications necessary to meet the special education needs of the child. Enrollment for the purpose of this section, and all payments to be made pursuant thereto, includes all children for whom a special education program or course is to be provided pursuant to section 256.12, subsection 2, sections 273.1 to 273.9, and this chapter, whether or not the children are actually enrolled upon the records of a school district **(256B.9(3)).**

On December 1, 1987, and no later than December 1 every two years thereafter, for the school year commencing the following July 1, the director of the department of education shall report to the SBRC the average costs of providing instruction for children requiring special education in the categories of the weighting plan established under this section, and for providing services to nonpublic school students pursuant to section 256.12, subsection 2, and the director of the department of education shall make recommendations to the SBRC for needed alterations to make the weighting plan suitable for subsequent school years. The SBRC shall establish the weighting plan for each school year and shall report the plan to the director of the department of education. The SBRC may establish weights to the nearest

hundredth. The SBRC shall not alter the weighting assigned to pupils in a regular curriculum, but it may increase or decrease the weighting assigned to each category of children requiring special education by not more than two-tenths of the weighting assigned to pupils in a regular curriculum. The state board of education shall adopt rules under chapter 17A to implement the weighting plan for each year and to assist in identification and proper indexing of each child in the state who requires special education **(256B.9(4)).**

The division of special education shall audit the reports required in section 273.5 to determine that all children in the area who have been identified as requiring special education have received the appropriate special education instructional and support services, and to verify the proper identification of pupils in the area who will require special education instructional services during the school year in which the report is filed. The division shall certify to the director of the department of management the correct total enrollment of each school district in the state, determined by applying the appropriate pupil weighting index to each child requiring special education, as certified by the directors of special education in each area **(256B.9(5)).**

The special education division may conduct an evaluation of the special education instructional program or special education support services being provided by an AEA, school district, or private agency to determine if the program or services is adequate and proper to meet the needs of the child; if the child is benefiting from the program or service; if the costs are in proportion to the educational benefits being received; and if there are any improvements that can be made in the program or service **(256B.9(6)).**

The costs of special education instructional programs include the costs of purchase of transportation equipment to meet the special needs of children requiring special education with the approval of the director of the Department of Education **(256B.9(7)).** Transportation of eligible individuals shall generally be provided as for other individuals, when appropriate [and would not be a special education cost.] Specialized transportation of an eligible individual to and from a special education instructional service is a function of that service and, therefore, an appropriate expenditure of special education instructional funds generated through the weighting plan. Transportation includes travel to and from school and between schools; travel in and around school buildings; and specialized equipment, such as special or adapted buses, lifts, and ramps, if required to provide special transportation for a child with a disability, if the transportation service is specified on the IEP **(IAC 281—41.412).**

Commencing with the school year beginning July 1, 1976, a school district may expend an amount not to exceed two-sevenths of an amount equal to the district cost of a school district for the costs of regular classroom instruction of a child certified under the special education weighting plan in subsection 1, paragraph *"b"*, as a pupil with disabilities who is enrolled in a special class, but who receives part of the pupil's instruction in a regular classroom. Unencumbered funds generated for special education instructional programs for the school year beginning July 1, 1975, and for the school year beginning July 1, 1976, shall not be expended for such purpose **(256B.9(8)).** This is the general purpose percentage (GPP).

Funds generated for special education instructional programs under chapter 256B and chapter 257 shall not be expended for modifications of school buildings to make them accessible to children requiring special education **(256B.9(9)).** Instead, these costs shall be expended from a capital projects fund such as PPEL, a bond issue, or SAVE, as appropriate.

School districts shall pay the costs of special education instructional programs with the moneys available to the districts for each child requiring special education, by application of the special education weighting plan in section 256B.9 **(273.9(2)).**

The costs of special education support services provided through the AEA shall be funded as provided in chapter 257 **(273.9(3)).**

The state board of education in conjunction with the department of education shall develop a program to utilize federally funded health care programs, except the federal medically needy program for individuals who have a spend-down, to share in the costs of services which are provided to children requiring special education **(256B.15).**

When special education and related services appropriate to an eligible individual's needs are not available within the state, or when appropriate special education and related services in an adjoining state are nearer than the appropriate special education and related services in Iowa, the director may certify an eligible individual for appropriate special education and related services outside the state in accordance with Iowa Code section 273.3 when it has been determined by the department that the special education and related services meet standards set forth in these rules **(IAC 281—41.166(5)).**

The US Secretary provides grants under Section 619 of IDEA to assist states to provide special education and related services in accordance with Part B of the Act to children with disabilities aged three through five years; and, at a state's discretion, to two-year-old children with disabilities who will turn three during the school year **(281—41.800).**

Each public agency shall comply with the state's policies concerning the transition of infants and toddlers from programs under Part C of IDEA to programs under Part B of IDEA **(IAC 281—41.124).**

Funds under 20 U.S.C. Chapter 33, Part C, of IDEA, may be used to provide FAPE to early childhood special education students, in accordance with these rules, to eligible individuals from their third birthday to the beginning of the following school year **(IAC 281—41.907(8)"c").**

Special schools for eligible individuals who require special education outside the general education environment may be maintained by individual LEAs, jointly by two or more LEAs, by the AEA, jointly by two or more AEAs, by the state directly, or by approved private providers. Department recognition of agencies providing special education and related services shall be of two types:

a. Recognition of nonpublic agencies and state-operated programs providing special education and related services in compliance with these rules.

b. Approval for nonpublic agencies to provide special education and related services and to receive special education funds for the special education and related services contracted for by an LEA or an AEA **(IAC 281—41.176).**

Any special education instructional program not provided directly by an LEA or any special education support service not provided by an AEA can only be provided through a contractual agreement. The board shall approve contractual agreements for AEA-operated special education instructional programs and contractual agreements permitting special education support services to be provided by agencies other than the AEA **(IAC 281—41.903(1)).**

Each agency contracting with other agencies to provide special education and related services for individuals or groups of individuals shall maintain responsibility for individuals receiving such special education and related services by:

a. Ensuring that all the requirements related to the development of each eligible individual's IEP are met.

b. Requiring and reviewing periodic progress reports to ensure the adequacy and appropriateness of the special education and related services provided.

c. Conditioning payments on delivery of special education and related services in accordance with the eligible individual's IEP and in compliance with these rules **(IAC 281—41.903(2)).**

The program costs charged by an LEA or an AEA for an instructional program for a nonresident eligible individual shall be the actual costs incurred in providing that program **(IAC 281—41.907(1)).**

An AEA or LEA may make provisions for resident eligible individuals through contracts with public or private agencies that provide appropriate and approved special education. The program costs charged by or paid to a public or private agency for special education instructional programs shall be the actual costs incurred in providing that [instructional] program **(IAC 281—41.907(2)).**

The resident LEA shall be liable only for instructional costs incurred by an agency for those individuals certified as eligible in accordance with these rules unless required by 34 CFR Section 300.104 **(IAC 281—41.907(3)).**

Support service funds may not be utilized to supplement any special education programs authorized to use special education instructional funds generated through the weighting plan **(IAC 281—41.907(4)).**

When a school district presents evidence of unusual circumstances that would justify charging administrative costs to the special education program, the SBRC may authorize such expenditures. The committee shall use the following criteria in evaluating the evidence presented by the district:

a. The school district has a separate facility for special education which has a sufficient student population to warrant a certified special education administrator. In this case, the district, after it has received approval from the SBRC, may bill the prorated cost to other resident districts as well as include the prorated portion related to its own resident students in the special education program expenditures.

b. The school district has one or more private facilities located within the district with a sufficient special education student population that is served by the district. In this case, the district, after it has received approval from the SBRC, may include the lower of the prorated actual administrative costs or the prorated approved administrative costs in the billing to other resident districts in proportion to each district's resident students in the program, but shall not include the prorated portion related to its own resident students in the special education program expenditures **(IAC 289—6.9).**

At-risk Formula Supplementary Weighting

At-risk formula supplementary weighting provides funding in addition to the student count that generates general purpose revenues for the purpose of providing additional instruction and services to an identified group of at-risk and alternative school secondary students pursuant to Iowa Code section 257.11(4) *"a"* **(IAC 281—98.18).**

Supplementary weighting for the at-risk formula is covered in Iowa Code subsection 257.11(4).

In order to provide additional funding to school districts for programs serving at-risk pupils and alternative school pupils in secondary schools, a supplementary weighting plan for at-risk pupils is adopted **(257.11(4)"a").**

Funding generated by the supplementary weighting plan for at-risk students shall be used to develop or maintain at-risk programs, which may include alternative school programs **(IAC 281—97.3(1)).**

Appropriate uses of at-risk formula supplementary weighting categorical funding
Appropriate uses of at-risk formula supplementary weighting funding include costs to develop or maintain at-risk pupils' programs, which may include alternative school programs, and include, but are not limited to:

a. Salary and benefits for the teacher(s) and guidance counselor(s) of students participating in the at-risk or alternative school programs when the teacher or counselor is dedicated to working directly and exclusively with identified students beyond the services provided by the school district to students who are not identified as at risk. If the teacher (or counselor) is part-time at-risk and part-time regular classroom teacher (counselor), then the portion of time that is related to the at-risk program may be charged to the program, but the portion of time that is related to the regular classroom shall not.
b. Professional development for all teachers and staff working with at-risk students and programs involving intervention strategies.
c. Research-based resources, materials, software, supplies, and purchased services that meet all of the following criteria:
    1) Meet the needs of K through 12 identified students at risk,
    2) Are beyond those provided by the regular school program,
    3) Are necessary to provide the services listed in the school district's at-risk program plan, and
    4) Will remain with the K through 12 at-risk program **(IAC 281--98.18(1))**.

Inappropriate uses of at-risk formula supplementary weighting categorical funding
Inappropriate uses of the at-risk formula supplementary weighting funding include, but are not limited to, indirect costs or use charges, operational or maintenance costs, capital expenditures other than equipment, student transportation, administrative costs other than those related to a separate school located off site and where the administrator is assigned exclusively to this program, or any other expenditures not directly related to providing the at-risk or alternative school program beyond the scope of the regular classroom program **(IAC 281--98.18(2))**.

Reorganization Incentive Weighting

Reorganization incentive weighting provides funding in addition to the student count that generates general purpose revenues and is for the purpose of incenting reorganization of school districts to increase student learning opportunities. It is assumed that reorganization incentive weighting covers only a portion of the costs of reorganizing and shall be fully expended within the fiscal year. Therefore, school districts are not required to account for the reorganization incentive weighting funding separate from the general purpose revenues **(IAC 281—98.19)**.

Supplementary weighting and school reorganization is covered in Iowa Code section 257.11A.

Gifted and Talented Program

Gifted and talented program funding is included in the school district cost per pupil calculated for each school district under the school foundation formula. The per-pupil amount increases each year by the increase in supplemental state aid, as defined in section 257.2, Code 2014, for the school year. This amount must account for not more than 75 percent [75%] of the school district's total gifted and talented program budget. The school district must also provide a local match from the school district's regular program district cost, and the local match portion must be a minimum of 25 percent [25%] of the total gifted and talented program budget. In addition, school districts may receive donations and grants, and the school district may contribute more local school district resources toward the gifted and talented program. The 75 percent [75%] portion, the 25% local match, and all donations and grants shall be accounted for as

categorical funding. The purpose of the gifted and talented funding described in Iowa Code section 257.46 is to provide for identified gifted students' needs beyond those provided by the regular school program pursuant to each gifted student's individualized plan. The funding shall be used only for expenditures that are directly related to providing the gifted and talented program **(IAC 281—98.20)**.

"Gifted and talented children" are those identified as possessing outstanding abilities who are capable of high performance. Gifted and talented children are children who require appropriate instruction and educational services commensurate with their abilities and needs beyond those provided by the regular school program **(257.44).**

If any portion of the gifted and talented program budget remains unexpended at the end of the budget year, the remainder shall be carried over to the subsequent budget year and added to the gifted and talented program budget for that year **(257.45(3)).**

The AEAs in which the school districts having approved gifted and talented children programs are located shall cooperate with the school district in the identification and placement of gifted and talented children and may assist school districts in the establishment of such programs **(257.47).**

The purpose of the funding described in Iowa Code section 257.45 is to provide for the needs of identified gifted and talented students beyond those needs that are provided by the regular school program. The funding shall be used only for expenditures directly related to providing the gifted and talented program described in the program plan. Appropriate expenditures are delineated in 281—Chapter 98 **(IAC 281—59.5(11)).**

Inappropriate expenditures are delineated in 281—Chapter 98 **(IAC 281—59.5(12)).**

Gifted and talented funding is categorical funding and follows the general provisions in 281—Chapter 98 **(IAC 281—59.5(13)).**

School districts shall include and identify the detail of financial transactions related to gifted and talented resources, expenditures, and carryfoward balances on their certified annual report. School districts shall use the account coding appropriate to the gifted and talented program as defined by Uniform Financing Accounting for Iowa School Districts and AEAs. Each school district shall certify its certified annual report following the close of the fiscal year but no later than September 15 **(IAC 281—59.5(14)).**

The program plans submitted by school districts shall be part of the school improvement plan submitted pursuant to section 256.7, subsection 21, paragraph *"a"*, and shall include all of the following:

1. Program goals, objectives, and activities to meet the needs of gifted and talented children.
2. Student identification criteria and procedures.
3. Staff in-service education design.
4. Staff utilization plans.
5. Evaluation criteria and procedures and performance measures.
6. Program budget.
7. Qualifications required of personnel administering the program.
8. Other factors the department requires **(257.43).**

The department may request that the staff of the auditor of state conduct an independent program audit to verify that the gifted and talented programs conform to a district's program plans **(257.42).**

<u>Appropriate uses of gifted and talented program categorical funding</u>

Appropriate uses of the gifted and talented program funding include, but are not limited to:

a. Salary and benefits for the teacher of gifted and talented students. If the teacher is a part-time gifted and talented and a part-time regular classroom teacher, then the portion of time that is related to the gifted and talented program may be charged to the program, but the portion of time that is related to the regular classroom shall not.
b. Staff development for the gifted and talented teacher.
c. Resources, materials, software, supplies, and purchased services that meet all of the following criteria:
    1. Meet the needs of K through 12 identified students,
    2. Are beyond those provided by the regular school program,
    3. Are necessary to provide the services listed on the gifted students' individualized plans, and
    4. Will remain with the K through 12 gifted and talented program **(IAC 281--98.20(1))**.

<u>Inappropriate uses of gifted and talented program categorical funding</u>

Inappropriate uses of the gifted and talented program funding include, but are not limited to, indirect costs or use

charges, operational or maintenance costs, capital expenditures other than equipment, student transportation, administrative costs, or any other expenditures not directly related to providing the gifted and talented program beyond the scope of the regular classroom **(IAC 281--98.20(2))**.

Returning Dropout and Dropout Prevention Program

Returning dropout and dropout prevention programs are funded thorough a school district-initiated request to the SBRC for a modified supplemental amount pursuant to Iowa Code sections 257.38 to 257.41. This amount must account for not more than 75 percent [75%] of the school district's total dropout prevention budget. The school district must also provide a local match from the school district's regular program district cost, and the local match portion must be a minimum of 25 percent [25%] of the total dropout prevention budget. In addition, school districts may receive donations and grants, and the school district may contribute more local school district resources toward the program. The 75 percent [75%] portion, the 25% local match, and all donations and grants shall be accounted for as categorical funding **(IAC 281—98.21)**.

"Returning dropouts" are resident pupils who have been enrolled in a public or nonpublic school in any of grades 7 through 12 who withdrew from school for a reason other than transfer to another school or school district and who subsequently enrolled in a public school in the district **(257.39(1)).**

"Potential dropouts" are resident pupils who are enrolled in a public or nonpublic school who demonstrate poor school adjustment as indicated by two or more of the following:

a. High rate of absenteeism, truancy, or frequent tardiness.
b. Limited or no extracurricular participation or lack of identification with school, including but not limited to, expressed feelings of not belonging.
c. Poor grades, including but not limited to, failing in one or more school subjects or grade levels.
d. Low achievement scores in reading or mathematics which reflect achievement at two years or more below grade level.
e. Children in grades kindergarten through three who meet the definition of at-risk children adopted by the Department of Education **(257.39(2)).**

If a district is requesting to use the modified supplemental amount to finance the program, the school district shall not identify more than five percent [5%] of its budget enrollment for the budget year as returning dropouts and potential dropouts **(257.38(2)).**

<u>Purpose of returning dropout and dropout prevention program categorical funding</u>
The purpose of the dropout prevention funding is to provide funding to meet the needs of identified students at risk of dropping out of school beyond the instructional program and services provided by the regular school program. The funding shall be used only for expenditures that are directly related to the returning dropout and dropout prevention program.

a. Returning dropouts are resident pupils who have been enrolled in a public or nonpublic school in any of grades 7 through 12 who withdrew from school for a reason other than transfer to another school or school district and who subsequently reenrolled in a public school in the school district.
b. Potential dropouts are resident pupils who are enrolled in a public or nonpublic school who demonstrate poor school adjustment as indicated by two or more of the following:
    1. High rate of absenteeism, truancy, or frequent tardiness.
    2. Limited or no extracurricular participation or lack of identification with school, including but not limited to expressed feelings of not belonging.
    3. Poor grades, including but not limited to failing in one or more school subjects or grade levels.
    4. Low achievement scores in reading or mathematics which reflect achievement at two years or more below grade level.
    5. Children in grades kindergarten through 3 who meet the definition of at-risk children adopted by the department of education **(IAC 281--98.21(1))**.

<u>Appropriate uses of returning dropout and dropout prevention program categorical funding</u>
Appropriate uses of the returning dropout and dropout prevention program funding include, but are not limited to:

a. Salary and benefits for the teacher(s) and guidance counselor(s) of students participating in the dropout prevention programs, alternative programs, and alternative schools when the teacher or counselor is dedicated to working directly and exclusively with identified students to provide services beyond those provided by the school district to students who are not identified as at risk of becoming dropouts. If the teacher (or counselor) is a part-time dropout prevention and part-time regular classroom teacher (counselor), then the

portion of time that is related to the dropout prevention program may be charged to the program, but the portion of time that is related to the regular classroom shall not.

b. Professional development for all teachers and staff working with at-risk students and programs involving dropout prevention strategies.
c. Research-based resources, materials, software, supplies, and purchased services that meet all of the following criteria:
    1. Meet the needs of K through 12 identified students at risk of dropping out or returning dropouts,
    2. Are beyond those provided by the regular school program,
    3. Are necessary to provide the services listed in the school district's dropout prevention plan, and
    4. Will remain with the K through 12 returning dropout and dropout prevention program **(IAC 281--98.21(2))**.

Inappropriate uses of returning dropout and dropout prevention program categorical funding
Inappropriate uses of the returning dropout and dropout prevention program funding include, but are not limited to, indirect costs or use charges, operational or maintenance costs, capital expenditures other than equipment, student transportation, administrative costs other than those related to a separate school located off site and where the administrator is assigned exclusively to this program, or any other expenditures not directly related to providing the returning dropout and dropout prevention program beyond the scope of the regular classroom **(IAC 281--98.21(3))**.

Use of the Unexpended General Fund Balance

The unexpended general fund balance is commonly called the secretary's balance and refers to the fund balance remaining in the general fund at the end of the fiscal year **(IAC 281—98.22)**.

Authorization required
The SBRC may authorize a school district to spend a reasonable and specified amount from its unexpended general fund balance for either of the following purposes:

a. Furnishing, equipping, and contributing to the construction of a new building or structure for which the voters of the school district have approved a bond issue as provided by law or the tax levy provided in Iowa Code section 298.2.
b. The costs associated with the demolition of an unused school building, or the conversion of an unused school building for community use, in a school district involved in a dissolution or reorganization under Iowa Code chapter 275, if the costs are incurred within three [3] years of the dissolution or reorganization **(IAC 281--98.22(1))**.

The committee may authorize a district to spend a reasonable and specified amount from its unexpended cash balance for the following purposes:

1) Furnishing, equipping, and contributing to the construction of a new building or structure for which the voters of the district have approved a [general obligation] bond issue as provided by law or the tax levy provided in section 298.2 [VPPEL].
2) The costs associated with the demolition of an unused school building, or the conversion of an unused school building for community use, in a school district involved in a dissolution or reorganization under chapter 275, if the costs are incurred within 3 years of the dissolution or reorganization.
3) The costs associated with the demolition or repair of a building or structure in a school district if such costs are necessitated by, and incurred within 2 years of, a disaster as defined in section 29C.2, subsection 1**(257.31(7)"a").**

Other expenditures, including but not limited to expenditures for salaries or recurring costs, are not authorized under this subsection. Expenditures authorized under this subsection shall not be included in supplemental state aid or district cost, and the portion of the unexpended cash balance which is authorized to be spent shall be regarded as if it were miscellaneous income. Any part of the amount not actually spent for the authorized purpose shall revert to its former status as part of the unexpended cash balance **(257.31(7)"b").**

Appropriate uses of unexpended general fund balance categorical funding
Appropriate uses of the unexpended general fund balance include a transfer from the general fund to the capital projects fund in the amount approved by the school budget review committee. The moneys in the capital projects fund shall be used exclusively for furnishing, equipping or constructing a new building or for demolishing an unused building **(IAC 281--98.22(2))**.

Inappropriate uses of unexpended general fund balance categorical funding
Inappropriate uses of the unexpended general fund balance include, but are not limited to, expenditures for salaries or

recurring costs **(IAC 281--98.22(3))**.

Mandatory reversion of unused funding from unexpended general fund balance
The portion of the unexpended general fund balance which is authorized to be transferred and expended shall increase budget authority. However, any part of the amount not actually spent for the authorized purpose shall revert to its former status as part of the unexpended general fund balance, and budget authority will be reduced by the amount not actually spent **(IAC 281--98.22(4))**.

Iowa Early Intervention Block Grant

Beginning with the fiscal year 2009-2010, the Iowa early intervention block grant program, also known as the early intervention supplement, is converted from a grants-in-aid categorical funding to a budgetary allocation categorical funding. The program's goals for kindergarten through grade 3 are to provide the resources needed to reduce class sizes in basic skills instruction to the state goal of 17 students for every one teacher; provide direction and resources for early intervention efforts by school districts to achieve a higher level of student success in the basic skills, especially reading skills; and increase communication and accountability regarding student performance **(IAC 281—98.23)**.

For the budget year beginning July 1, 2009, and each succeeding budget year, a school district shall expend funds received pursuant to section 257.10, subsection 11, at the kindergarten through grade 3 levels to reduce class sizes to the state goal of 17 students for every one teacher and to achieve a higher level of student success in the basic skills, especially reading. In order to support these efforts, school districts may expend funds received pursuant to section 257.10, subsection 11, at the kindergarten through grade 3 level on programs, instructional support, and materials that include but are not limited to the following: additional licensed instructional staff; additional support for students, such as before and after school programs, tutoring, and intensive summer programs; the acquisition and administration of diagnostic reading assessments; the implementation of research-based instructional intervention programs for students needing additional support; the implementation of all-day, everyday kindergarten programs; and the provision of classroom teachers with intensive training programs to improve reading instruction and professional development in best practices including but not limited to training programs related to instruction to increase students' phonemic awareness, reading abilities, and comprehension skills **(256D.2A).**

A school district shall maintain a separate listing within its budget for payments received and expenditures made pursuant to chapter 256D. A school district shall certify to the Department of Education that moneys received under this chapter were used to supplement, not supplant, moneys otherwise received and used by the school district **(256D.4A).**

Appropriate uses of Iowa early intervention block grant categorical funding
Appropriate uses of the Iowa early intervention block grant funding include providing programs, instructional support, and materials at the kindergarten through grade 3 level that include but are not limited to the following:

a. Additional licensed instructional staff;
b. Additional support for students, such as before- and after-school programs, tutoring, and intensive summer programs;
c. The acquisition and administration of diagnostic reading assessments;
d. The implementation of research-based instructional intervention programs for students needing additional support;
e. The implementation of all-day, everyday kindergarten programs; and
f. The provision of intensive training programs to classroom teachers to improve reading instruction and professional development in best practices **(IAC 281--98.23(1)).**

Inappropriate uses of Iowa early intervention block grant categorical funding
Inappropriate uses of the Iowa early intervention block grant program funding include, but are not limited to, indirect costs or use charges, operational or maintenance costs, capital expenditures other than equipment, student transportation, or administrative costs **(IAC 281--98.23(2))**.

Teacher Salary Supplement

Beginning with the fiscal year 2009-2010, the educational excellence Phase II program and the educator quality basic salary program were combined and converted from grants-in-aid categorical funding to a budgetary allocation categorical funding. Remaining balances in the educational excellence Phase II program and the educator quality basic salary program shall be expended for the same purposes as the teacher salary supplement. A teacher may be employed

in both an administrative and a nonadministrative position by a board of directors of a school district, and shall be considered a part-time teacher for the portion of time that the teacher is employed in a nonadministrative position **(IAC 281—98.24).**

For the school budget year beginning July 1, 2010, and each succeeding school year, school districts and AEAs shall combine payments made to teachers under sections 257.10 and 257.37A with regular wages to create a combined salary. The teacher contract issued under section 279.13 must include the combined salary. If a school district or AEA uses a salary schedule, a combined schedule shall be used for regular wages and for distribution of payments under sections 257.10 and 257.37A, incorporating the salary minimums required in section 284.7, or required under a framework or comparable system approved pursuant to section 284.15. The combined salary schedule must use only the combined salary and cannot differentiate regular salaries and distribution of payments under section 257.10 and 257.37A **(284.3A(2)"a").** This does not, however, prevent the district from disaggregating the salary in the accounting records to accurately account for the sources and uses of categorical funding.

A school district or AEA shall not be required to maintain a separate account within its budget based on source of funds for payments received and expenditures made pursuant to this section. The school district or AEA shall annually certify to the department of education that funding received pursuant to sections 257.10 and 257.37A was expended on salaries for qualified teachers **(284.3A(3)).** "Budget" is defined in chapter 24 for school districts and in chapter 273 for AEAs. "Budget" does not include the certified annual report which is defined in chapter 291 or the chart of accounts that is required as authorized under chapter 256.

TSS funds were subject to the 10% across-the-board budget reduction to cash payment. However, whether school districts are obligated to pay to their teachers the calculated TSS amount [in the year of the ATB cut], which is 10% higher than the amount the school districts received in TSS monies, is dependent on the locally bargained agreements of each school district or AEA **(25 D.o.E. App. Dec. #206, December 2009).** The declaratory order addressed the specific question asked by ISEA and did not address the requirements for accounting for categorical funding, categorical budget authority, nor in any way conflict with nor override Iowa Administrative Code chapter 281—98 regarding categorical funding, including the TSS, and which has been approved by the legislative committee on administrative rules review. A subsequent district court ruling **(Case Number CV 8020, Iowa District Court for Polk County)** affirmed the Declaratory Order as written. Like the declaratory order, the district court ruling did not address issues related to the requirements for accounting for categorical funding, categorical budget authority, nor in any way conflict with nor override Iowa Administrative Code chapter 281—98 regarding categorical funding, including the TSS. The governor's executive order mandating the across-the-board cut, the subsequent legislative action during the 2010 legislation session, the declaratory order, and the district court ruling all addressed the TSS, but none removed the additional 10% categorical budget authority for TSS nor converted the additional 10% categorical budget authority remaining for TSS to noncategorical general fund uses. Without such action, the budget authority for TSS remains categorical and must be accounted for as such.

In the Public Employment Relations Board ruling, case #8249 is information regarding the need to reconcile seemingly conflicting concepts in law: The primary goal in interpreting a statute is to ascertain the enacting body's intent **(Top of Iowa Coop v. Sime Farms, Inc, 608 N.W.2d 454, 460 (Iowa 2000)).** Legislative intent is determined from what the legislature said, not from what it might or should have said **(Iowa R. App. P. 6.904(3)(m); Iowa Comprehensive Petroleum Underground Storage Tank Fund Board v. Shell Oil Co., 606 N.W.2d 376, 379 (Iowa 2000))**. The rule is to harmonize interrelated statutes, if possible **(State v. West, 446 N.W.2d 777, 778 (Iowa 1989)).** If a tribunal can reasonably harmonize two statutes dealing with the same subject, it must give concurrent effect to both, even though one is specific, or special, and the other general **(State v. Lutgen, 606 N.W.2d 312, 314 (Iowa 2000)).**

Beginning July 1, 2010, the teacher salary supplement district cost as calculated under section 257.10, subsection 9, and the AEA teacher salary supplement district cost as calculated under section 257.37A, subsection 1, are not subject to a uniform reduction in accordance with section 8.31 **(284.3A).**

To promote continuous improvement in Iowa's quality teaching workforce and to give Iowa teachers the opportunity for career recognition that reflects the various roles teachers play as educational leaders, an Iowa teacher career path is established for teachers employed by school districts. A school district shall use funding calculated and paid pursuant to section 257.10, subsection 9, to raise teacher salaries to meet the requirements of this section. The Iowa teacher career path and salary minimums are as follows:
The following career path levels are established and shall be implemented in accordance with chapter 284:

Beginning teacher.
A beginning teacher is a teacher who meets the following requirements:

a) Has successfully completed an approved practitioner preparation program as defined in section 272.1 or holds an intern teacher license issued by the board of educational examiners under chapter 272.

b) Holds an initial or intern teacher license issued by the board of educational examiners.
c) Participates in the beginning teacher mentoring and induction program as provided in chapter 284.

Beginning July 1, 2008, the minimum salary for a beginning teacher shall be twenty-eight thousand dollars [$28,000].

Career teacher.
A career teacher is a teacher who holds a statement of professional recognition [SPR] issued by the board of educational examiners under chapter 272 or who meets the following requirements:

a) Has successfully completed the beginning teacher mentoring and induction program and has successfully completed a comprehensive evaluation as provided in this chapter.
b) Is reviewed by the school district as demonstrating the competencies of a career teacher.
c) Holds a valid license issued by the board of educational examiners.
d) Participates in teacher professional development as set forth in chapter 284 and demonstrates continuous improvement in teaching.

Beginning July 1, 2008, the minimum salary for a first-year career teacher shall be thirty thousand dollars [$30,000].

It is the intent of the general assembly to establish and require the implementation of and provide for the implementation of the following additional career path levels:

Career II teacher.
A career II teacher is a teacher who meets the requirements of subsection 1, paragraph *"b"*, has met the requirements established by the school district that employs the teacher, and is evaluated by the school district as demonstrating the competencies of a career II teacher. The teacher shall have successfully completed a performance review in order to be classified as a career II teacher.

It is the intent of the general assembly that the participating district shall establish a minimum salary for a career II teacher that is at least five thousand dollars [$5,000] greater than the minimum career teacher salary. It is further intended that the district shall adopt a plan that facilitates the transition of a career teacher to a career II level.

Advanced teacher.
An advanced teacher is a teacher who meets the following requirements:

a) Receives the recommendation of the review panel that the teacher possesses superior teaching skills and that the teacher should be classified as an advanced teacher.
b) Holds a valid license from the board of educational examiners.
c) Participates in teacher professional development as outlined in this chapter and demonstrates continuous improvement in teaching.
d) Possesses the skills and qualifications to assume leadership roles.

It is the intent of the general assembly that the participating district shall establish a minimum salary for an advanced teacher that is at least thirteen thousand five hundred [$13,500] dollars greater than the minimum career teacher salary. In conjunction with the development of the review panel pursuant to section 284.9, the department shall make recommendations to the general assembly by January 1, 2002, regarding the appropriate district-to-district recognition for advanced teachers and methods that facilitate the transition of a teacher to the advanced level.

A teacher shall be promoted one level at a time and a teacher promoted to the next career level shall remain at that level for at least one year before requesting promotion to the next career level.

A teacher employed in a district shall not receive less compensation in that district than the teacher received in the school year preceding participation, as set forth in section 284.4 due to implementation of chapter 284. A teacher who achieves national board for professional teaching standards certification and meets the requirements of section 256.44 shall continue to receive the award as specified in section 256.44 in addition to the compensation set forth in this section.

A school district that is unable to meet the provisions of subsection 1 with funds calculated and paid to the school district pursuant to section 257.10, subsection 9 [TSS], may request a waiver from the department to use funds calculated and paid under section 257.10, subsection 11 [Early Intervention Supplement], to meet the provisions of subsection 1 if the difference between the funds calculated and paid pursuant to section 257.10, subsection 9 [TSS], and the amount required to comply with subsection 1 is not less than ten thousand dollars [$10,000]. The department shall consider the average class size of the school district, the school district's actual unspent balance from the preceding year, and the school district's current financial position **(284.7(5)).**

<u>Appropriate use of TSS categorical funding</u>

Appropriate use of the teacher salary supplement funding is limited to additional salary for teachers, including amounts necessary for the district to comply with statutory teacher salary minimums; the amount required to pay the employers' share of the federal social security and Iowa public employees' retirement system, or a pension and annuity retirement system established under Iowa Code chapter 294; and payments to another school district or districts as negotiated in a whole grade sharing agreement pursuant to Iowa Code section 282.10, subsection 4. Teacher salary supplement funding shall be fully expended in the fiscal year for which it is allocated; however, in the event that a small amount is remaining and it would not be cost-effective to reallocate the remainder to teachers in the fiscal year, the school district or area education agency shall carry forward the remainder and add it to the amount to be allocated to teachers in the subsequent fiscal year **(IAC 281—98.24(1)).**

Inappropriate uses of TSS categorical funding
Inappropriate uses of the teacher salary supplement funding include any expenditures other than the appropriate use described in subrule (1) hereof **(IAC 281—98.24(2)).**

Educator Quality Professional Development

Beginning with the fiscal year 2009-2010, the educator quality professional development program, also known as the professional development supplement, including core curriculum professional development, is converted from a grants-in-aid categorical funding to a budgetary allocation categorical funding **(IAC 281—98.26)**.

A school district or professional development provider that offers a professional development program in accordance with section 256.9, subsection 46, shall demonstrate that the program contains the following:

a) Support that meets the professional development needs of individual teachers and is aligned with the Iowa teaching standards.
b) Research-based instructional strategies aligned with the school district's student achievement needs and the long-range improvement goals established by the district.
c) Instructional improvement components including student achievement data, analysis, theory, classroom demonstration and practice, technology integration, observation, reflection, and peer coaching.
d) An evaluation component that documents the improvement in instructional practice and the effect on student learning **(284.6(1)).**

For each year in which a school district receives funds calculated and paid to school districts for professional development pursuant to section 257.10, subsection 10, or section 257.37A, subsection 2, the school district shall create quality professional development opportunities. Not less than thirty-six hours in the school calendar, held outside of the minimum school day, shall be set aside during nonpreparation time or designated professional development time to allow practitioners to collaborate with each other to deliver educational programs and assess student learning, or to engage in peer review pursuant to section 284.8, subsection 1. The funds may be used to implement the professional development provisions of the teacher career paths and leadership roles specified in section 284.7 or 284.15, including but not limited to providing professional development to teachers, including additional salaries for time beyond the normal negotiated agreement; pay for substitute teachers, professional development materials, speakers, and professional development content; and costs associated with implementing the individual professional development plans. The use of the funds shall be balanced between school district, attendance center, and individual professional development plans, making every reasonable effort to provide equal access to all teachers. **(284.6(8)).**

Moneys received pursuant to section 257.10, subsection 10, or section 257.37A, subsection 2, shall be maintained as a separate listing within a school district's or AEA's budget for funds received and expenditures made pursuant to this subsection. A school district shall certify to the Department of Education how the school district allocated the funds and that moneys received under this subsection were used to supplement, not supplant, the professional development opportunities the school district would otherwise make available **(284.6(9)).** The district or AEA shall also maintain a separate listing within its accounting records and CAR.

Moneys received by a school district under chapter 284 are miscellaneous income for purposes of chapter 257 or are considered encumbered. A school district or AEA shall maintain a separate listing within its budget for payments received and expenditures made pursuant to this section **(284.13(2)).**

Appropriate uses of educator quality professional development categorical funding
Appropriate uses of the educator quality professional development funding are limited to providing professional development to teachers, including additional salaries for time beyond the normal negotiated agreement; pay for substitute teachers, professional development materials, speakers, and professional development content; costs associated with implementing the individual professional development plans; and payments to a whole grade sharing partner school district as negotiated as part of the new or existing agreement pursuant to Iowa Code subsection

282.10(4). The use of the funds shall be balanced between school district, attendance center, and individual professional development plans, and every reasonable effort to provide equal access to all teachers shall be made **(IAC 281--98.26(1))**.

Inappropriate uses of educator quality professional development categorical funding
Inappropriate uses of educator quality professional development funding include, but are not limited to, any expenditures that supplant professional development opportunities the school district otherwise makes available **(IAC 281--98.26(2))**.

Teacher Leadership Supplement

For the budget year beginning July 1, 2014, and succeeding budget years, the use of the funds calculated under this subsection shall comply with the requirements of chapter 284 and shall be distributed to teachers pursuant to section 284.15. The funds shall be used only:

- to increase the payment [salary, employer share of FICA & IPERS] for a teacher assigned to a leadership role pursuant to a framework or comparable system approved pursuant to section 284.15;
- to increase the percentages of teachers assigned to leadership roles;
- to increase the minimum teacher starting salary to thirty-three thousand five hundred dollars [$33,500];
- to cover the costs for the time mentor and lead teachers are not providing instruction to students in a classroom;
- for coverage of a classroom when an initial or career teacher is observing or co-teaching with a teacher assigned to a leadership role;
- for professional development time to learn best practices associated with the career pathways leadership process; and
- for other costs associated with a framework or comparable system approved by the department of education under section 284.15 with the goals of improving instruction and elevating the quality of teaching and student learning **(257.10(12)"d").**

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, and the teacher leadership supplement state cost per pupil for the previous fiscal year as provided in section 257.9, 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. If the pupil participating in open enrollment is also an eligible pupil under section 261E.6, the receiving district shall pay the tuition reimbursement amount to an eligible postsecondary institution as provided in section 261E.7 **(282.18(7)).**

A whole grade sharing agreement shall be signed by the boards of the districts involved in the agreement not later than February 1 of the school year preceding the school year for which the agreement is to take effect. The boards of the districts shall negotiate as part of the new or existing agreement the disposition of funding provided under chapter 284 **(282.10(4)).**

APPROPRIATE USE OF GRANTS IN AID

The state provides a large amount of categorical funding for various purposes to school districts and AEAs in the form of grants in aid. Only those grants in aid allocated to a substantial number of the school districts and AEAs through the Department of Education are included in chapter 98 of the rules. However, there are many more grants in aid to which the general concepts of the rules would apply **(IAC 281—98.40)**.

Beginning Teacher Mentoring and Induction Program

The purpose of the beginning teacher mentoring and induction program is to promote excellence in teaching, enhance student achievement, build a supportive environment within school districts and AEAs, increase the retention of promising beginning teachers, and promote the personal and professional well-being of teachers **(284.5(1), IAC 281—98.42)**.

"Beginning teacher" means an individual serving under an initial or intern license, issued by the board of educational examiners under chapter 272, who is assuming a position as a teacher. For purposes of the beginning teacher mentoring and induction program created pursuant to section 284.5, *"beginning teacher"* also includes preschool teachers who are licensed by the board of educational examiners under chapter 272 and are employed by a school district or AEA. *"Beginning teacher"* does not include a teacher whose employment with a school district or AEA is

probationary unless the teacher is serving under an initial or teacher intern license issued by the board of educational examiners under chapter 272 **(284.2(1)).**

Each school district and AEA shall develop an initial beginning teacher mentoring and induction plan. A school district shall include its plan in the school district's comprehensive school improvement plan submitted pursuant to section 256.7, subsection 21. The beginning teacher mentoring and induction plan shall, at a minimum, provide for a two-year sequence of induction program content and activities to support the Iowa teaching standards and beginning teacher professional and personal needs; mentor training that includes, at a minimum, skills of classroom demonstration and coaching, and district expectations for beginning teacher competence on Iowa teaching standards; placement of mentors and beginning teachers; the process for dissolving mentor and beginning teacher partnerships; district organizational support for release time for mentors and beginning teachers to plan, provide demonstration of classroom practices, observe teaching, and provide feedback; structure for mentor selection and assignment of mentors to beginning teachers; a district facilitator; and program evaluation **(284.5(3)).**

A school district or AEA shall receive one thousand three hundred dollars [$1300] per beginning teacher participating in the program. If the funds appropriated for the program are insufficient to pay mentors, school districts, and AEAs as provided in this paragraph, the department shall prorate the amount distributed to school districts and AEAs based upon the amount appropriated. Moneys received by a school district or AEA pursuant to this paragraph shall be expended to provide each mentor with an award of five hundred dollars [$500] per semester, at a minimum, for participation in the school district's or AEA's beginning teacher mentoring and induction program; to implement the plan; and to pay any applicable costs of the employer's share of contributions to federal social security and the Iowa public employees' retirement system or a pension and annuity retirement system established under chapter 294, for such amounts paid by the district or AEA **(284.13(1)"b").**

Moneys received by a school district under chapter 284 are miscellaneous income for purposes of chapter 257 or are considered encumbered. A school district or AEA shall maintain a separate listing within its budget for payments received and expenditures made pursuant to this section **(284.13(2)).**

<u>Appropriate uses of beginning teacher mentoring and induction program categorical funding</u>
Appropriate uses of the beginning teacher mentoring and induction program funding include costs to provide each mentor of a beginning teacher with the statutory award for participation in the school district's or AEA's beginning teacher mentoring and induction program; to implement the plan; and to pay any applicable costs of the employer's share of contributions to federal social security and the Iowa public employees' retirement system, or a pension and annuity retirement system established under Iowa Code chapter 294, for such amounts paid by the school district or AEA **(IAC 281--98.42(1))**.

<u>Inappropriate uses of beginning teacher mentoring and induction program categorical funding</u>
Inappropriate uses of beginning teacher mentoring and induction program funding include any costs not listed in subrule 98.42(1) as appropriate uses **(IAC 281--98.42(2)**).

Beginning Administrator Mentoring and Induction Program

The purpose of the beginning administrator mentoring and induction program is to promote excellence in school leadership, improve classroom instruction, enhance student achievement, build a supportive environment within school districts, increase the retention of promising school leaders, and promote the personal and professional well-being of administrators **(IAC 281—98.43)**.

"Beginning administrator" means an individual serving under an initial administrator license, issued by the board of educational examiners under chapter 272, who is assuming a position as a school district principal or superintendent for the first time **(284A.2(2)).** *"Administrator"* means an individual holding a professional administrator license issued under chapter 272, who is employed in a school district administrative position by a school district or AEA pursuant to a contract issued by a board of directors under section 279.23, and is engaged in instructional leadership. An administrator may be employed in both an administrative and a nonadministrative position by a board of directors and shall be considered a part-time administrator for the portion of time that the individual is employed in an administrative position. *"Administrator"* does not include assistant principals or assistant superintendents **(284A.2(1)).**

Each school board shall establish an administrator mentoring program for all beginning administrators. The school board may adopt the model program developed by the department pursuant to subsection 2. Each school board's beginning administrator mentoring and induction program shall, at a minimum, provide for one year of programming to support the Iowa standards for school administrators adopted pursuant to section 256.7, subsection 27, and beginning administrators' professional and personal needs. Each school board shall develop and implement a beginning

administrator mentoring and induction plan. The plan shall describe the mentor selection process, describe supports for beginning administrators, describe program organizational and collaborative structures, provide a budget, provide for sustainability of the program, and provide for program evaluation. The school board employing an administrator shall determine the conditions and requirements of an administrator participating in a program established pursuant to this section. A school board shall include its plan in the school district's comprehensive school improvement plan submitted pursuant to section 256.7, subsection 21 **(284A.5(3)).**

To the extent moneys are available, a school district shall receive one thousand five hundred dollars [$1500] per beginning administrator participating in the program. Moneys received by a school district pursuant to this section shall be expended to provide each mentor with an award of five hundred dollars [$500] per semester, at a minimum, for participation in the school district's beginning administrator mentoring and induction program; to implement the plan; and to pay any applicable costs of the employer's share of contributions to federal social security and the Iowa public employees' retirement system or a pension and annuity retirement system established under chapter 294, for such amounts paid by the district **(284A.8(1)).**

If the funds appropriated for the program are insufficient to pay mentors and school districts as provided in this section, the department shall prorate the amount distributed to school districts based upon the amount appropriated. A school district shall give priority to fully funding the obligation to principal mentors. Remaining moneys, if any, shall first be used to fund superintendent mentors and then to fund other program costs and applicable costs described in subsection 1 **(284A.8(2)).**

<u>Appropriate uses of beginning administrator mentoring and induction program categorical funding</u>
Appropriate uses of the beginning administrator mentoring and induction program funding include costs to provide each mentor with the statutory award for participation in the school district's beginning administrator mentoring and induction program; to implement the plan; and to pay any applicable costs of the employer's share of contributions to federal social security and the Iowa public employees' retirement system, or a pension and annuity retirement system established under Iowa Code chapter 294, for such amounts paid by the school district **(IAC 281--98.43(1))**.

<u>Inappropriate uses of beginning administrator mentoring and induction program categorical funding</u> Inappropriate uses of beginning administrator mentoring and induction program funding shall include any costs that are not listed in subrule 98.43(1) as appropriate uses **(IAC 281--98.43(2))**.

Nonpublic Textbook Services

Textbooks adopted and purchased by a school district shall, to the extent funds are appropriated by the general assembly, be made available to pupils attending accredited nonpublic schools upon request of the pupil or the pupil's parent under comparable terms as made available to pupils attending public schools **(301.1(2), IAC 281—98.44)**.

Textbook expenditures made in accordance with this subsection shall be kept on file in the school district. In the event that a participating accredited nonpublic school physically relocates to another school district, textbooks purchased for the nonpublic school with funds appropriated for purposes of this chapter shall be transferred to the school district in which the nonpublic school has relocated and may be made available to the nonpublic school. Funds distributed to a school district for purposes of purchasing textbooks in accordance with this subsection which remain unexpended and available for the purchase of textbooks for the nonpublic school that relocated in the fiscal year in which the funds were distributed shall also be transferred to the school district in which the nonpublic school has relocated **(301.1(2)).**

All the books and other supplies purchased under the provisions of chapter 301 shall be paid for out of the general fund **(301.4).**

The board shall hold pupils responsible for any damage to, loss of, or failure to return any such books, and shall adopt such rules and regulations as may be reasonable and necessary for the keeping and preservation thereof. Any pupil shall be allowed to purchase any textbook used in the school at cost. No pupil already supplied with textbooks shall be supplied with others without charge until needed **(301.26).**

A school director, officer, or teacher shall not act as agent for school textbooks or school supplies, including sports apparel or equipment, in any transaction with a director, officer, or other staff member of the school district during such term of office or employment **(301.28(1)).**

An AEA director, officer, or teacher shall not act as an agent for school textbooks or school supplies, including sports apparel or equipment, in any transaction with a director, officer, or other staff member of the AEA or any school district located within the AEA during such time of office or employment **(301.28(2)).**

A school district or AEA director, officer, or teacher who acts as agent or dealer in school textbooks or school supplies during the person's term of office or employment in violation of this section shall be deemed guilty of a serious misdemeanor **(301.28(3)).**

Appropriate uses of nonpublic textbook services categorical funding
The appropriate use of the nonpublic textbook services funding shall be for the public school district to purchase nonsectarian textbooks for the use of pupils attending accredited nonpublic schools located within the boundaries of the public school district. "Textbook" means books and loose-leaf or bound manuals, systems of reusable instructional materials or combinations of books and supplementary instructional materials which convey information to the student or otherwise contribute to the learning process, and electronic textbooks, including but not limited to computer software, applications using computer-assisted instruction, interactive videodisc, other computer courseware and magnetic media, and laptop computers or other portable personal computing devices which are used for nonreligious instructional use only **(301.1(3), IAC 281--98.44(1))**.

In the event that a participating accredited nonpublic school physically relocates to another school district, textbooks purchased for the nonpublic school with funds appropriated for that purpose in accordance with the Iowa Code shall be transferred to the school district in which the accredited nonpublic school has relocated and may be made available to the accredited nonpublic school by the school district in which the nonpublic school has relocated. Funds distributed to a former school district for purposes of purchasing textbooks and that are unexpended shall also be transferred from the former school district to the school district in which the accredited nonpublic school has relocated **(IAC 281--98.44(1))**.

Inappropriate uses of nonpublic textbook services categorical funding
Inappropriate uses of nonpublic textbook services funding include, but are not limited to, reimbursements to accredited nonpublic schools for purchases made by the accredited nonpublic school, sectarian textbooks, computer hardware other than laptop computers or other portable personal computing devices which are used for nonreligious instructional use only, installation of hardware or other purchased services, teacher manuals or any other materials not available to the students attending the accredited nonpublic school, or any other expenditure that does not fit the definition of textbook. Funding provided for one nonpublic school located within the boundaries of the public school district shall not be used for another accredited nonpublic school, even if the accredited nonpublic school is associated with the same parent organization **(IAC 281--98.44(2))**.

Student Progression

If funds are appropriated by the general assembly for purposes of implementing this subsection, a school district shall do all of the following:
a. Provide students who are identified as having a substantial deficiency in reading under subsection 1, paragraph *"a"*, with intensive instructional services and supports, free of charge, to remediate the identified areas of reading deficiency, including a minimum of ninety minutes daily of scientific, research-based reading instruction and other strategies prescribed by the school district which may include but are not limited to the following:
(1) Small group instruction.
(2) Reduced teacher-student ratios.
(3) More frequent progress monitoring.
(4) Tutoring or mentoring.
(5) Extended school day, week, or year.
(6) Summer reading programs.
b. At regular intervals, apprise the parent or guardian of academic and other progress being made by the student and give the parent or guardian other useful information.
c. In addition to required reading enhancement and acceleration strategies, provide parents of students who are identified as having a substantial deficiency in reading under subsection 1, paragraph *"a"*, with a plan outlined in a parental contract, including participation in regular parent-guided home reading.
d. Establish a reading enhancement and acceleration development initiative designed to offer intensive accelerated reading instruction to each kindergarten through grade three student who is assessed as exhibiting a substantial deficiency in reading. The initiative shall comply with all of the following criteria:
(1) Be provided to all kindergarten through grade three students who exhibit a substantial deficiency in reading under this section. The assessment initiative shall measure phonemic awareness, phonics, fluency, vocabulary, and comprehension.
(2) Be provided during regular school hours in addition to the regular reading instruction.

(3) Provide a reading curriculum that meets guidelines adopted pursuant to section 256.7, subsection 31, and at a minimum has the following specifications:
(a) Assists students assessed as exhibiting a substantial deficiency in reading to develop the skills to read at grade level.
(b) Provides skill development in phonemic awareness, phonics, fluency, vocabulary, and comprehension.
(c) Includes a scientifically based and reliable assessment.
(d) Provides initial and ongoing analysis of each student's reading progress.
(e) Is implemented during regular school hours.
(f) Provides a curriculum in core academic subjects to assist the student in maintaining or meeting proficiency levels for the appropriate grade in all academic subjects.
e. Offer each summer, beginning in the summer of 2017, unless the school district receives a waiver from this requirement from the department of education for the summer of 2017, an intensive summer literacy program for students assessed as exhibiting a substantial deficiency in reading. The program shall meet the criteria and follow the guidelines established pursuant to section 256.9, subsection 53, paragraph *"c"*, subparagraph (1), subparagraph division (g).

DISCONTINUED GRANTS IN AID

Discontinued funding
In the event that a categorical funding source is discontinued and an unexpended balance remains, the school district or AEA shall carry forward the unexpended balance and expend the remaining balance within the subsequent 24 months for the purposes which were allowed in the final year that the funding was allocated or granted prior to discontinuation unless a rule in this chapter provides for a longer period. This subrule does not apply to market factor incentive pay funding, which may be carried forward until expended, but any expenditures from the market factor incentive pay funding must be appropriate under Iowa Code section 284.11 (2007 and 2007 supplement) **(IAC 281--98.2(4))**.

Educational Excellence, Phase I

Phase I of the educational excellence program is for the purpose of supporting the regular compensation for teachers. All districts and AEAs should have expended all remaining Phase I.

Appropriate use of Educational Excellence Phase I categorical funding
Appropriate use of the educational excellence Phase I program funding is limited to regular salary for teachers and the amount required to pay the employers' share of the federal social security and the Iowa public employees' retirement system, or a pension and annuity retirement system established under Iowa Code chapter 294, payments on the additional regular salary. Educational excellence Phase I program funding is to be fully expended in the fiscal year for which it is allocated.

Inappropriate uses of Educational Excellence Phase I categorical funding
Inappropriate uses of the educational excellence Phase I program funding include any expenditures other than regular salary for teachers and the amount required to pay the employers' share of the federal social security and the Iowa public employees' retirement system, or a pension and annuity retirement system established under Iowa Code chapter 294, payments on the regular salary.

School Improvement Technology Block Grant

The purpose of the School Improvement Technology Block Grant funding is to focus on the attainment of student achievement goals on academic and other core indicators and to consider the district's interconnectivity with the Iowa communications network (ICN) **(256D.7(1), 2001 Code).** All districts and AEAs should have expended all remaining School Improvement Technology Block Grant funding.

Appropriate uses of School Improvement Technology Block Grant Categorical Funding
The school district shall expend funds received for the acquisition, lease, lease-purchase, installation, and maintenance of instructional technology equipment, including hardware and software, materials and supplies related to instructional technology, and staff development and training related to instructional technology, and shall establish priorities for the use of the funds **(256D.8(1), 2001 Code).**

Inappropriate uses of School Improvement Technology Block grant Categorical Funding
Inappropriate uses of School Improvement Technology Block Grant categorical funding include any expenditures not listed above as an appropriate use.

Monies received shall not be used to add a full-time equivalent position or otherwise increase staffing, unless the district expends not more than ten percent [10%] of the funds received to employ or enter into a contract with information technology specialists to provide technical consultant and integration of technology in curriculum and instruction to advance student achievement **(256D.8(1), 2001 Code).**

Moneys received shall not be used for payment of any collective bargaining agreement or arbitrator's decision negotiated or awarded under chapter 20 **(256D.6(5), 2001 Code).**

2006-2007 Teacher Quality Market Factor Pay Program

Purpose of the 2006-2007 teacher quality, market factor pay pursuant to Iowa Code section 284.11 (2007)
Teacher quality market factor pay program in fiscal year 2006-2007 was for the purpose of providing salary incentives for recruitment and retention of teachers in subject-area shortages, hard to staff schools, and to improve racial and ethnic diversity.

Appropriate uses of the 2006-2007 market factor categorical funding
Appropriate uses of the 2006-2007 market factor pay are limited to additional classroom teacher salaries and the amount required to pay the employers' share of the federal social security and the Iowa public employees' retirement system, or a pension and annuity retirement system established under chapter 294, payments on the additional salary. The purposes for which the additional salary can be paid are improvement of salaries due to geographic or locally determined wage differences, recruitment and retention in hard-to-staff schools, recruitment and retention in subject-area shortages, or recruitment and retention to improve the racial or ethnic diversity of the local teaching staff. The 2006-2007 market factor pay is an exception to rule that the district is required to expend the remaining balance within the subsequent 24 months. Even though exempt, the district should expend the categorical funding on appropriate expenditures as quickly as possible. The district must carry forward any unexpended portion of its market factor pay until it has an appropriate use on which to expend the funding.

2007-2008 Teacher Quality Market Factor Incentive Program

Purpose of the 2007-2008 teacher quality, market factor incentive pursuant to section 284.11 in the 2007 Iowa Code Supplement
Teacher quality market factor incentive program in fiscal year 2007-2008 was for the purpose of incentives for recruitment and retention of teachers in subject-area shortages, hard-to-staff schools, or to improve racial and ethnic diversity.

Appropriate uses of the 2007-2008 market factor incentive categorical funding
Appropriate uses of the 2007-2008 market factor incentive funding include additional classroom teacher salaries and the amount required to pay the employers' share of the federal social security and the Iowa public employees' retirement system, or a pension and annuity retirement system established under chapter 294, payments on the additional salary, costs of educational opportunities and educational support, moving expenses, housing expenses, and costs of preparing a teacher or educational support personnel in the district to attain a license or endorsement in a shortage area. The purposes for which the additional salary can be paid are recruitment and retention in hard-to-staff schools, recruitment and retention in subject-area shortages, or recruitment and retention to improve the racial or ethnic diversity of the local teaching staff. The 2007-2008 market factor incentive funding is an exception to the rule that the district is required to expend the remaining balance within the subsequent 24 months. Even though exempt, the district should expend the categorical funding on appropriate expenditures as quickly as possible. The district must carry forward any unexpended portion of its market factor incentive funding until it has an appropriate use on which to expend the funding.

APPROPRIATE USE OF SPECIAL TAX LEVIES AND FUNDS

Tax levies or funds that are required by law to be expended only for the specific items listed in statute shall be accounted for in a similar way to categorical funding. Each fund is mutually exclusive and completely independent of any other fund. No fund shall be used as a clearing account for another fund, and no fund may retire the debt of another fund unless specifically authorized in statute, and transfers between funds shall be accomplished only as authorized in statute. For more information on appropriate and inappropriate uses of funds, refer to chapter 9 in this manual **(IAC 281—98.60).**

CHAPTER 11

CASH AND DEBT MANAGEMENT

Bankruptcy

A city, county, or other political subdivision of this state shall not be a debtor under chapter 9 of the federal Bankruptcy Code, 11 USC section 901 et seq., except as otherwise specifically provided in chapter 76 of the Iowa Code **(76.16).**

A city, county, or other political subdivision may become a debtor under chapter 9 of the federal Bankruptcy Code, 11 USC section 901 et seq., if it is rendered insolvent, as defined in 11 USC section 101(32)(c), as a result of a debt involuntarily incurred. As used herein, debt means an obligation to pay money, other than pursuant to a valid and binding collective bargaining agreement or previously authorized bond issue, as to which the governing body of the city, county or other political subdivision has made a specific finding set forth in a duly adopted resolution of each of the following:

1. That all or a portion of such obligation will not be paid from available insurance proceeds and must be paid from an increase in general tax levy.
2. That such increase in the general tax levy will result in a severe, adverse impact on the ability of the city, county, or political subdivision to exercise the powers granted to it under applicable law, including without limitation providing necessary services and promoting economic development.
3. That as a result of such obligation, the city, county, or other political subdivision is unable to pay its debts as they become due.
4. That the debt is not an obligation to pay money to a city, county, entity organized pursuant to chapter 28E, or other political subdivision **(76.16A).**

Cash Management

Investments

A depository means a bank or a credit union in which public funds are deposited under Iowa Code chapter 12C **(12C.1(2)(c)).**

Public funds and public deposits mean the moneys of a school corporation, moneys of a legal or administrative entity created pursuant to chapter 28E, and moneys placed in a depository for the purpose of completing an electronic financial transaction **(12C.1(2)"e").** Ambiguities in the application of section 12C.1 shall be resolved in favor of preventing the loss of public funds on deposit in a depository **(12C.1(4)).**

A school corporation governing body may delegate its investment authority, under the provisions of Iowa Code chapter 12C, to the treasurer or other financial officer of the governmental unit, who shall thereafter be responsible for handling investment transactions until such delegation of authority is revoked **(12C.11).** A school district has two financial officers; one is the secretary and the other is the treasurer.

A depository may make reasonable service charges with respect to the handling of public funds, but the service charges shall not be greater than the depository customarily requires from other depositors for similar services **(12C.12).**

The board of directors and the designated financial officers are not liable for loss of funds by reason of the insolvency of the depository institution when the funds have been deposited or invested as provided in chapter 12C **(12C.8).**

Pending audit and allowance of claims under section 279.29, the board shall invest moneys of the corporation to the extent practicable, and the board may provide for the joint investment of moneys with one or more school corporations pursuant to a joint investment agreement. All investments of funds shall be subject to sections 12B.10 and 12B.10A and other applicable law **(279.29).**

In addition to investment standards and requirements otherwise provided by law, the treasurers shall comply with section 12B.10, except where otherwise provided by another statute specifically referring to section 12B.10 **(12B.10(1)"a").**

The treasurers shall at all times keep funds coming into their possession as public money in the vault or safe to be provided for that purpose or in one or more depositories approved by the board. However, the treasurer shall invest,

unless otherwise provided by Code, any public funds not currently needed in investment authorized by section 12B.10 **(12B.10(1)"b").**

The treasurer, when investing or depositing public funds, shall exercise the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use to attain the goals of Iowa Code 12B.10(2). This standard requires that when making investment decisions, a public entity shall consider the role that the investment or deposit plays within the portfolio of assets of the public entity and the goals of 12B.10(2). The primary goals of investment prudence shall be based on the following order of priority:

1. Safety of principal is the first priority.
2. Maintaining the necessary liquidity to match expected liabilities is the second priority.
3. Obtaining a reasonable return is the third priority **(12B.10(2)).**

Investments of public funds shall be made in accordance with written policies. A written investment policy shall address the goals set out above and shall also address, but is not limited to, compliance with state law, diversification, maturity, quality, and capability of investment management. The trading of securities in which any public funds are invested for the purpose of speculation and the realization of short-term trading profits is prohibited. Investments by a political subdivision must have maturities that are consistent with the needs and use of that political subdivision or agency **(12B.10(3)).**

The investment of public funds which are operating funds by a political subdivision shall be subject to the following:

1. Operating funds means those funds which are reasonably expected to be expended during a current budget year or within fifteen [15] months of receipt.
2. Operating funds must be identified and distinguished from all other funds available for investment.
3. Operating funds may only be invested in investments which mature within three hundred ninety-seven [397] days or less and which are authorized by law for the investing public entity **(12B.10A(1)).**

All investments of public funds by political subdivisions shall be subject to the following:

a. Each investment must be authorized by applicable law and the written investment policy of the political subdivision.
b. Each political subdivision whose investments involve the use of a public funds custodial agreement, as defined in section 12B.10C, shall comply with rules adopted pursuant to section 12B.10C relating to those investments. All contracts providing for the investment of public funds shall be in writing and shall contain a provision requiring that all investments shall be made in accordance with the laws of this state.
c. A contract for the investment or deposit of public funds shall not provide for compensation of an agent or fiduciary based upon investment performance **(12B.10A(2))**.

A treasurer of a political subdivision may invest funds of the political subdivision or agency that are not operating funds in investments having maturities longer than three hundred and ninety-seven [397] days **(12B.10A(3)).**

At the time of any examination of or at the time of any settlement with the treasurer in charge of any public funds, the treasurer is not required to produce and count in the presence of the officer or officers making such examination or settlement, unless otherwise requested by the board, all moneys or funds then on deposit in the safe or vault in the treasurer's office. The treasurer shall produce a statement of all money or funds on deposit with any depository wherein the treasurer is authorized to deposit such funds, and shall correctly show the balance remaining on deposit in such depository at the close of business on the day preceding the day of such settlement. The treasurer shall also file a statement setting forth the numbers, dates, and amounts of all outstanding checks, or other items of difference, reconciling the balance as shown by the treasurer's books with those of the depositories **(12B.11).**

It shall be the duty of the officer or officers making such settlement to see that the amount of securities and money produced and counted, together with the amounts so certified by the legally designated depositories, agrees with the balance with which such treasurer should be charged, and the officer shall make a report in writing of any such settlement or examination, and attach thereto the certified statement of all such depositories **(12B.12).**

Any officer or other person making a false statement or report or in any manner violating any of the provisions of sections 12B.10 to 12B.13 shall be guilty of a fraudulent practice **(12B.14).**

If any auditor or treasurer or other officer shall neglect or refuse to perform any act or duty specifically required of the officer, such officer shall be guilty of a simple misdemeanor, and the officer and the officer's surety shall be liable on the official bond for any fine imposed, and for the damages sustained by any person through such neglect or refusal **(12B.15).**

All funds held by the following officers or institutions shall be deposited in one or more depositories first approved by the appropriate government body as indicated: for a school corporation, the board of school directors. However, the treasurer of each political subdivision (school corporation) shall invest all funds not needed for current operating expenses in time certificates of deposit in approved depositories pursuant to chapter 12C or in investments permitted by section 12B.10. The list of public depositories and the amounts severally deposited in the depositories are matters of public record **(12C.1(1)).**

The approval of a financial institution as a depository of public funds for a public body shall be by written resolution or order which shall be entered of record in the minutes of the approving board, and that shall distinctly name each depository approved, and specify the maximum amount that may be kept on deposit in each depository **(12C.2).**

Deposits by a school treasurer or school secretary shall be in depositories located within this state which shall be selected by the board of directors of the school district. However, deposits may be made in depositories outside of Iowa for the purpose of paying principal and interest on bonded indebtedness when the deposit is made not more than ten [10] days before the date the principal or interest becomes due. Deposits made for the purpose of completing an electronic financial transaction pursuant to section 8B.32 or 331.427 may be made in any depository located in this state **(12C.4).**

County treasurers are required to make separate direct deposits into the funds if the school board designates a separate [bank] account for such funds **(OAG #82-8-15(L)).**

If the approved depositories will not accept the deposits under the conditions prescribed or authorized in chapter 12C, the funds may be deposited, on the same or better terms as were offered to the depositories, in one or more approved depositories conveniently located within the state **(12C.5).**

Public deposits shall be deposited with reasonable promptness in a depository legally designated as depository for the funds **(12C.6(1)).**

Public funds invested in depositories' time certificates of deposit by a public body or officer other than the treasurer of state shall draw interest at rates to be determined by the public body or officer and the depository, which rates shall not be less than the minimum rate set under section 12C.6 for state funds **(12C.6(3)).**

A depository may pay interest to a public officer on deposits of public funds, and a public officer may take or receive interest on deposits of public funds **(12C.7(1)).**

Interest or earnings on investments and time deposits shall be credited to the general fund of the governmental body making the investment or deposit, with the exception of specific funds for which investments are otherwise provided by law. Funds so excepted shall receive credit for interest or earnings derived from such investments or time deposits made from such funds **(12C.7(2)).**

An officer who is referred to in section 12C.1 is not liable for loss of funds by reason of the insolvency of the depository institution when the funds have been deposited or invested as provided in chapter 12C **(12C.8).**

The board, who by law have control of any fund created by direct vote of the people, may invest any portion of the fund not currently needed, in investments authorized in Iowa Code section 12B.10 **(12C.10).**

There is no statutory authority for the voters to vote a tax to create a fund to be used solely for investment purposes **(OAG #74-4-23).**

The treasurer or other designated financial officer of each school corporation shall invest the proceeds of notes, bonds, refunding bonds, and other evidences of indebtedness, and funds being accumulated for the payment of principal and interest or reserves in investments set out in section 12B.10(4)"a"(1) through (9), section 12B.10(5)"a"(1) through (7), an investment contract, or tax-exempt bonds. The investment shall be as defined and permitted by section 148 of the Internal Revenue Code (IRC) and applicable regulations under that section. An investment contract, or tax-exempt bonds shall be rated within the two (2) highest classifications as established by at least one (1) of the standard rating services approved by the superintendent of banking by rule **(12C.9(1)).** Earnings and interest from these investments shall be used to pay the principal or interest as the principal or interest comes due on the indebtedness or to fund the construction of the project for which the indebtedness was issued, or shall be credited to the capital project fund for which the indebtedness was issued **(12C.9(2)).**

Public funds of the state shall not be deposited in a financial institution which does not demonstrate a commitment to serve the needs of the local community in which it is chartered to do business, including the needs of neighborhoods,

rural areas, and small businesses in communities served by the financial institution. These needs included credit services as well as deposit services **(12C.6A(1)).**

A deposit of public funds in a depository pursuant to chapter 12C shall be secured as follows:

a. If a depository is a credit union, then public deposits in the credit union shall be secured pursuant to sections 12C.16 through 12C.19 and sections 12C.23 and 12C.24.
b. If a depository is a bank, public deposits in the bank shall be secured pursuant to sections 12C.23A and 12C.24 **(12C.1(3)).**

A local government shall not require a pledge of collateral for that portion of the local government's deposits in a credit union that is covered by insurance of a federal agency or instrumentality **(12C.15).**

Notwithstanding chapter 524, the deposit of public funds in a credit union defined in section 533.102 or a mutual corporation as defined in section 524.103 does not constitute being a shareholder, stockholder, or owner of a corporation in violation of Article VIII of the Constitution of the State of Iowa or any other provision of law **(12C.13).**

Debt Management

Advanced Funding Authority

The Iowa advance funding authority is a public instrumentality and agency of the state exercising public and essential governmental functions, established for the purposes of reducing the cash flow difficulties faced by Iowa schools, improving the financial procedures of Iowa schools, and reducing the short-term borrowing costs of Iowa schools **(257C.4).**

"School" includes each public school district, AEA, and community college **(257C.3(5)).**

The general assembly finds:

1. The establishment of the authority is in all respects for the benefit of the people of the state of Iowa and the improvement of the financing procedures for Iowa's schools.
2. The authority will be performing an essential governmental function in the exercise of the powers and duties conferred upon it by chapter 257C.
3. Iowa schools face a serious and increasing problem with cash flow difficulties caused, among other factors, by increasing reliance on state school foundation aid, delays in the payment of state school foundation aid, and the periodic payment of property taxes for school purposes.
4. As a result of their increasing cash flow difficulties, Iowa schools have had to borrow on a short-term basis larger amounts of funds more often, thus increasing their borrowing costs significantly.
5. The short-term borrowing costs of Iowa schools are a direct burden on the taxpayers of the state.
6. It is necessary to create the authority to provide a means for Iowa schools to reduce substantially or eliminate their short-term borrowing costs and thus reduce costs to the taxpayers.
7. All of the purposes stated in this section are public purposes and uses for which public moneys may be borrowed, expended, advanced, loaned or granted **(257C.2).**

Members of the authority board and persons acting in the authority's behalf, while acting within the scope of their employment or agency, are not subject to personal liability resulting from carrying out the powers and duties given in chapter 257C **(257C.11).**

Governing board:

1. The powers of the authority are vested in and exercised by a board consisting of five members, including the treasurer of state, the director of the department of education, and the director of the department of management, and two members appointed by the governor, subject to confirmation by the senate. The state officials may designate representatives to serve on the board for them. As far as possible, the governor shall appoint members who are knowledgeable or experienced in the school systems of this state or in finance.
2. The governor shall appoint the members of the authority for terms of six years, beginning and ending as provided in section 69.19. An appointed member of the authority may be removed from office by the governor for misfeasance, malfeasance, or willful neglect of duty or other just cause, after notice and hearing, unless the notice and hearing are expressly waived in writing by the member.
3. Three members of the board constitute a quorum.

4. The appointed members of the authority receive a per diem as specified in section 7E.6 for each day spent in performance of duties as members, and shall be reimbursed for all actual and necessary expenses incurred in the performance of duties as members.
5. The appointed members of the authority shall give bond as required for public officers in chapter 64.
6. Meetings of the authority shall be held at the call of the chairperson or when a majority of the members so request.
7. The members shall elect a chairperson, vice chairperson and secretary annually, and other officers as they determine necessary **(257C.5).**

Advance Funding Program:

1. The authority shall establish a statewide advance funding program for the purchase from schools of notes issued in anticipation of the receipt of moneys for school purposes or for making loans to schools to alleviate cash flow difficulties and to otherwise improve the financial well-being of the schools.
2. The authority may issue its bonds and use the proceeds from the bonds for the purpose of making loans to or purchasing the notes of any school for the use of the various funds of the school for any lawful school purpose excluding debt service. Bonds issued pursuant to this section may be secured by a pledge of payments made to the authority by the school, to be derived from the receipt of anticipated funds evidenced by the notes of the school, including a pooling of payments of notes from two or more participating schools. The authority may also issue refunding bonds, including advance refunding bonds, for the purpose of refunding previously issued bonds.
3. The authority may issue its bonds in principal amounts which, in the opinion of the authority, are necessary to provide sufficient funds for achievement of its corporate purposes, the payment of interest on its bonds, the establishment of reserves to secure its bonds, the costs of issuance of its bonds, and all other expenditures of the authority incident to and necessary or convenient to carry out its purposes and powers. The bonds are investment securities and negotiable instruments within the meaning of and for purposes of the uniform commercial code, chapter 554.
4. Bonds issued under this section are payable solely and only out of the moneys, assets, or revenues of the authority and are not an indebtedness of this state, and this state is not liable on the bonds. Bonds issued under chapter 257C shall contain on their face a statement that the state is not liable.
5. The proceeds of bonds issued by the authority and not required for immediate disbursement may be invested in any investment approved by the board and specified in the trust indenture or resolution pursuant to which the bonds are issued without regard to any limitation otherwise provided by law.
6. The bonds of the authority shall be:
    a. In a form, issued in denominations, executed in a manner and payable over terms and with rights of redemption, as the board prescribes in the resolution authorizing their issuance.
    b. Negotiable instruments under the laws of the state and may be sold at prices, at public or private sale, and in a manner, as prescribed by the board. Chapters 73A, 74, 74A and 75 do not apply to their sale or issuance.
    c. Subject to the terms, conditions, and covenants providing for the payment of the principal, redemption premiums, if any, interest, and other terms, conditions, covenants, and protective provisions safeguarding payment, not inconsistent with chapter 257C and as determined by resolution of the board.
7. The bonds of the authority are securities in which public officers and bodies of this state; political subdivisions of this state; insurance companies and associations and other persons carrying on an insurance business; banks, trust companies, savings associations, savings and loan associations, and investment companies; administrators, guardians, executors, trustees, and other fiduciaries; and other persons authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them.
8. Bonds must be authorized by a resolution of the board. However, a resolution authorizing the issuance of bonds may delegate to an officer of the authority the power to negotiate and fix the details of an issue of bonds by an appropriate certificate of the authorized officer **(257C.8).**

A school may issue and sell or pledge its notes to the authority or the authority's designated agent or trustee. Schools may enter into contracts and agreements with the authority to effectuate the purposes of this chapter. In acting pursuant to this section, schools are exempt from all laws of the state which provide for competitive bids and hearings in connection with such sales, pledges, contracts and agreements **(257C.16).**

Stamping Warrants

Chapter 74 applies to all warrants which are legally drawn on a public treasury and which, when presented for payment, are not paid for want of funds **(74.1(1)).**

If a warrant other than an anticipatory warrant is presented for payment, and is not paid for want of funds, or is only partially paid, the treasurer shall endorse the fact thereon, with the date of presentation, and sign the endorsement, and thereafter the warrant or the balance due thereon, shall bear interest at the rate specified in section 74A.2 **(74.2).**

When a fund contains sufficient money to pay one or more interest-bearing obligations which are outstanding against the fund, the treasurer shall call those obligations for payment. Obligations may be paid in the order of presentation. This section does not authorize a fixed-term obligation to be called at a date earlier than is provided by the conditions and terms upon which it was issued **(74.5).**
The treasurer shall keep a record of each interest-bearing obligation which shall show the number and amount, the date interest commences, the rate of interest, and the name and post office address of the holder of the obligation **(74.3).**

Interest on an interest-bearing obligation shall cease to accrue as of the date specified in the notice of call issued. This does not apply if the parties have otherwise agreed in writing **(74.6).**

When an obligation which legally draws interest is paid, the treasurer shall endorse upon it the date of payment, and the amount of interest paid. The treasurer shall enter into the records maintained under section 74.3 the date of payment and the amount of interest paid **(74.7).**

A warrant not paid upon presentation for want of funds bears interest on unpaid balances at the rate in effect at the time the warrant is first presented for payment, as established by rule pursuant to subsection 74A.6(2). This section does not apply to an obligation which by law bears interest from the time it is issued **(74A.2).**

The interest rates authorized by section 74A.3 to be set by the issuing governmental body or agency shall be set in each instance by the governing body which, in accordance with applicable provisions of law then in effect, authorizes the issuance of the bonds, warrants, pledge orders, certificates, obligations, or other evidences of indebtedness **(74A.3(2)).**

The committee [treasurer of state, superintendent of banking, superintendent of credit unions, and auditor of state or a designee] shall establish the maximum interest rate to be applicable to obligations referred to in section 74A.2, and this rate shall apply unless the parties agree to a lesser interest rate **(74A.6(2)).**

The committee from time to time shall establish one or more of the interest rates referred to in subsections 2 and 3 as may be financing of governmental activities, and to minimize interest costs to governmental bodies while permitting a fair return to persons whose funds are used to finance governmental activities. The committee shall consider relevant indices of actual interest rates in the economy when establishing rates under this section, including but not necessarily limited to maximum lawful interest rates payable by depository financial institutions on customer deposits, interest rates payable on obligations issued by the United States government, and interest rates payable on obligations issued by governmental bodies other than those of this state **(74A.6(4)).** An interest rate established by the committee under this section shall be in effect commencing on the eighth calendar day following the day the rate is established and until a new rate is established and takes effect **(74A.6(5)).**

An interest rate limit, provision that no interest rate limit exists, or authorization to set interest rates, as provided by this chapter or any other law, applies to all bonds, warrants, pledge orders, certificates, obligations, or other evidences of indebtedness issued and delivered after the effective date of the provision, regardless of whether the bonds, warrants, pledge orders, certificates, obligations, or other evidences of indebtedness were authorized to be issued pursuant to election, public hearing, or otherwise before the effective date of the provision. This section operates both retroactively and prospectively **(74A.8).**

Warrants may be stamped or anticipatory warrants issued while funds are invested if the investments were made in good faith and without negligence **(OAG #81-12-4).**

A district can stamp warrants when money is tied up in closed banks **(AG Report 1932, p. 265).**

The treasurer should make pro rata payments on warrants not paid for want of funds **(AG Report 1934, pp. 224, 248).**

Stamped warrants should be paid in the order of their date of stamping when sufficient money is on hand **(1934 Op. Att'y Gen. 435 (#34-1-9)).**

When stamped warrants are partially paid and a new warrant is issued for the balance, the new warrant should take precedence over other stamped warrants issued subsequent to the date of the original **(1912 Op. Att'y Gen. 732 (#12-7-9)).**

When a district knows that it does not have sufficient funds to pay warrants, for example, payroll, it must still issue the individual warrants and have each one stamped. It cannot issue one warrant from the general fund to a payroll account and stamp just that one warrant **(OAG #64-2-28).** [Note: where this opinion uses the word "warrant" it means "checks" in modern procedures.]

A school district may not give promissory notes nor may it issue warrants to borrow money for current operating expenses in excess of the budget estimate **(1948 Op. Att'y Gen. 5 (#47-1-6)).**

Stamped warrants may be issued against the schoolhouse fund when an issue has been voted **(OAG #39-5-19).** [Note: schoolhouse fund as used here includes the tax funds PPEL, PERL, and Debt Service.]

A levy authorized by the board may not be anticipated by issuing stamped warrants against the levy authorized **(OAG #50-7-3)**. A district cannot anticipate the collection until the tax has actually been levied **(OAG #58-8-1).**

Anticipatory Warrants

Chapter 74 applies when a municipality (school district) determines that there are not or will not be sufficient funds on hand to pay the legal obligations of a fund, it may provide for the payment of such an obligation by drawing an anticipatory warrant payable to a bank or other business entity authorized by law to loan money in an amount legally available and believed to be sufficient to cover the anticipated deficiency **(74.1(2)).** The procedures in chapter 74 also apply to the issuance of warrants or the issuance of anticipatory warrants of an AEA established under chapter 273 **(74.1(5)).** AEA boards are authorized to issue warrants and anticipatory warrants pursuant to chapter 74. This shall not be construed to authorized an AEA board to levy a tax **(273.3(17)).**

An anticipatory warrant issued under the authority of section 74.1(1) shall bear interest at a rate determined by the issuing governmental body, but not exceeding that permitted by chapter 74A **(74.2).**

When a fund contains sufficient money to pay one or more interest-bearing obligations which are outstanding against the fund, the treasurer shall call those obligations for payment. Obligations may be paid in the order of presentation. This section does not authorize a fixed-term obligation to be called at a date earlier than is provided by the conditions and terms upon which it was issued **(74.5).**

The treasurer shall keep a record of each interest-bearing obligation which shall show the number and amount, the date interest commences, the rate of interest, and the name and post office address of the holder of the obligation **(74.3).**

Interest on an interest-bearing obligation shall cease to accrue as of the date specified in the notice of call issued. This does not apply if the parties have otherwise agreed in writing **(74.6).**

When an obligation which legally draws interest is paid, the treasurer shall endorse upon it the date of payment, and the amount of interest paid. The treasurer shall enter into the records maintained under section 74.3 the date of payment and the amount of interest paid **(74.7).**

Each public issuer of warrants may designate the warrants as tax-exempt public warrants if the issuer complies with the tax-exempt reporting requirements of the federal Internal Revenue Code (IRC) **(74.8).**

In the event a school corporation which has issued anticipatory warrants fails to pay principal or interest of its anticipatory warrants when due, upon certification by the trustee or the paying agent designated pursuant to section 76.10 to the director of the department of administrative services, the director of the department of administrative services shall withhold and directly apply, from any state appropriation to which the school corporation is entitled, so much as is certified to the trustee or the paying agent to the payment of the principal and interest on the anticipatory warrants of the school corporation then due. The obligation of the director of the department of administrative services to withhold and directly apply moneys from any state appropriation to which the school corporation is entitled does not create any moral or legal obligations of the state to pay, when due, the principal and interest on the anticipatory warrants of a school corporation. All appropriations for school corporations shall be subject to the provisions of this section **(74.9).**

A warrant not paid upon presentation for want of funds bears interest on unpaid balances at the rate in effect at the time the warrant is first presented for payment, as established by rule pursuant to subsection 74A.6(2). This section does not apply to an obligation which by law bears interest from the time it is issued **(74A.2).**

The interest rates authorized by section 74A.3 to be set by the issuing governmental body or agency shall be set in each instance by the governing body which, in accordance with applicable provisions of law then in effect, authorizes the issuance of the bonds, warrants, pledge orders, certificates, obligations, or other evidences of indebtedness **(74A.3(2)).**

The committee [treasurer of state, superintendent of banking, superintendent of credit unions, and auditor of state or a designee] shall establish the maximum interest rate to be applicable to obligations referred to in section 74A.2, and this rate shall apply unless the parties agree to a lesser interest rate **(74A.6(2)).**

The committee from time to time shall establish one or more of the interest rates referred to in subsections 2 and 3 as may be financing of governmental activities, and to minimize interest costs to governmental bodies while permitting a fair return to persons whose funds are used to finance governmental activities. The committee shall consider relevant indices of actual interest rates in the economy when establishing rates under this section, including but not necessarily limited to maximum lawful interest rates payable by depository financial institutions on customer deposits, interest rates payable on obligations issued by the United States government, and interest rates payable on obligations issued by governmental bodies other than those of this state **(74A.6(4)).** An interest rate established by the committee under this section shall be in effect commencing on the eighth calendar day following the day the rate is established and until a new rate is established and takes effect **(74A.6(5)).**

An interest rate limit, provision that no interest rate limit exists, or authorization to set interest rates, as provided by this chapter or any other law, applies to all bonds, warrants, pledge orders, certificates, obligations, or other evidences of indebtedness issued and delivered after the effective date of the provision, regardless of whether the bonds, warrants, pledge orders, certificates, obligations, or other evidences of indebtedness were authorized to be issued pursuant to election, public hearing, or otherwise before the effective date of the provision. This section operates both retroactively and prospectively **(74A.8).**

School district warrants:

1. The treasurer of a school district shall sell anticipatory warrants authorized by subsection 74.1(2) at a rate of interest to be determined by the board of the school district.
2. The treasurer may offer the warrants for public sale at par, by publishing notice of the sale for two consecutive weeks in a newspaper of general circulation in the jurisdiction of the school district issuing the warrants, giving not less than ten [10] days' notice of the time and place of the sale. The notice shall include a statement of the amount of the warrants offered for sale.
3. Sealed bids may be received at any time up to the time all bids are opened. The treasurer shall sell the warrants to the bidder offering the lowest interest rate, provided that the treasurer may reject all bids and readvertise the sale of the warrants pursuant to the provisions of this section.
4. This section applies only to school districts whose anticipated receipts allocable to the current budget are at least equal to their legally approved budget for the current year **(74A.7).**

Warrants may be stamped or anticipatory warrants issued while funds are invested if the investments were made in good faith and without negligence **(OAG #81-12-4).**

A school district may not give promissory notes nor may it issue warrants to borrow money for current operating expenses in excess of the budget estimate **(1948 Op. Att'y Gen. 5 (#47-1-6)).**

A district cannot anticipate the collection until the tax has actually been levied **(OAG #58-8-1).**

Bonded Indebtedness

Authorization to Issue General Obligation Bonds

School boards shall not incur original indebtedness by the issuance of bonds until authorized by the voters of the school corporation **(274.2).** School bonds may not be lawfully issued for any purpose other than those authorized by statute **(1906 Op. Att'y Gen. 419 (#5-8-10)).**

The board of directors of any school corporation when authorized by the voters at an election held on a date specified in section 39.2(4)"c", may issue the negotiable, interest-bearing school bonds of the corporation for borrowing money for any or all of the following purposes:

1. To acquire sites for school purposes.
2. To erect, complete, or improve buildings authorized for school purposes.
3. To acquire equipment for schools, sites, and buildings **(298.21).**

Subject to the approval of the voters thereof, school districts are hereby authorized to contract indebtedness and to issue general obligation bonds to provide funds to defray the cost of purchasing, building, furnishing, reconstructing, repairing, improving or remodeling a schoolhouse or schoolhouses and additions thereto, gymnasium, stadium, fieldhouse, school bus garage, teachers' or superintendent's home or homes, and procuring a site or sites therefor, or purchasing land to add to a site already owned, or procuring and improving a site for an athletic field, or improving a

site already owned for an athletic field, and for any one or more of such purposes. Taxes for the payment of the bonds shall be levied in accordance with chapter 76, and the bonds shall mature within a period not exceeding twenty [20] years from date of issue, shall bear interest at a rate or rates not exceeding that permitted by chapter 74A and shall be of such form as the board of directors of the school district shall by resolution provide, but the aggregate indebtedness of any school district shall not exceed five percent [5%] of the actual value of the taxable property within said school district, as ascertained by the last preceding state and county tax lists **(296.1).**

No county, or other political or municipal corporation shall be allowed to become indebted in any manner, or for any purpose, to an amount, in the aggregate, exceeding five per centum on the value of the taxable property within such county or corporation — to be ascertained by the last state and county tax lists, previous to the incurring of such indebtedness (**Constitution of the State of Iowa, Article XI, Section 3).**

The five percent [5%] limit is referred to as the "Statutory Debt Limit." For example, a school district has an actual valuation of $50,000,000 as ascertained by the latest summation made by the county auditor and provided to the Department of Management, and an outstanding debt of $750,000. Under these circumstances, the maximum amount of bonds that could be voted is determined as follows:

	$50,000,000	Actual Valuation before Rollbacks Including TIF
x	5%	Legal Bonding Rate (5% = .05)
=	$ 2,500,000	Bonding Limit
-	750,000	Outstanding Debt
=	$ 1,750,000	Amount for Which Bonds Could Be Voted

The law is unclear on whether the actual valuation before rollbacks and TIF valuation should be before or after reduction for military credit. Governmental entities generally hold that it should be calculated after the reduction because military credit does not represent taxable base.

Before indebtedness can be contracted in excess of one and one-quarter percent [1.25%] of the assessed value of the taxable property, a petition signed by a number equal to twenty-five percent [25%] of those voting at the last election of school officials shall be filed with the president of the board of directors, asking that an election be called, stating the amount of bonds proposed to be issued and the purpose or purposes for which the indebtedness is to be created, and that the purpose or purposes cannot be accomplished within the limit of one and one-quarter percent [1.25%] of the valuation. The petition may request the calling of an election on one or more propositions and a proposition may include one or more purposes **(296.2).**

Loans to a school district by the Department of Economic Development under the Community and Rural Development Loan Program (CORDLAP) are indebtedness for purposes of the debt limitation provision in the Iowa Constitution **(OAG #89-5-6).**

If money is on hand to pay principal and interest due yearly on bonds, this may be considered as paid in determining the maximum that could be bonded for buildings and site **(OAG #46-1-23).**

If the vote in favor of the issuance of the bonds is equal to at least sixty percent [60%] of the total vote cast for and against the proposition at the election, the board of directors shall issue the same and make provision for payment thereof **(296.6).**

When a proposition to authorize an issuance of bonds by a school corporation is submitted to the electors, such proposition shall not be deemed carried or adopted, anything in the statutes to the contrary notwithstanding, unless the vote in favor is such authorization is equal to at least sixty percent [60%] of the total vote cast for and against the proposition at the election. All ballots cast and not counted as a vote for or against the proposition shall not be used in computing the total vote cast for or against said proposition. When a proposition to authorize an issuance of bonds has been submitted to the electors under section 75.1 and the proposal fails to gain approval by the required percentage of votes, such proposal, or any proposal which incorporates any portion of the defeated proposal, shall not be submitted to the electors for a period of six [6] months from the date of the regular or special election and may only be submitted on a date specified in section 39.2(4) paragraph "a", "b", or "c", as applicable **(75.1).**

Variance between the petition for and notice of election for the stated purpose of constructing a new schoolhouse and the school bond election ballot submitted the question of construction of a new senior high school building was one of substance fatal to the election and accordingly no school bonds could be lawfully issued **(Honohan v. United Community School District of Boone and Story Counties, 1965, 258 Iowa 57, 137 N.W. 2d 601).**

A school board has discretion to determine how soon an election on a bond petition must be held. Petitions should be acted upon in the order they are filed and elections should be scheduled within ten days of receipt. There is some discretion on the part of the board to refuse petitions or to condition an election if the board determines that an election on the petition to be "contrary to the needs of the school district." Once a petition has been approved at an election, the board is obligated to comply with the proposal's directive, and does not have discretion to delay action pending an election on a conflicting proposal. Where the ultimate objective of two proposals are the same, so that approval of one would defeat the objective of another, the subsequent proposal "incorporates a portion" of the first, and is subject to a six-month delay after the election of the first proposal **(OAG #89-6-4(L)).**

It is within the discretion of the local school board of education to have two separate referendum questions submitted on a single ballot, or the board may present one bond issue prior to the other and if the first fails they must timely submit the second legally sufficient bond issue or face a potential mandamus action for arbitrary and capricious action. A petition for election may only be eliminated for legally sufficient reasons **(OAG #81-5-3(L)).**

Failure to give notice of election on the question of issuing bonds by a school district in the form prescribed by statute injuriously affected legality of the bonds when issued **(1898 Op. Att'y Gen. 112 (#96-6-19)).**

A new petition for a school bond issue can be accepted prior to the lapse of six months after the last issue failed **(OAG #64-8-12).**

If electors voted for two grade schools, or an elementary school and a high school, one of these could not be started and the other delayed unless such action was on the proposition and voted by the electors **(1940 Op. Att'y Gen. 388 (#39-9-21)).**

Bonded indebtedness upon approval of the voters, for the cost of building a bus garage is permitted. The general fund may not be expended for this purpose **(OAG #64-5-5(L), 296.1).**

Bonds or taxes voted for buildings and equipment for buildings cannot be used for purchase of sites **(1930 Op. Att'y Gen. 44).**

Site selection is for the determination of the board and it can change its mind after bonds are voted unless the site was specified in the proposition **(1912 Op. Att'y Gen. 604 (#12-3-8)).**

The state treasurer shall notify each political subdivision, instrumentality, and agency of the state to report to the treasurer the amount of bonds outstanding and each new bond issue. The treasurer shall adopt rules and establish forms for carrying out this provision. Each political subdivision, instrumentality, and agency of the state shall provide all the information required by the treasurer under this provision **(12.1).**

A school district may contract indebtedness and issue general obligation bonds or enter into insurance agreements obligating the school district to make payments beyond its current budget year for one or more of the following mechanisms to protect the school district or corporation from tort liability, loss of property, environmental hazards, or any other risk associated with the operation of the school district or corporation:

a. To procure or provide for a policy of insurance.
b. To provide a self-insurance program.
c. To establish and maintain a local government risk pool.

However, this subsection does not apply to an insurance program for employee benefit plans **(296.7).**

Sale of Bonds

When public bonds are offered for sale, the official in charge of the bond issue shall, by advertisement published at least once, the last one of which shall be not less than four [4] nor more than twenty [20] days before the sale in a newspaper located in the county or a county contiguous to the place of sale of the bonds, give notice of the time and place of sale of the bonds, the amount to be offered for sale, and any further information which the official deems pertinent **(75.2).**

Sealed bids may be received at any time prior to the calling for open bids, if open bids are provided for in the notice of sale. After the sealed bids are all filed, the official or officials shall call for open bids, if open bids are provided for in the notice of sale. After all of the open bids have been received the substance of the best open bid shall be noted in the minutes. If open bids are not permitted in the notice of sale, sealed bids may be received until it is announced that all sealed bids shall be opened. The official or officials shall then open any sealed bids that have been filed and they shall note in the minutes the substance of the best sealed bid **(75.3).**

Any or all bids may be rejected, and the sale may be advertised anew, in the same manner, or the bonds or any portion thereof may thereafter be sold at private sale to any one or more of such bidders, or other persons, by popular subscription or otherwise. In case of private sales, the bonds shall be sold upon terms not less favorable to the public than the most favorable bid made by a bona fide and responsible bidder at the last advertised sale **(75.4).**

A public body authorized to issue bonds, notes, or other obligations may elect to receive bids to purchase such bonds, notes, or other obligations by means of electronic, internet or wireless communication; a proprietary bidding procedure or system; or by facsimile transmission to a location deemed appropriate by the governing body, in each instance as may be approved by the governing body and provided for in the notice of sale. An electronic bid shall be submitted in substantial conformity with the requirements of chapter 554D and any rules adopted pursuant to that chapter with respect to the acceptance of electronic records by a governmental agency. Additionally, before approving the use of an electronic bidding procedure, the public body shall find and determine that the specific procedure to be used will provide reasonable security and maintain the integrity of the competitive bidding process, and facilitate the delivery of bids by interested parties under the circumstances of the particular sale **(75.14).**

Any other provisions of chapter 75 or any other law to the contrary notwithstanding, if the principal amount of an issue of public revenue bonds is fifteen million dollars [$15,000,000] or greater, the official or governing body in charge of the bond sale may, if the official or governing body deems it advisable and in the best interests of the public, sell the bonds at private sale without the necessity of public advertisement or the taking of competitive bids and at a price above, at, or below par, plus accrued interest, as the official or governing body deems advisable and in the best interests of the public **(75.13).** A school district could issue revenue bonds related to SAVE in chapter 423E and 423F.

All public bonds issued under chapter 75 may be sold at the price not less than ninety-eight percent [98%] of par, plus accrued interest from the date of the bonds to the date of delivery of the bonds **(75.5).**

Hereafter issues of bonds of every kind and character shall be consecutively numbered. The annual levy shall be sufficient to pay the interest and approximately such portion of the principal of the bonds as will retire them in a period not exceeding twenty [20] years from date of issues. Each issue of bonds shall be scheduled to mature serially in the same order as numbered **(76.1).**

A public body authorized to issue bonds may elect to issue bonds bearing a variable or fluctuating rate of interest which is determined on one or more intervals by reference to an index or standard, or as fixed by an interest rate indexing or remarketing agent retained by the issuer of the bonds. A public issuer of public bonds may provide for additional security or liquidity, enter into agreements for, and expend funds for policies of insurance, letters of credit, lines of credit, or other forms of security issued by the financial institutions for the payment of principal, premium, if any, and interest on the bonds. A public issue of public bonds may also enter into contracts and pay for the services of underwriters, interest rate indexing agents, remarketing agents, trustees, financial consultants, depositories, and other services as determined by the governing body. In the case of general obligation bonds, fees for the services and costs of additional security and liquidity shall be considered incurred in lieu of interest and may be levied through the fund for payment of debt service on the bonds. Bonds issued under this section may be sold at public or private sale as determined by the governing body **(76.17(1)).** This section provides alternative and additional power for the issuance of bonds and is not an amendment to any other statute or a limitation upon powers under any other law **(76.17(2)).**

A public issuer of public bonds may provide for the purchase of bonds before their maturity and the remarketing of purchased bonds without causing the redemption of the purchased bonds **(76.17(3)).**

An underwriter employed to assist in the issuance of obligations by a political subdivision shall meet the requirements for doing business in Iowa sufficient to be subject to tax under rules of the department of revenue **(76.15).**

No commission shall be paid, directly or indirectly, in connection with the sale of a public bond. No expense shall be contracted or paid in connection with such sale other than the expenses incurred in advertising such bonds for sale **(75.6).** A company has no right to charge a fee for the examination of a bond **(OAG #30-7-8(L)).** A school board has no authority to pay a service fee for the collection of interest on bonds **(OAG #35-12-21(L)).**

Any public officer who fails to perform any duty required by chapter 75 or who does any act prohibited by chapter 75, where no other penalty is provided, shall be guilty of a simple misdemeanor **(75.7).**

Notwithstanding any contrary provision in the Code, public bonds may be in one or more denominations as provided by the proceedings of the governing body authorizing their issuance **(75.10).**

Chapter 75 does not prevent the exchange of bonds for legal indebtedness evidenced by bonds, warrants, judgments, or otherwise as provided by law. Bonds shall not be exchanged for notes issued pursuant to section 76.13 in anticipation of the issuance of bonds **(75.9).**

There is no statutory time limit within which bonds must be issued after approval of the voters **(OAG #52-8-9(L)).** Changing conditions may justify the delay in issuance of bonds, but justifiable delay is a fact rather than a law **(OAG #52-8-19(L)).**

The treasurer of a school corporation shall invest the proceeds of notes, bonds, refunding bonds, and other evidence of indebtedness, and funds being accumulated for the payment of principal and interest or reserves in investments set out in Code, an investment contract, or tax-exempt bonds **(12C.9(1)).** Earnings and interest from investments shall be used to pay the principal or interest as the principal or interest comes due on the indebtedness or to fund the construction of the project for which the indebtedness was issued, or shall be credited to the capital project fund for which the indebtedness was issued **(12C.9(2)).**

Bond Registration

All of said bonds shall be substantially in the form provided for county bonds, but subject to changes that will conform them to the action of the board providing therefor; shall run not more than twenty [20] years, and may be sooner paid if so nominated in the bond; bear a rate of interest not exceeding that permitted by chapter 74A, payable semiannually; be signed by the president and countersigned by the secretary of the board of directors; and shall not be disposed of for less than par value, nor issued for other purposes than chapter 298 provides. All of said bonds, when issued, shall be delivered to the secretary of the board of directors, who shall register them in a book to be kept for that purpose, and shall deliver them when they have been properly countersigned. The expenses of engraving and printing of bonds may be paid out of the general fund **(298.22).**

As used in chapter 76, unless the context otherwise requires, "public bond or obligation" means any obligation issued by or on behalf of the political subdivision of the state [school district] **(76.14).**

Notwithstanding any other provision in the Code:

1. All public bonds or obligations issued before or after July 1, 1983 may be in registered form. An issuer of public bonds or obligations may designate for a term, as agreed upon, one or more persons, corporations, partnerships or other associations located within or without the state to serve as trustee, transfer agent, registrar, depository, or paying or other agent in connection with the public bonds or obligations and to carry out services and functions which are customary in such capacities or convenient or necessary to comply with the intent and provisions of chapter 76.
2. An issuer of public bonds or obligations may provide for the immobilization of the bonds through the designation of a bond depository or through a book-entry system of registration.
3. Any designated trustee, transfer agent, registrar, depository or paying or other agent may serve in multiple capacities with respect to an issue of public bonds or obligations.
4. Public bonds or obligations or certificates of ownership of the public bonds or obligations may be issued in any form or pursuant to any system necessary to be in compliance with standards issued from time to time by the municipal securities rulemaking board of the United States, the American national standards institute, any other securities industry standard, or the requirements of section 103 of the Internal Revenue Code [IRC].
5. Registration or immobilization of a public bond or obligation does not disqualify it as a lawful investment for depository institutions, trustees, public bodies, or other investors regulated by law.
6. An issuer of public bonds or obligations may provide for the payment of the costs of registration of its public bonds or obligations by the levy of additional taxes for the payment from the fund for the payment of the principal and interest of general obligations bonds or from any revenue source from which the principal and interest of the public bonds or obligations are payable.
7.
    a. Records and documents pertaining to cancellation, transfer, redemption, or replacement of public bonds or obligations shall be preserved by the issuer or its agent for a period of not less than eleven [11] years. Thereafter, the records and documents may be destroyed by the issuer or its agent, preserving confidentiality as necessary.
    b. An action with respect to the cancellation, transfer, redemption, or replacement of public bonds or obligations shall not be brought against an issuer, trustee, transfer agent, registrar, depository, paying agent, or other agent unless it is commenced within eleven [11] years of the cancellation, transfer, redemption, or replacement of the bonds or obligation **(76.10).**

Records of identity of owners of public bonds or obligations maintained as provided in section 76.10 or by the issuer of the bonds are confidential records entitled to protection under subsection 22.7(17). However, the issuer of the bonds or a state or federal agency may obtain information as necessary **(76.11).**

A provision requiring that public bonds or obligations or certificates of ownership of public bonds or obligations issued by a public entity be executed or signed by particular public officers permits the signatures to be affixed by printing or other mechanical means. However, each instrument shall bear at least one original and manual signature, which may be the signature of any officer designated by law to execute the instrument or the signature of a registrar or trustee authenticating the instrument **(76.12(1)).**

Public bonds and obligations are valid and binding if they bear the signature of the officials in office on the date of execution of the bonds, notwithstanding that any or all of the persons whose signatures appear on the public bonds or obligations have ceased to hold the office before the delivery of the public bonds or obligations. Reprinted or reissued bonds are valid and binding if they bear facsimiles of the signatures of either the public officials who executed the original issue of the bonds or the officials in office at the time of execution of the reprinted or reissued bonds **(76.12(2)).**

A public issuer of bonds or other debt obligations may covenant that the issuer will comply with requirements or limitations imposed by the Internal Revenue Code to preserve the tax exemption of interest payable on the bonds or obligations and may carry out and perform other covenants, including but not limited to, the payment of any amounts required to be paid by the issuer to the United States government **(76.18).**

Interim Financing

A public body authorized to issue bonds may issue project notes in anticipation of the receipt of any of the following:

a. Proceeds from the issuance of public bonds or obligations previously authorized.
b. Proceeds to be received pursuant to law or agreement from any state or federal agency.
c. Income or revenue from sources to be received and expended for the project during the project construction or acquisition period.
d. Any combination of paragraphs "a" through "c" **(76.13(1)).**

Notes shall be issued in the form and manner provided in a resolution of the governing body of the issuer. The resolution may set forth and appropriate the moneys anticipated by the notes **(76.13(2)).**

The resolution may provide that to the extent issued in anticipation of public bonds or obligations, notes shall be paid from the proceeds of the issuance of public bonds or obligations. To the extent issued in anticipation of bonds, note proceeds shall be expended only for the purposes for which the bonds proceeds may be expended **(76.13(3)).**

Notes shall not be issued in anticipation of public bonds or obligations in an amount greater than the authorized amount of the public bonds or obligations and moneys appropriated for the same purposes **(76.13(4)).**

Notes may be sold at public or private sale and bear interest at rates set by the governing body of the issuer at the time of their issuance notwithstanding chapter 74A. The authority of the public body to issue project notes under this section is in addition to any other authority of the public body to issue other obligations as otherwise provided by law **(76.13(5)).**

Debt Service

Bonds are indebtedness repaid from the debt service fund. Taxes to retire bonds must be levied in that fund. Principal and interest on bonds cannot be paid from the general fund **(OAG #28-7-12(L)).**

The board of each school corporation shall, when estimating and certifying the amount of money required for general purposes, estimate and certify to the board of supervisors of the proper county for the debt service fund the amount required to pay interest due or that may become due for the fiscal year beginning July l, thereafter, upon lawful bonded indebtedness, and in addition thereto such amount as the board may deem necessary to apply on the principal **(298.18(1)"a").**

The amount estimated and certified to apply on principal and interest for any one year shall not exceed two dollars and seventy cents [$2.70] per thousand dollars of the assessed valuation of the taxable property of the school corporation except as otherwise provided in this section **(298.18(1)"b").**

For the sole purpose of computing the amount of bonds which may be issued as a result of the application of any limitation referred to in this section, all interest on the bonds in excess of that accruing in the first twelve [12] months may be excluded from the first annual levy of taxes, so that the need for including more than one year's interest in the first annual levy of taxes to pay the bonds and interest shall not operate to further restrict the amount of bonds which may be issued, and in certifying the annual levies to the county auditor or auditors such first annual levy of taxes shall be sufficient to pay all principal of and interest on said bonds becoming due prior to the next succeeding annual levy and the full amount of such first annual levy shall be entered for collection by said auditor or auditors, as provided in chapter 76 **(298.18(1)"c").**

The amount estimated and certified to apply on principal and interest for any one year may exceed two dollars and seventy cents [$2.70] per thousand dollars of assessed value by the amount approved by the voters of school corporation, but not exceeding four dollars and five cents [$4.05] per thousand of the assessed value of the taxable property within any school corporation, provided that the registered voters of such school corporation have first approved such increased amount at an election held on a date specified in section 39.2(4)"c" **(298.18(1)"d").** The proposition submitted to the voters at such election shall be in substantially the following form:

"Shall the board of directors of the _____, in the County of _____, State of Iowa, be authorized to levy annually a tax exceeding two dollars and seventy cents per thousand dollars, but not exceeding _____ dollars and _____ cents per thousand dollars of the assessed value of the taxable property within said school corporation to pay the principal of and interest on bonded indebtedness of said school corporation, it being understood that the approval of this proposition shall not limit the source of payment of the bonds and interest but shall only operate to restrict the amount of bonds which may be issued?" **(298.18(2)).**

Notice of the election shall be given by the county commissioner of elections according to section 49.53. The county commissioner of elections shall conduct the election pursuant to the provisions of chapters 39 to 53 and certify the results to the board of directors. The proposition shall not be deemed carried or adopted unless the vote in favor of such proposition is equal to at least sixty percent [60%] of the total vote case for and against the proposition at the election. Whenever such a proposition has been approved by the voters of a school corporation as hereinbefore provided, no further approval of the voters of such school corporation shall be required as a result of any subsequent change in the boundaries of such school corporation **(298.18(3)).**

The voted tax levy referred to in this section shall not limit the source of payment of bonds and interest but shall only restrict the amount of bonds which may be issued **(298.18(4)).**

The ability of a school corporation to exceed two dollars and seventy cents [$2.70] per thousand dollars assessed value to service principal and interest payments on bonded indebtedness is limited and conferred only to those school corporations engaged in the administration of elementary and secondary education **(298.18(5)"a").**

If a school corporation leases a building or property, which has been used as a junior college by such corporation, to a community college, the annual amounts certified as herein provided by such leasing school corporation for payment of interest and principal due to lawful bonded indebtedness incurred by such leasing school corporation for purchasing, building, furnishing, reconstructing, repairing, improving or remodeling the building leased or acquiring or adding to the site of such property leased, to the extent of the respective annual rent the school corporation will receive under such lease, shall not be considered as a part of the total amount estimated and certified for the purposes of determining if such amount exceeds any limitation contained in this section **(298.18(5)"b").**

The board of supervisors of the county to which the certificate is addressed within the contemplation of section 298.18 shall levy the necessary tax to raise the amount estimated, or so much thereof as may be lawful and within the limitation of said section which levy shall be made as other taxes for school purposes **(298.19).**

The governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding the time applicable period of time specified in section 76.1 [20 years]. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full. The levy shall continue to be made against property that is severed from the political subdivision after the filing of the resolution until funds are realized to pay the bonds in full **(76.2(1)"a").**

The annual levy shall be sufficient to pay the interest and approximately such portion of the principal of the bonds as will retire them in a period not exceeding twenty [20] years from date of issue **(76.1(2)"a").**

If the resolution is filed prior to May 1 the annual levy shall begin with the tax levy for collection commencing July 1 of that year. If the resolution is filed after May 1, the annual levy shall begin with the tax levy for collection in the next succeeding fiscal year. However, the governing authority of the political subdivision may adjust a levy of taxes made under this section for the purpose of adjusting the annual levies and collections for property severed from the political subdivision, subject to the approval of the director of the Department of Management **(76.2(1)"b").**

If funds, including reserves and amounts available for temporary transfer, are found to be insufficient to pay in full any installment of principal or interest, a public issuer of bonds may anticipate the next levy of taxes pursuant to this section in the manner provide in chapter 74, whether the taxes so anticipated are to be collected in the same or a future fiscal year **(76.2(2)).**

Refunding Bonds

For the purpose of providing for payment of any indebtedness of any school corporation represented by judgments or bonds, the board of directors of such school corporation, at any time or times, may provide by resolution for the issuance of bonds of such school corporation, to be known as funding or refunding bonds. The proceeds derived from the public or private sale of such funding or refunding bonds shall be applied in payment of such indebtedness; or the funding bonds or refunding bonds may be issued in exchange for the evidences of such indebtedness, par for par **(298.20).**

School corporations may at any time or times extend or renew any legal indebtedness or any part thereof they may have represented by bonds or certificates where such indebtedness is payable from a limited annual tax or from a voted annual tax, and may by resolution fund or refund the same and issue bonds therefore running not more than twenty [20] years to be known as funding or refunding bonds, and make provision for the payment of the principal and interest thereof from the proceeds of an annual tax for the period covered by such bonds similar to the tax authorized by law or by the electors for the payment of the indebtedness so extended or renewed **(76.7).**

Proceeds of refunding bonds cannot be used for a different purpose than for which issued **(1934 Op. Att'y Gen. 90 (#33-2-8)).**

Under the decision in Banta vs Clarke County, 219 Iowa 1195, a school district may issue refunding bonds notwithstanding that indebtedness at the time of refund exceeds the legal limit **(1936 Op. Att'y Gen. 121 (#35-4-11)).**

Bond Redemption

Whenever the governing authority of such political subdivision shall have on hand funds derived from any source other than taxation which may be appropriated to the payment either of interest or principal, or both principal and interest of such bonds, such funds may be so appropriated and used and the levy for the payment of the bonds correspondingly reduced. This section shall not restrict the authority of a political subdivision to apply sales and services tax receipts collected pursuant to chapter 423B for such purpose. Notwithstanding section 423F.3, a school district may apply tax receipts collected pursuant to chapter 423F for the purposes of this section **(76.4).**

Whenever the amount in the hands of the treasurer, belonging to the funds set aside to pay bonds, is sufficient to redeem one or more of the bonds which by their terms are subject to redemption, the treasurer shall give the owner of said bonds thirty [30] days' written notice of the readiness of the district to pay and the amount it desires to pay. If not presented for payment or redemption within thirty [30] days after the date of such notice, the interest on such bonds shall cease and the amount due thereon shall be set aside for its payment whenever it is presented **(298.23).**

Hereafter issues of bonds of every kind and character by school corporations shall be consecutively numbered. Each issue of bonds shall be scheduled to mature in the same order as numbered **(76.1).**

All redemptions shall be made in the order of their numbers. The treasurer shall keep a record of the parties to whom the bonds are sold, together with their post office addresses, and notice mailed to the address as shown by such record shall be sufficient **(298.24).**

Bonds are not callable prior to maturity in the absence of a provision therefor in the bonds **(1938 Op. Att'y Gen. 187 (#37-4-23)).**

School bonds may be redeemed before the redemption date if provision therefor is made in the bonds, but where the bonds contain no provision for redemption prior to maturity, the board would have no authority to pay a premium in order to effect redemption prior to maturity **(1938 Op. Att'y Gen. 200 (#37-4-30)).**

Bonds called for payment but remaining unpaid ten years after maturity are barred by the statute of limitations **(OAG #47-10-21(L)).**

The balance in the schoolhouse fund may be used for the addition of two classrooms to a school building if such additions were contemplated in the building program voted on which authorized the bond sale from which these funds were obtained **(OAG #78-2-21).**

When a building costs less than the proceeds of the bond issue voted to construct that building, the excess may be used to construct and equip an athletic field on adjacent property owned by the school district without another vote of the electorate **(OAG #79-11-20).**

SAVE revenue may be used for payment or retirement of outstanding bonds previously issued for school infrastructure purposes **(423F.3(6)"b").** Previously as used in chapter 423F means general obligation bonds issued prior to the passage of the local options sales and services tax **(AG Informal advice, November, 2000)**. Notwithstanding section 423F.3, a school district may apply SAVE receipts collected pursuant to chapter 423F for the purposes of paying principal and interest on bonded indebtedness **(76.4).**

Secure an Advanced Vision for Education (SAVE)

The board of directors of a school district shall be authorized to issue negotiable, interest-bearing school [revenue] bonds, without election, and utilize tax receipts derived from the sales and services tax for school infrastructure purposes and the supplemental school infrastructure amount distributed, and revenues received pursuant to section 423F.2, for principal and interest repayment. Proceeds of the bonds issued pursuant to this section shall be utilized solely for school infrastructure needs as school infrastructure is defined in subsection 423E.1(3), Code 2007). Bonds may be issued to refund outstanding and previously issued bonds under this section. The bonds are a contractual obligation of the school district, and the resolution issuing the bonds and pledging SAVE revenues or its share of the revenues distributed pursuant to section 423F.2 to the payment of principal and interest on the bonds is a part of the contract. Bonds issued pursuant to this section shall not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and shall not be subject to any other law relating to the authorization, issuance or sale of bonds **(423E.5(1)).**

After July 1, 2008, all local sales and services taxes for school infrastructure purposes imposed under chapter 423E are repealed. The increase in the state sales, services, and use taxes under chapter 423, subchapters II and III, from 5 percent to 6 percent shall replace the repeal of the county's local sales and services tax for school infrastructure purposes. To the extent that any school district has issued bonds anticipating the proceeds of a local sales and services tax for school infrastructure purposes prior to July 1, 2008, the pledge of such tax receipts for the payment of principal and interest on such bonds shall be replaced by a pledge of its share of the revenues the school district receives under this section **(423F.1).**

A school district may anticipate its share of the revenues under section 423F.2 by issuing bonds in the manner provided in section 423E.5. However, to the extent any school district has issued bonds anticipating the proceeds of an extended local sales and services tax for school infrastructure purposes imposed by a county pursuant to former chapter 423E, Code and Code Supplement 2007, prior to July 1, 2008, the pledge of such revenues for the payment of principal and interest on such bonds shall be replaced by a pledge of its share of the revenues under section 423F.2 **(423F.4).**

Leases

The Code does not give authority to school districts to lease equipment or to enter into a lease-purchase agreement for equipment] **(OAG #62-3-7).** [Note: After this opinion was written, the Code changed to allow leases and lease-purchase agreements for equipment from PPEL fund, but did not grant similar authority to any other fund or funds.]

PPEL fund may be expended for the rental of facilities under chapter 28E **(298.3(1)"h").**

PPEL fund may be expended for the purchase, lease, or lease-purchase of equipment or technology exceeding $500 in value per purchase, lease, or lease-purchase transaction. Each transaction may include multiple equipment or technology units **(298.3(1)"c").**

The board of directors of a local school district for which a voter-approved PPEL levy has been voted pursuant to section 298.2, may enter into a rental or lease arrangement, consistent with the purposes for which the voter-approved PPEL levy has been voted, for a period not exceeding ten [10] years and not exceeding the period for which the voter-approved PPEL has been authorized by the voters **(279.26).** However, if the board intends to enter into a rental or lease

arrangement under section 279.26, or intends to enter into a loan agreement under section 297.36, only a property tax shall be levied for those purposes **(298.2(4)).**

The local school board shall have the power to purchase or lease buses and other transportation facilities, and maintain same, and to enter into contracts for transportation subject to any provisions of law affecting same **(285.10(3)).**

The board may, with approval of sixty percent [60%] of the voters voting in an election in the school district, make extended time contracts not to exceed twenty [20] years in duration for rental of buildings to supplement existing schoolhouse facilities; and where it is deemed advisable for buildings to be constructed or placed on real estate owned by the school district, these contracts may include lease-purchase option agreements, the amounts to be paid out of the PPEL fund. Before entering into a rental or lease-purchase option contract, authorized by the electors, the board shall first adopt plans and specifications for a building or buildings which it considers suitable for the intended use and also adopt a form of rental or lease-purchase option contract. The board shall then invite bids thereon, by advertisement published once each week for two consecutive weeks, in a newspaper published in the county in which the building or buildings are to be located, and the rental or lease-purchase option contract shall be awarded to the lowest responsible bidder, but the board may reject any and all bids and advertise for new bids **(278.1(2)).**

The board may, when necessary, rent a room and employ a teacher, where there are ten [10] children for whose accommodation there is no schoolhouse **(297.12).** This is the only rental expenditure authority in Code related to the general fund, and the term "lease" is not used in Code with general fund other than revenues.

Proceeds from the lease of real or other property [belonging to the school corporation] shall be placed in the general fund **(297.22(1)"b").**

The AEA board is authorized to lease, purchase, or lease-purchase, subject to the approval of the state board of education or its designee and to receive by gift and operate and maintain facilities and buildings necessary to provide authorized programs and services. However, a lease for less than ten [10] years and with an annual cost of less than twenty-five thousand dollars [$25,000] does not require the approval of the state board. The state board shall not approve a lease, purchase, or lease-purchase until the state board is satisfied by investigation that public school corporations within the area do not have suitable facilities available. A purchase of property that is not a lease-purchase may be made only within two [2] years of a disaster as defined in section 29C.2, subsection 1, and subject to the requirements of this subsection **(273.3(7)).**

Lease-Purchase

The Code does not give authority to school districts to lease equipment or to enter into a lease-purchase agreement for equipment] **(OAG #62-3-7).** [Note: After this opinion was written, the Code changed to allow leases and lease-purchase agreements for equipment from PPEL fund, but did not grant similar authority to any other fund or funds.]

Lease-purchase arrangement includes, but is not limited to, an arrangement in which title of ownership passes when the final installment payment is made **(8.46(1)"b").**

PPEL fund may be expended for the purchase, lease, or lease-purchase of equipment or technology exceeding $500 in value per purchase, lease, or lease-purchase transaction. Each transaction may include multiple equipment or technology unit **(298.3(1)"c").**

PPEL fund may be expended for the purchase or lease-purchase option agreements for school buildings **(298.3(1)"j").**

The board of directors of a local school district for which a voter-approved PPEL levy has been voted pursuant to section 298.2, may enter into a rental or lease arrangement, consistent with the purposes for which the voter-approved PPEL levy has been voted, for a period not exceeding ten [10] years and not exceeding the period for which the voter-approved PPEL has been authorized by the voters **(279.26).** However, if the board intends to enter into a rental or lease arrangement under section 279.26, or intends to enter into a loan agreement under section 297.36, only a property tax shall be levied for those purposes **(298.2(4)"a").**

The board may, with approval of sixty percent [60%] of the voters voting in an election in the school district, make extended time contracts not to exceed twenty [20] years in duration for rental of buildings to supplement existing schoolhouse facilities; and where it is deemed advisable for buildings to be constructed or placed on real estate owned by the school district, these contracts may include lease-purchase option agreements, the amounts to be paid out of the PPEL fund. Before entering into a rental or lease-purchase option contract, authorized by the electors, the board shall first adopt plans and specifications for a building or buildings which it considers suitable for the intended use and also adopt a form of rental or lease-purchase option contract. The board shall then invite bids thereon, by advertisement

published once each week for two consecutive weeks, in a newspaper published in the county in which the building or buildings are to be located, and the rental or lease-purchase option contract shall be awarded to the lowest responsible bidder, but the board may reject any and all bids and advertise for new bids **(278.1(2)).**

The debt service fund shall be used to pay interest as it becomes due and the amount necessary to pay the principal when due on bonds or other authorized indebtedness issued by the district, and to make payments required under a loan, lease-purchase agreement, or other evidence of indebtedness authorized by this Code. Moneys available to service this debt and received from other sources shall be transferred to the debt service fund and the payment of the debt shall be made from this fund **(298A.10).**

An AEA may hold property and execute purchase agreements within two [2] years of a disaster as defined in section 29C.2, subsection 1, and lease-purchase agreements pursuant to section 273.3, subsection 7, and if the lease-purchase agreement exceeds ten [10] years or the purchase price of the property to be acquired pursuant to a purchase or lease-purchase agreement [equals or] exceeds twenty-five thousand dollars [$25,000], the AEA shall conduct a public hearing on the proposed purchase or lease-purchase agreement and receive approval from the AEA board of directors and the state board of education or its designee before entering into the agreement **(273.2(2)).**

The AEA board is authorized to lease, purchase, or lease-purchase, subject to the approval of the state board of education or its designee and to receive by gift and operate and maintain facilities and buildings necessary to provide authorized programs and services. However, a lease for less than ten [10] years and with an annual cost of less than twenty-five thousand dollars [$25,000] does not require the approval of the state board. The state board shall not approve a lease, purchase, or lease-purchase until the state board is satisfied by investigation that public school corporations within the area do not have suitable facilities available. A purchase of property that is not a lease-purchase may be made only within two [2] years of a disaster as defined in section 29C.2, subsection 1, and subject to the requirements of this subsection **(273.3(7)).**

Installment Acquisitions

Installment acquisition includes, but is not limited to, an arrangement in which title of ownership passes when the first installment payment is made **(8.46(1)"a").**

The local school board has power to purchase buses and enter into contracts to pay for such buses over a five-year period as follows: one-fourth of the cost when the bus is delivered and the balance in equal annual installments, plus simple interest due. The bus shall serve as security for balance due **(285.10(7)"b").**

Loans

The board of directors of a school corporation may purchase equipment, and may negotiate and enter into a loan agreement and issue a note to pay for the equipment [from the general fund]. The note must mature within five [5] years, or the useful life of the equipment, whichever is less. Before entering into a loan agreement for an equipment purchase, the school corporation must publish a notice, including a statement of the amount and purpose of the agreement, at least once in a newspaper of general circulation within the school corporation at least ten [10] days before the meeting at which the loan agreement is to be approved **(279.48).** This Code section is the only authority granted for long-term loans in the general fund. The authority for long-term loans in PPEL is authorized in section 298.2. Other tax funds do not have authority for long-term loans.

The AEA board is authorized to purchase equipment as provided in section 279.48 **(273.3(20)).**

The board of directors may pay the actual cost of an asbestos project from any funds in the general fund of the district, funds received from the PPEL levy, or moneys obtained through a federal asbestos loan program, to be repaid from any of the funds specified in this section over a three-year period **(279.52).**

The department of natural resources may facilitate the loan process for school districts and AEAs. Loans shall be facilitated for all cost-effective energy management improvements. For school districts and AEA to receive loan assistance under the program, the department of natural resources shall require completion of an energy management plan including an energy analysis **(473.20(2)).**

School districts may enter into financing arrangements with the authority or it duly authorized agents or representative obligating the school district to make payments on the loans beyond the current budget year of the school district. Chapter 75 shall not be applicable. School districts shall repay the loans from moneys in either their general fund or debt service fund **(473.20).** [Note that there is an error in this Code section. It should say "general fund or PPEL fund," which is the language in section 279.53 below; debt service fund is prohibited from using its tax receipts for any

purpose other than retirement of bonded indebtedness, and both general fund and PPEL fund transfer money to the debt service fund when principal and interest is due on lawful debt pursuant to section 298A.10.]

AEAs shall repay the loans from any moneys available to them [which would be general fund] **(473.20(3)"a").**

The proceeds of loans issued to school districts pursuant to section 279.48, 279.52, or 473.20 shall be deposited into either the general fund of a school district or the physical plant and equipment levy fund [as appropriate]. The board of directors shall expend the amount of the principal and interest due each year to maturity from the same fund into which the loan proceeds were deposited **(279.53).**

In order to make immediately available proceeds of the voter-approved physical plant and equipment levy which has been approved by the voters as provided in section 298.2, the board of directors may, with or without notice, borrow money and enter into loan agreements in anticipation of the collection of the tax with a bank, investment bankers, trust company, insurance company, or insurance group. The loan must mature within the period of time authorized by the voters and shall bear interest at a rate which does not exceed the limits under chapter 74A. A loan agreement entered into pursuant to this section shall be in a form as the board of directors shall by resolution provide and the loan shall be payable as to both principal and interest from the proceeds of the annual levy of the voter-approved physical plant and equipment levy, or so much thereof as will be sufficient to pay the loan and interest on the loan **(297.36).** However, if the board intends to enter into a rental or lease arrangement under section 279.26, or intends to enter into a loan agreement under section 297.36, only a property tax shall be levied for those purposes **(298.2(4)"a").**

The proceeds of a loan must be deposited in the physical plant and equipment levy fund. Warrants paid from this fund must be for purposes authorized for the voter-approved physical plant and equipment levy. This section does not limit the authority of the board of directors to levy the full amount of the voter-approved physical plant and equipment levy, but if and to whatever extent the tax is levied in any year in excess of the amount of principal and interest falling due in that year under a loan agreement, the first available proceeds, to an amount sufficient to meet maturing installments of principal and interest under the loan agreement, shall be paid into the debt service fund for the loan before the taxes are otherwise made available to the school corporation for other school purposes, and the amount required to be annually set aside to pay principal of and interest on the money borrowed under the loan agreement constitutes a first charge upon the proceeds of the voter-approved physical plant and equipment levy, which tax shall be pledged to pay the loan and the interest on the loan. This section is supplemental and in addition to existing statutory authority to finance the purposes specified in section 298.2 for the physical plant and equipment levy, and for the borrowing of money and execution of loan agreements in connection with that section, and is not subject to any other law. The fact that a school corporation may have previously borrowed money and entered into loan agreements under authority of this section does not prevent the school corporation from borrowing additional money and entering into further loan agreements if the aggregate of the amount payable under all of the loan agreements does not exceed the proceeds of the voter-approved physical plant and equipment levy **(297.36).**

The debt service fund shall be used to pay interest as it becomes due and the amount necessary to pay the principal when due on bonds or other authorized indebtedness issued by the district, and to make payments required under a loan, lease-purchase agreement, or other evidence of indebtedness authorized by this Code. Moneys available to service this debt and received from other sources shall be transferred to the debt service fund and the payment of the debt shall be made from this fund **(298A.10).**

CHAPTER 12

OTHER FINANCIAL MANAGEMENT TOPICS

Purchasing

It does not follow that the money which will be expended pursuant to the certified budget is the same identical money that was raised by the tax levied on the basis of that budget. In other words it is legal to issue purchase orders during one fiscal year and pay for the same during the following fiscal year **(OAG #65-12-3).**

The credit of the state shall not, in any manner, be given or loaned to, or in aid of, any individual, association, or corporation; and the state shall never assume, or become responsible for, the debts or liabilities of any individual, association, or corporation, unless incurred in time of war for the benefit of the state **(Constitution of the State of Iowa, Article VII, Section 1)**.

All books and other school supplies shall be paid for out of the general fund **(301.4).**

The board of directors may provide and pay out of the general fund to insure school property a sum as necessary, and may purchase dictionaries, library books, including books for the purpose of teaching vocal music, maps, charts, and apparatus [equipment] for the use of the schools as deemed necessary by the board of directors for each school building under its charge; and may furnish schoolbooks to indigent children when they are likely to be deprived of the proper benefits of the school unless so aided **(279.28).**

In the purchasing of textbooks it shall be the duty of the board of directors to take into consideration the books then in use in the respective districts, and they may buy such additional number of said books as may from time to time become necessary to supply their schools, and they may arrange on equitable terms for exchange of books in use for new books adopted **(301.5).**

Supplies for private or parochial schools may not be furnished with or without a vote of the people [except as explicitly allowed by Code] **(1934 Op. Att'y Gen. 680 (#34-8-31)).**

The board of directors of a public school district may enter into exclusive contract with vendors for the purchase of products sold on school premises or at school functions. Vendor contracts for non-educational goods are proprietary in nature and may extend beyond the term of current board members. A marketing firm may be employed to assist with the negotiation and oversight of vendor contracts. While statutory public bidding requirements are not applicable to school district contracts for the purchase of goods and services, public policy supports use of competitive bidding procedures for such contracts **(OAG #00-2-4(L)).**

Public notice in regard to competitive bidding assumes three elements: first, there should be an offering, or notice, extended to the public; second, an opportunity for competition; and third, a basis for an exact comparison of bids **(OAG #80-9-4).**

The school district or AEA shall adopt a policy for purchasing goods or services from private enterprises which requires consideration of purchasing these goods or services from a locally owned business located within the school district or AEA which offers these goods and services if the cost and other considerations are relatively equal. Nothing in this section shall be construed to prevent or prohibit the giving of a preference to businesses owned or operated by minorities or females as may be provided in any other provision of law **(23A.3).**

Every school district and AEA and every person acting as contracting or purchasing agent for any such governing body shall use only those products and provisions grown and coal produced within the state of Iowa, when they are found in marketable quantities in the state and are of a quality reasonably suited to the purpose intended, and can be secured without additional cost over foreign products or products of other states. This section shall apply to horticultural products grown in this state even if the products are not in the stage of processing that the agency usually purchases the product. However, this section does not apply to a school district purchasing food while the school district is participating in the federal school lunch or breakfast program. All requests for proposals for materials, products, supplies, provisions, and other needed articles and services to be purchased at public expense shall not knowingly be written in such a way as to exclude an Iowa-based company capable of filling the needs of the purchasing entity from submitting a responsive proposal **(73.1).**

An officer or person who is connected with, or is a member, agent, representative of the board of a school district or AEA who fails to give preference as required in chapter 73 is guilty of a simple misdemeanor. Each separate case of failure to give preference is a separate offense **(73.5).**

It shall be unlawful for any school district or AEA board to purchase or use any coal, except that mined or produced within the state by producers who are, at the time such coal is purchased and produced, complying with all the workers' compensation and mining laws of the state. The provisions of this section shall not be applicable if coal produced within the state cannot be procured of a quantity or quality reasonably suited to the needs of such purchaser, nor if the equipment now installed is not reasonably adapted to the use of coal produced within the state, nor if the use of coal produced within the state would materially lessen the efficiency or increase the cost of operating such purchaser's heating or power plant, nor to mines employing miners not now under the provisions of the workers' compensation Act or who permit the miners to work in individual units in their own rooms **(73.6).**

Any contract entered into or carried out in whole or in part, in violation of the provisions of section 73.6, shall be void and the contract or any claim growing out of the sale, delivery, or use of the coal specified in the contract, shall be unenforceable in any court. In addition to any other proper party or parties, any unsuccessful bidder at a letting provided for in section 73.6 shall have the right to maintain an action in equity to prevent the violation of the terms of section 73.6 **(73.9).**

If it is determined by the attorney general that any provision of chapter 73 on preferences would cause denial of funds or services from the United States government which would otherwise be available, or would otherwise be inconsistent with requirements of federal law, such provision shall be suspended, but only to the extent necessary to prevent denial of such funds or services or to eliminate the inconsistency with federal requirements **(73.11).**

All requests hereafter made for bids and proposals for materials, products, supplies, provisions and other needed articles to be purchased at public expense, shall be made in general terms and by general specifications and not by brand name, trade name or other individual mark. All such requests and bids shall contain therein a paragraph in easily legible print, reading as follows: "By virtue of statutory authority, a preference will be given to products and provisions grown and coal produced within the state of Iowa" **(73.2(1)).**

Notwithstanding any provision of law or rule relating to competitive bidding procedures, every agency, department, commission, board, committee, officer or other governing body of the state shall purchase goods and services supplied by small businesses and targeted small businesses in Iowa. In addition to the other provisions of this section relating to procurement contracts for targeted small businesses, all purchasing authorities shall assure that a proportionate share of small businesses and targeted small businesses identified under the uniform small business vendor application program of the economic development authority are given the opportunity to bid on all solicitations issued by agencies and departments of state government **(73.16(1)).**

A community college, AEA, or school district shall establish a procurement goal from certified targeted small businesses, identified pursuant to section 10A.104(8), of at least ten percent [10%] of the value of anticipated procurements of goods and services including construction, but not including utility services, each fiscal year **(73.16(2)"c"(3)).** Of the total value of anticipated procurements of goods and services, an additional goal shall be established to procure at least forty percent [40%] from minority-owned businesses, and forty percent [40%] from female-owned businesses **(73.16(2)"d").**

The director of the Department of Inspections and Appeals or designees of the director shall establish by rule standards and procedures for certifying that targeted small businesses are eligible to participate in the procurement program established in sections 73.15 through 73.21. The procedure for determination of eligibility shall not include self-certification by a business. The director shall maintain a current directory of targeted small businesses that have been certified pursuant to this subsection **(10A.104(8)).**

An AEA shall on a quarterly basis, and a school district shall on an annual basis, review the AEA's or school district's anticipated purchasing requirements. An AEA or school district shall notify the department of education, which shall report to the economic development authority, of their anticipated purchases and recommended procurements with unit quantities and total costs for procurement contracts designated to satisfy the targeted small business procurement goal not later than August 15 of each fiscal year and quarterly thereafter, except that school districts shall report annually **(73.17).**

The administrator of each AEA and the superintendent of each school district releasing a solicitation for bids or request for proposal under the targeted small business procurement goal program shall consult a directory of certified targeted small businesses produced by the economic development authority that lists all certified targeted small business by category of goods or services provided prior to or upon release of the solicitation and shall send a copy of the request

for proposal or solicitation to any appropriate targeted small business listed in the directory. The economic development authority may charge the AEA or school district a reasonable fee to cover the cost of producing, distributing, and updating the directory **(73.18).**

In awarding a contract under the targeted small business procurement goal program, an AEA or school district having purchasing authority may use either a negotiated price or bid contract procedure. An AEA or a school district using a negotiated contract shall consider any targeted small business engaged in that business **(73.19).**

Before announcing a contract award pursuant to the targeted small business procurement goal program, the purchasing authority shall evaluate whether the targeted small business scheduled to receive the award is able to perform the contract. This determination shall include consideration of production and financial capacity and technical competence. If the purchasing authority determines that the targeted small business may be unable to perform, the director of the economic development authority shall be notified **(73.20).**

All laws and rules pertaining to solicitations, bid evaluations, contract awards, and other procurement matters apply to procurement contracts for targeted small businesses to the extent there is no conflict. If this division (targeted small business procurement program) conflicts with other laws or rules, then this division governs **(73.21).**

The Department of Management may impose appropriate sanctions on an AEA or school district in order to ensure compliance with state programs emphasizing equal opportunity through affirmative action, contract compliance policies, and requirements for procurement goals for targeted small businesses **(19B.8).**

School districts and AEAs shall not, unless specifically authorized by statute, rule, ordinance, or regulation:

a. Engage in the manufacturing, processing, sale, offering for sale, rental, leasing, delivery, dispensing, distributing, or advertising of goods or services to the public which are also offered by private enterprise unless such goods or services are for use or consumption exclusively by the school district or AEA.
b. Offer or provide goods or services to the public for or through another political subdivision, by intergovernmental agreement or otherwise, in violation of chapter 23A on noncompetition by government **(23A.2(1)).**

A school corporation may, by rule, provide for exemption from the application of chapter 23A for the following activities:

a. Goods and services that are directly and reasonably related to the educational mission of a school.
b. Goods and services offered only to students, employees, or guests of the school and which cannot be provided by private enterprise at the same or lower cost.
c. Use of vehicles owned by the school for charter trips offered to the public, full or part-time, or temporary students.
d. Durable medical equipment or devices sold or leased for use off premises of the school.
e. Goods or services which are not otherwise available in the quantity or quality required by the school.
f. Telecommunications other than radio or television stations.
g. Sponsoring or providing facilities for fitness and recreation.
h. Food service and sales.
i. Sale of books, records, tapes, software, educational equipment, and supplies **(23A.2(2)).**

Chapter 23A does not apply to any of the following on-campus activities of a school corporation:

1. Residence halls.
2. Student transportation except as specifically listed in subsection 2”c”.
3. Overnight accommodations for participants in programs of the school, visitors to the school, parents, and alumni.
4. Sponsoring or providing facilities for cultural and athletic events.
5. Items displaying the emblem, mascot, or logo of the school, or that otherwise promote the identity of the school and its programs.
6. Souvenirs and programs relating to events sponsored by the school.
7. Radio and television stations.
9. Goods, products, or professional services which are produced, created, or sold incidental to the schools' teaching, research, and extension missions **(23A.2(10)” k”).**

The state director of the department of corrections shall cause to be prepared from time to time classified and itemized price lists of the products manufactured by Iowa state industries. Such lists shall be furnished to all boards of directors of school corporations and officials empowered to purchase supplies and equipment for public purposes **(904.807).**

The board shall take advantage of all tax exemptions on fuel, equipment, and of such other economies as are available **(285.11(5)).**

The board may permit commercial photographers to photograph students on school property **(OAG 79-4-32).**

Purchase of Transportation Equipment

The powers of the local school board shall be to purchase or lease buses and other transportation facilities, and maintain same, and to enter into contracts for transportation subject to any provisions of law affecting same **(285.10(3)).**

When a school district qualifies to purchase buses, they may purchase buses as follows:

a. From funds available [on hand] in the general fund or in the PPEL fund.

b. May purchase buses and enter into contracts to pay for such buses over a five-year [5-year] period as follows: one-fourth [1/4] of the cost when the bus is delivered and the balance in equal annual installments, plus simple interest due. The interest rate shall be the lowest rate available and shall not exceed the rate in effect under section 74A.2. The bus shall serve as security for balance due. Competitive bids on comparable equipment shall be requested on all school bus purchases and shall be based upon minimum construction standards established by the department of education. Bids shall be requested unless the bus is a used or demonstrator bus **(285.10(7)).** Loan and installment purchases would be a PPEL fund expenditure.

The physical plant and equipment levies may be expended for the purchase of transportation equipment for transporting students **(298.3(1)"i").** The physical plant and equipment levy may be expended for the purchase, lease, or lease-purchase of equipment or technology exceeding $500 in value per purchase, lease, or lease-purchase transaction. Each transaction may include multiple equipment or technology units **(298.3(1)"c").**

The board of education may finance purchase of transportation equipment as follows:
The board may pay all of the cost of each bus from funds on hand in the general fund **(IAC 281--43.26(1)).**

Purchasing for the Child Nutrition Programs

United States Department of Agriculture (USDA) entitlement programs, including the child nutrition programs, follow the procurement rules published in the Code of Federal Regulations. In general, public schools must follow state or local procurement codes except for provisions that are inconsistent with federal procurement requirements. State or local procurement rules must be equal to or more stringent than the federal procurement rules to apply. Refer to 7 CFR Part 3016.

Conflict of Interest

Any officer or employee of the state or of any subdivision thereof who is directly or indirectly interested in any contract to furnish anything of value to the state or any subdivision thereof where such interest is prohibited by statute commits a serious misdemeanor. This section shall not apply to any contract awarded as a result of open, public and competitive bidding **(721.11).**

A school district director, officer, or teacher shall not act as agent for school textbooks or school supplies, including sports apparel or equipment, in any transaction with a director, officer, or other staff member of the school district during such term of office or employment. An AEA director, officer, or teacher shall not act as an agent for school textbooks or school supplies, including sports apparel or equipment, in any transaction with a director, officer, or other staff member of the AEA or any school district located within the AEA during such time of office or employment. A school district or AEA director, officer, or teacher who acts as agent or dealer in school textbooks or school supplies during the person's term of office or employment in violation of this section shall be deemed guilty of a serious misdemeanor **(301.28).**

While Iowa Code section 279.7A does not preclude an agent for school textbooks or supplies from serving as a member of a school board of directors, Code section 301.28 does create such a prohibition. Pursuant to Code section 301.28, a school textbook or school supply salesperson is prohibited from serving as a school board member regardless of whether the salesperson sells books or supplies to the district upon whose board he or she serves **(OAG #92-2-4(L)).**

A member of the board of directors of a school corporation shall not have an interest, direct or indirect, in a contract for the purchase of goods, including materials and profits, and the performance of services for the director's school corporation. A contract entered into in violation of this section is void. This section does not apply to contracts for the purchase of goods or services which benefit a director, or to compensation for part-time or temporary employment which benefits a director, if the benefit to the director does not exceed two thousand five hundred dollars ($2,500) in a fiscal year, and contracts made by a school board, upon competitive bid in writing, publicly invited and opened…The

competitive bid qualification of this section does not apply to a contract for professional services not customarily awarded by competitive bid **(279.7A).**

Section 279.7A applies to situations where the director may only have an ownership interest in a corporation contracting with the board and to placement of a newspaper advertisement in return for consideration such as a fee or charge even if advertisements are only done on an as-needed basis **(OAG #97-7-2(L)).**

A school board member who provides medical services to the football team is not providing "school supplies" within the meaning of section 301.28 **(OAG #76-11-4).**

Any person who serves or is employed by the state or a political subdivision of the state shall not engage in any of the following conduct:

a. Outside employment or an activity that involves the use of the state's or the political subdivision's time, facilities, equipment, and supplies or the use of the state or political subdivision badge, uniform, business card, or other evidences of office or employment to give the person or member of the person's immediate family an advantage or pecuniary benefit that is not available to other similarly situated members or classes of members of the general public. For purposes of this paragraph, a person is not *"similarly situated"* merely by being or being related to a person who serves or is employed by the state or a political subdivision of the state.

b. Outside employment or an activity that involves the receipt of, promise of, or acceptance of money or other consideration by the person, or a member of the person's immediate family, from anyone other than the state or the political subdivision for the performance of any act that the person would be required or expected to perform as a part of the person's regular duties or during the hours during which the person performs service or work for the state or political subdivision of the state.

c. Outside employment or an activity that is subject to the official control, inspection, review, audit, or enforcement authority of the person, during the performance of the person's duties of office or employment **(68B.2A(1)).**

If the outside employment or activity is employment or activity described in subsection 1, paragraph *"a"* or *"b"*, the person shall immediately cease the employment or activity. If the outside employment or activity is employment or activity described in subsection 1, paragraph *"c"*, or constitutes outside employment or an activity prohibited under rules adopted pursuant to subsection 4 or under the senate or house codes of ethics, unless otherwise provided by law, the person shall take one of the following courses of action:

a. Cease the outside employment or activity.

b. Publicly disclose the existence of the conflict and refrain from taking any official action or performing any official duty that would detrimentally affect or create a benefit for the outside employment or activity. For purposes of this paragraph, *"official action"* or *"official duty"* includes but is not limited to participating in any vote, taking affirmative action to influence any vote, granting any license or permit, determining the facts or law in a contested case or rulemaking proceeding, conducting any inspection, or providing any other official service or thing that is not available generally to members of the public in order to further the interests of the outside employment or activity **(68B.2A(2)).**

Unless otherwise specifically provided the requirements of this section shall be in addition to, and shall not supersede, any other rights or remedies provided by law **(68B.2A(3)).**

The board shall adopt rules pursuant to chapter 17A further delineating particular situations where outside employment or activity of officials and state employees of the executive branch will be deemed to create an unacceptable conflict of interest **(68B.2A(4)).**

It is not prohibited or a conflict of interest for a school board member to vote on a contract, let after public notice and competitive bidding, on which the member has submitted a subcontract bid. However, the member would be well advised to abstain from voting in such circumstances in order to avoid the appearance of impropriety **(OAG #85-2-6(L)).**

Advertising specialty and novelty items which are not used for instructional purposes are not school supplies to which section 301.28 is applicable **(OAG #90-7-2(L)).**

Commercial salespersons of musical instruments may, in the discretion of the local school board, be permitted access to school facilities for the purpose of displaying and disseminating information regarding sale or rental of musical instruments. The local school board may not, however, select a certain store or salesperson and deny access to others. A public school music instructor may recommend a particular instrument to a student, so long as the recommendation is based on a personal or professional preference and the instructor is not acting as an agent for the seller of the instrument **(OAG #80-2-2).**

Contracts in which a board member has any interest are void as contrary to public policy **(Kagy v. Independent School District, 117-694; Town of Hartley v. Floete Lumber Company, 185-861).**

All contracts for transportation service and for drivers of school-owned and operated buses shall be made with someone outside the board except where no other transportation service is available, a board member may transport the member's own children **(285.5(7)).**

Use of Credit Cards

The board [school district and AEA] shall have the authority to include in its rules provisions allowing school corporation employees to use school credit cards to pay for the actual and necessary expenses incurred in the performance of work-related duties **(279.8, 273.3(18)).**

While payment for some travel expenses including transportation tickets and hotel accommodations could be arranged by direct billing to the school district by the vendor, payment for other travel expenses including gasoline is not commonly and may not feasibly be arranged by direct billing. Although travel advances are not allowable because of the audit and allowance provisions of law, the use of credit cards differs from the use of advance payments in that payment is not actually made until after the expenses are incurred. Thus verification of the expense can be made prior to payment by the governmental employer of a credit card billing. If the employer does not allow the expenses, the employer could recover expenses charged to the employer by the official or employee who made the trip **(OAG # 83-7-3(L)).**

Advances

Expenditures must be actually incurred rather than merely reasonably anticipated. In other words, an employer may only reimburse its employee the authorized expenses for which the employee has become liable and is thereby precluded (prohibited) from making advance payments to such employees for obligations which have not yet occurred. This does not prohibit purchase of airline tickets or chartering buses or the payment of advance registration fees for conferences paid <u>on behalf of</u> employees authorized to travel on school business **(OAG #78-12-11).**

Public Purpose

It is unlawful to use public funds to pay for social functions, parties, or other forms of entertainment for employees. This constitutes a use of property owned by the State or a governmental subdivision thereof for a private purpose. This does not apply to conferences in which employees participate in activities related to their duties and are authorized by the superiors and in which entertainment may be an incidental part of the registration fee or other expense of attending. Nor does it apply to the legitimate entertainment or meal expenses of outside consultants which may include the expenses of one or more employees participating therein **(OAG #75-3-12).**

A retirement dinner, however, under appropriate circumstances and with proper motives could be considered to have public purpose. It is the motive for the expenditure that may insulate an officer from criminal liability for misuse of public funds. Any retirement dinner will certainly be subject to a deserved close scrutiny and one is well advised to consider carefully the expenditure of public moneys for such a purpose **(OAG #79-4-26).** This opinion was based on court cases including Kingman v. Brockton, 153 Mass. 255, 26 N.E. 98 (1981) which recognized that a public purpose is served and public funds may be spent in commemorating those important historical, military and civil events in which all citizens should take an interest. Also considered was John R. Grubb v. Iowa Housing Finance Authority, 255 N.W. 2d 89, 93 (1977), which said that an examination of Dickinson [Dickinson v. Porter, 240 Iowa 393, 35 N.W. 2d 66 (1948)] and decisions from other jurisdictions discloses a judicial intent to permit the concept of public purpose to have the flexibility and expansive scope required to meet the challenges of increasingly complex social, economic, and technological conditions.

Public employees may use vehicles and computers owned by their governmental subdivision of which they are employees for private purposes if facts and circumstances indicate that the use also serves some public purpose **(OAG #95-5-1).**

Fund Raisers

Internal Revenue Service holds organizations responsible for informing the public what portion of purchases, admissions, etc. are tax deductible as charitable donations (or that they are not). The ruling states the importance of

determining, in advance of solicitation, the portion of payments attributable to the purchase of admission or other privilege and the portion solicited as a gift. The ruling says that in those cases in which a fund-raising activity is designed to solicit payments intended to be in part a gift and in part the purchase price of admission or other participation in an event, separate amounts should be stated in the solicitation and clearly indicated on any ticket or other evidence of payment furnished to the contributor. For more information, request Publication 1391 from the IRS and/or consult with a CPA, public accountant, or enrolled agent who actively practices in the area of individual income tax preparation.

Use of Rubber Stamps

A signature on certification of claims may be affixed by stamp or other mechanical means as long as the instrument used is in the general possession and control of the one whose signature it bears, is applied by that person or designee, and is intended by that person to constitute a signature **(OAG #46-1-21).**

Where an administrative officer is required by law to affix a signature to various documents, the method of signing is left entirely to that officer. It may be by stamp, copperplate or otherwise. It is still the administrative officer's act. The responsible official might require of a designee using a mechanical signature device to add the designee's own signature, initials, or even an identifying number for administrative identification purposes if the official so chooses. The signature of the administrative officer is merely directory to the officers who are to act afterwards--the secretary who is to countersign, the secretary and treasurer who is to record, and the treasurer who is to pay **(OAG #53-9-16).**

The president or the president's designee shall sign, using an original or facsimile signature, all school district warrants drawn and authorize electronic funds transfers as provided by law. The board of directors, by resolution, may designate an individual, who shall not be the secretary, to sign payments or authorize electronic funds transfers on behalf of the president **(291.1).**

The secretary shall make each authorized payment, countersign using an original or facsimile signature, and maintain accounting records of the payments or electronic funds transfers, showing the number, date, payee, originating fund, the purpose, and the amount, and shall provide to the board at each regular annual meeting a copy of the accounting records maintained by the secretary **(291.8).** Note that the secretary does not have the authority in law to have a designee.

Consortium

If Iowa Code assigns responsibility for a program to one district or one AEA, that legal responsibility cannot be transferred to or shared with another that has not been assigned that responsibility. The most common situation where a consortium cannot be formed is where Iowa Code assigns the educational program responsibility to the district in which a residential facility is located.

But if Iowa Code does not assign responsibility to a specific school district to provide a program or service, then a group of school districts may form a consortium to jointly administer that program or service if all of the school districts have the same authority to provide such a program or service to its own students. Because AEAs and Community Colleges do not have the same authority as school districts, they would not be a member of the consortium of school districts but could be a contracted service of the consortium. The most common jointly administered program is an alternative school or program. However, a special education consortium is possible, too, if it meets FAPE/LRE.

The AEA is authorized to provide special education programs and services on behalf of its districts, but those programs are still the responsibility of the districts. The responsibility for the programs does not transfer to the AEA except where Iowa Code assigns direct programming to AEAs (as in the case of all shelter and detention juvenile homes).

Any power or powers, privileges or authority exercised or capable of exercise by a public agency of this state may be exercised and enjoyed jointly with any other public agency of this state having such power or powers, privilege or authority **(28E.3).**

AEAs may cooperate and contract between themselves and with other public agencies to provide special education programs and services, media services, and educational services to schools and children residing within their respective areas **(273.3(6)).**

The boards of directors of two or more school districts may by agreement provide for attendance of pupils residing in one district in the schools of another district for the purpose of taking courses not offered in the district of their residence. The boards may also provide by agreement that the districts will combine their enrollments for one or more

grades. Courses and grades made available to students in this manner shall be considered as complying with any standards or laws requiring the offering of such courses and grades. The boards of directors of districts entering into such agreements may provide for sharing the costs and expenses of the courses. If the agreement provides for whole grade sharing, the costs and expenses shall be paid as provided in sections 282.10 through 282.12 **(256.13).** This also applies to programs and not just grades or individual courses.

Two or more public school districts may jointly employ and share the services of any school personnel, or acquire and share the use of classrooms, laboratories, equipment and facilities. Classes made available to students in the manner provided in this section shall be considered as complying with the requirements of section 275.1 relating to the maintenance of kindergarten and twelve grades by a school district. If students attend classes in another school district under this section under an agreement that provides for whole grade sharing, the boards of directors of districts entering into these agreements shall provide for sharing the costs and expenses as provided in sections 282.10 through 282.12 **(280.15(1)).** This also applies to sharing programs and not just grades or individual classes.

The facility used by the consortium must be within the boundaries of one of the member districts, but it does not have to be on district-owned property.

The members of the consortium will have a single written agreement which is signed by every member district. The consortium agreement is NOT a tuition agreement and it is not an agreement between each individual member district with the host district. A consortium jointly administered program is the program of each of the member districts and is not a tuition arrangement.

Benefits of a Consortium

- The consortium is the instructional program of each member district—students are not tuitioned out.
- Districts share actual costs of providing the jointly administered program (not limited to maximum tuition rate).
- If a lease of a facility, not owned by a district, is needed for the program, then each member district pays its proportionate share from its PPEL or SAVE fund.

Special Education Consortium

- The consortium program must meet the requirements of FAPE/LRE.
- The actual costs of the special education program provided pursuant to an IEP is still the cost of the resident district.
- School level administration cost can only be considered a special education program cost if the SBRC approves use of special education funding for that purpose pursuant to rules. The SBRC approval is for the lower of actual costs or SBRC approved amount, so there should never be an excess charge or payment for this cost.
- Non-IEP costs can be shared proportionately on some reasonable basis for districts with students in the consortium program.
- Non-IEP costs are not costs of special education and are not reported on the CAR-SES.

Cost sharing on non-IEP costs or any non-instructional cost

- Non-IEP costs can be shared proportionately on some reasonable basis according to the written agreement of member districts with students in program.
- The indirect cost rate cannot be used on this program; indirect cost rates apply only to federally funded programs.
- The purpose of the general purpose percentage (GPP) for students served pursuant to an IEP is to cover those general purpose costs that are not direct costs or are not costs that are easily and specifically identified. Therefore, before billing member districts for non-instructional costs related to students served pursuant to an IEP, the non-IEP or non-instructional costs must be reduced by the amount of the GPP if any GPP was billed.
- The agreement is based on actual student enrollment.
- It could include time records to allocate administrative and overhead costs.
- It could be a straight per pupil daily enrollment allocation of costs.
- The agreement can establish maximum enrollments.
- It cannot establish minimum enrollment (phantom students or reserved seats).
- Transportation to the program is the responsibility of the sending district.
- The district of location must be a member of consortium, even if it has no students enrolled in the program. If it has no students enrolled in the program, it would have no costs.
- Non-member districts could be allowed to send students on a tuition basis or could be required to participate as a member district in the cost sharing, as the consortium members have determined in their written agreement.
- Employees remain employees of the sending district, with other districts purchasing employee services from that district. The employing district does not have to be the host or the fiscal agent district nor do all of the employees have to come from the same district.
- One member district will act as the fiscal agent for the consortium:

  - No fee or indirect costs to do so.
  - Can maintain time records to establish an actual cost to be shared pursuant to the written agreement.
  - Will settle up at end of the fiscal year.
  - Will provide accounting records to each member district so that each district can enter its share of the costs into its accounting records at the level of the CAR-COA.
- Students are subject to the testing requirements and graduation requirements of their individual resident districts.
- Students participate in the student activities of their own resident districts.

What if Students in Consortium need Treatment to Benefit from their Educational Program?

If the main purpose of attendance at the day program is for the instructional program and the treatment is not the primary purpose of placement in the program, but is necessary for the student to benefit from the education program, then the consortium may purchase treatment from a facility that is licensed to provide that treatment.

- To be a cost of special education, it must be on the student's IEP.
- Otherwise, it is a purchased service of each district in the consortium having students that participate in that treatment.
- Public funds may not be spent to support voluntary programs provided by nonprofit private agencies. However, the services provided by such agencies may be obtained under chapter 28E agreements where joint exercise of governmental power is warranted **(OAG #76-9-2).**

Statutory Authority Assigned to State Agencies

Certified Budgeting	Department of Management, SBRC
Authorized Budget	Department of Management, Department of Education, SBRC
Accounting	Department of Education
Auditing	Office of the State Auditor
Interpretation of Law	Department of Education, Attorney General

Duties of the Director of the Department of Education

The department of education is established to act in a policymaking and advisory capacity and to exercise general supervision over the state system of education including all of the following:

a. Public elementary and secondary schools.
b. Community colleges.
c. Area education agencies.
d. Vocational rehabilitation.
e. Educational supervision over the elementary and secondary schools under the control of an administrator of a division of the department of human services.
f. Nonpublic schools to the extent necessary for compliance with Iowa school laws **(256.1(1)).**

Approve, coordinate, and supervise the use of electronic data processing by school districts, area education agencies, and merged areas **(256.9(11)).**

Interpret the school laws and rules relating to the school laws **(256.9(16)).**

Hear and decide appeals arising from the school laws not otherwise specifically granted to the state board **(256.9(17)).**

The Department of Education has explicit authority to interpret school law **(Iowa District Court, Polk County, IASB v. IDoE, CV5557 (2005)). Affirmed by the Iowa Supreme Court (No. 51/05-1255 (2007)).**

Prepare forms and procedures as necessary to be used by AEA boards, district boards, school officials, principals, teachers, and other employees, and to insure uniformity, accuracy, and efficiency in keeping records in both pupil and financial accounting, the execution of contracts, and the submission of reports, and notify the AEA board, district board or school authorities when a report has not been filed in the manner or on the dates prescribed by law or by rule that the school will not be accredited until the report has been properly filed **(256.9(18)).**

The DE is authorized to prescribe a uniform system of accounting. This system is the Uniform Financial Accounting manual **(OAG #83-12-1(L)).**

Determine by inspection, supervision, or otherwise, the condition, needs, and progress of the schools under the supervision of the department, make recommendations to the proper authorities for the correction of deficiencies and

the educational and physical improvement of the schools, and request a state audit of the accounts of a school district, AEA, school official, or school employee handling school funds when it is apparent that an audit should be made **(256.9(19)).**

Accept and administer federal funds apportioned to the state for educational and rehabilitation purposes and accept surplus commodities for distribution when made available by a governmental agency. The director may also accept grants and gifts on behalf of the department **(256.9(7)).**

Cooperate with other governmental agencies and political subdivisions in the development of rules and enforcement of laws relating to education **(256.9(8)).**

Conduct research on education matters **(256.9(9)).**

Approve leases and lease-purchase agreements entered into by AEAs of those leases are for 10 years or more or at an annual cost of $25,000 or more **(273.3(7)).**

Approve AEA agreements for the joint use of personnel, buildings, facilities, supplies, and equipment with school corporations **(273.3(8)).**

Approve the salaries of AEA administrators **(256.9(27)).**

Conduct or direct the AEA to conduct feasibility surveys and studies, if requested under section 282.11, of the school districts within the AEA service areas and all adjacent territory **(256.9(31)"a").**

Disburse, transfer, or receive funds as authorized or required under federal or state law or regulation in a manner that utilizes electronic transfer of the funds whenever possible **(256.9(46)).**

Develop and implement a comprehensive management information system [MIS] designed for the purpose of establishing standardized electronic data collections and reporting protocols that facilitate compliance with state and federal reporting requirements, improve school-to-school and district-to-district information exchanges, and maintain the confidentiality of individual student and staff data. The system shall provide for the electronic transfer of individual student records between schools, districts, postsecondary institutions, and the department. The director may establish, to the extent practicable, a uniform coding and reporting system, including a statewide uniform student identification system **(256.9(47)).**

Grant to public school districts and accredited nonpublic schools waivers from statutory obligations with which the entities cannot reasonably comply within two years after a disaster as defined in section 29C.2, subsection 1 **(256.9(58)).**

Duties of the School Budget Review Committee (SBRC)

The SBRC may recommend the revision of any rules, regulations, directive, or forms relating to school district budgeting and accounting, confer with local school boards or their representatives and make recommendations relating to any budgeting or accounting matters, and direct the director of the department of education or the director of the department of management to make studies and investigations of school costs in any school district **(257.31(1)).**

The SBRC shall meet and hold hearings each year to review unusual circumstances of AEAs, either upon the committee's motion or upon the request of an AEA **(257.32(1)).**

The committee shall adopt recommendations relating to the implementation by school districts and AEAs of procedures pertaining to the preparation of financial reports in conformity with generally accepted accounting principles (GAAP) and submit those recommendations to the state board of education who shall adopt rules requiring the district and AEA to conform to GAAP commencing with the school year beginning July 1, 1996 **(257.31(4)).**

The committee may approve or modify the initial base year district cost of any district which changes accounting procedures **(257.31(8)).** Now that districts and AEAs are required to account and budget on the government GAAP basis, this section is no longer applicable.

The committee shall review the recommendations of the director of the department of education relating to the special education weighting plan, and shall establish a weighting plan for each school year pursuant to section 256B.9, and report the plan to the director of the department of education **(257.31(12)).**

As soon as possible following June 30 of the base year, the SBRC shall determine for each school district the balance of funds, whether positive or negative, raised for special education instruction programs under the special education weighting plan established in section 256B.9. The committee shall certify the balance of funds for each school district to the director of the department of management **(257.31(14)).**

Annually the SBRC shall review the amount of property tax levied by each school district for the cash reserve authorized in section 298.10. If in the committee's judgment, the amount of a district's cash reserve levy is unreasonably high, the committee shall instruct the director of the department of management to reduce that district's tax levy computed under section 257.4 for the following budget year by the amount the cash reserve levy is deemed excessive **(257.31(15)).**

If a school district exceeds its authorized budget or carries a negative unspent balance for 2 or more consecutive years, the committee may recommend that the department implement a phase II on-site visit to conduct a fiscal review **(257.31(18)).**

Notwithstanding the requirements of subsection 24.6(2), paragraph "a", if the municipality is a school corporation, the school corporation may transfer money from the emergency fund to any other fund of the school corporation for the purpose of meeting deficiencies in a fund arising within two years of a disaster as defined in section 29C.2, subsection 1. However, a transfer under this paragraph "b" shall not be made without the written approval of the SBRC **(24.6(2)"b").**

The committee may authorize a district to spend a reasonable and specified amount from its unexpended fund balance for the following purposes:

1) Furnishing, equipping, and contributing to the construction of a new building or structure for which the voters of the district have approved a [general obligation] bond issue as provided by law or the tax levy provided in section 298.2 [VPPEL].
2) The costs associated with the demolition of an unused school building, or the conversion of an unused school building for community use, in a school district involved in a dissolution or reorganization under chapter 275, if the costs are incurred within 3 years of the dissolution or reorganization.
3) The costs associated with the demolition or repair of a building or structure in a school district if such costs are necessitated by, and incurred within 2 years of, a disaster as defined in section 29C.2, subsection 1 **(257.31(7)"a").**

The committee shall review the proposed budget and certified budget of each school district, and may make recommendations. The committee may make decisions affecting budgets to the extent provided in chapter 257. The costs and computations referred to in section 257.31 relate to the budget year unless otherwise expressly stated **(257.31(3)).**

The committee may recommend that two or more school districts jointly employ and share the services of any school personnel, or acquire and share the use of classrooms, laboratories, equipment, and facilities as specified in section 280.15 (**257.31(13)).**

Failure by any school district or AEA to provide information or appear before the committee as requested for the accomplishment of review or hearing is justification for the committee to instruct the director of the Department of Management to withhold any state aid to that district or AEA until the committee's inquiries are satisfied completely **(257.31(11), 257.32(4)).** *Note that most data collections are used by the SBRC to accomplishment their requirements in Code.*

Duties of the State Board of Education

Adopt rules under chapter 17A for carrying out the responsibilities of the department **(256.7(5)).**

The state board shall consider the recommendations of the SBRC and adopt rules specifying procedures and requiring the school districts and AEAs to conform to generally accepted accounting principles (GAAP) commencing with the school year beginning July 1, 1996 **(257.31(4)).**

The state board shall review the proposed budget of each AEA and shall before May 1, either grant approval or return the budget without approval with comments of the state board included. An unapproved budget shall be resubmitted to the state board for final approval not later than May 15. The state board shall give final approval only to budgets submitted by AEAs accredited by the state board or that have been given conditional accreditation by the state board **(273.3(12)).**

Adopt rules pursuant to chapter 17A relating to educational programs and budget limitations for educational programs pursuant to sections 282.29, 282.30, 282.31, and 282.33 **(256.7(10)).**

Prescribe guidelines for facility standards **(256.7(11)).**

Adopt rules that require the board of directors of a school district to waive school fees for indigent families **(256.7(20)).**

Duties of the Department of Management

To consult with all state officers and agencies which receive reports and forms from county officers, in order to devise standardized reports and forms which will permit computer processing of the information submitted by county officers, and to prescribe forms on which each municipality, at the time of preparing estimates required under section 24.3, shall be required to compile in parallel columns the following data and estimates for immediate availability to any taxpayer upon request:
a. For the immediate prior fiscal year, revenue from all sources, other than revenue received from property taxation, allocated to each of the several funds and separately stated as to each such source, and for each fund the unencumbered cash balance thereof at the beginning and end of the year, the amount received by property taxation allocated to each fund, and the amount of actual expenditure for each fund.
b. For the current fiscal year, actual and estimated revenue, from all sources, other than revenue received from property taxation, and separately stated as to each such source, allocated to each of the several funds, and for each fund the actual unencumbered cash balance available at the beginning of the year, the amount to be received from property taxation allocated to each fund, and the amount of actual and estimated expenditures, whichever is applicable.
c. For the proposed budget year, an estimate of revenue from all sources, other than revenue to be received from property taxation, separately stated as to each such source, to be allocated to each of the several funds, and for each fund the actual or estimated unencumbered cash balance, whichever is applicable, to be available at the beginning of the year, the amount proposed to be received from property taxation allocated to each fund, and the amount proposed to be expended during the year plus the amount of cash reserve, based on actual experience of prior years, which shall be the necessary cash reserve of the budget adopted exclusive of capital outlay items. The estimated expenditures plus the required cash reserve for the ensuing fiscal year less all estimated or actual unencumbered balances at the beginning of the year and less the estimated income from all sources other than property taxation shall equal the amount to be received from property taxes, and such amount shall be shown on the proposed budget estimate.
d. To insure uniformity, accuracy, and efficiency in the preparation of budget estimates by municipalities subject to chapter 24, the director shall prescribe the procedures to be used and instruct the appropriate officials of the various municipalities on implementation of the procedures **(8.6(1)).**

Duties of the Office of the Auditor of State

The auditor of state shall provide advice and counsel to public entities and certified public accountants concerning audit and examination matters **(11.6(8)).**

The auditor of state may audit or reaudit school districts or AEAs:

- If contracted by the school district or AEA for the annual audit.
- If requested by the director of the department of education **(256.9(19)).**
- If the auditor of state has probable cause to believe such action is necessary in the public interest because of a material deficiency in an auditor because of a substantial failure of the audit to comply with the standards and procedures established and published by the auditor of state **(11.6(4)"a"(1)).**
- If the auditor of state receives from an elected official or employee of the governmental subdivision a written request for a complete or partial reaudit **(11.6(4)"a"(2)).**
- If the auditor of state receives a petition signed by at least one hundred [100] eligible electors of the governmental subdivision requesting a complete or partial reaudit of the governmental subdivision. If the governmental subdivision has not contracted with or employed a certified public accountant to perform an audit of the fiscal year in which the petition is received by the auditor of state, the auditor of state may perform an audit required by subsection 1 or 3 **(11.6(4)"a"(3)).**

The county attorney shall cooperate with the auditor of state to secure correction of a financial irregularity as provided in section 11.53 **(331.756(11)).** If an audit or examination discloses any irregularity in the collection or disbursement of public funds, in the abatement of taxes, or other findings the auditor believes represent significant noncompliance, a copy of the report shall be filed with the county attorney, and it shall be the county attorney's duty to cooperate with the state auditor, and, in proper cases, with the attorney general, to secure the correction of the irregularity **(11.53).**

Authority of Law, Rules, Opinions and Departmental Regulations

Law

Iowa school districts and AEAs operate under Dillon's Rule, by Iowa constitution, which states that school corporations possess and can exercise the following powers and no others: Those granted in express words, those necessarily implied or necessarily incident to the powers expressly granted, and those absolutely essential to the declared objects and purposes of the school corporation--not simply convenient or desired, but indispensable **(Merriam v. Moody's Executors, 25 Iowa 163, 170 (1868))**. School districts cannot do by indirect means anything they do not have direct authority to do, and laws granting powers to school districts shall be construed narrowly to limit district authority to the precise language of the authorizing statute **(Bishop v. Iowa State Board of Pub. Instr., 395 NW2d Iowa 838, 891 (1986)).** The mere absence of a prohibition against an action or activity in Code does not give a school district or area education agency authority to initiate that action or activity. It is fundamental that school districts are creatures of statute, with only those powers expressly conferred by statute or reasonably and necessarily implied incident to exercise of a power or performance of a duty expressly conferred or imposed **(Silver Lake Cons. Sch. Dist. V. Parker, 238 Iowa 984, 29 N.W. 2d 219; Ind. Sch. Dist. of Danbury v. Christiansen, 242 Iowa 963, 49 N.W. 2d 263).** Interpretation of school law and rules relating to the school laws may only be done by the Iowa Attorney General's Office and the Iowa Department of Education **(256.9(16)).** These Opinions or Rules, once given, have the effect of law on school corporations. The Department of Education has explicit authority to interpret school law **(Iowa District Court, Polk County, IASB v. IDoE, CV5557 (2005)). Affirmed by the Iowa Supreme Court (No. 51/05-1255 (2007)).** Interpretation of school law under chapter 256 is in addition to authority to promulgate rules or issue declaratory orders/rulings.

Attorney General's opinion may be requested by members of the general assembly, state officers (elected or appointed), and county attorneys. Local officials such as school board members, citizens, or governmental staff cannot directly request opinions of the Attorney General.

Unless otherwise specifically provided by the general assembly, whenever the following words are used in a statute enacted after July 1, 1971, their meaning and application shall be:
a. The word *"shall"* imposes a duty.
b. The word *"must"* states a requirement.
c. The word *"may"* confers a power. **(4.1(30)).**

It is well established that where the language of a statute is plain and unambiguous and its meaning clear and unmistakable, there is no room for construction, and we may not search for its meaning beyond the statute itself **(OAG #84-5-1(L)).**

Rules

An administrative rule, violation of which is a crime, may incorporate federal standards by reference, provided these standards are explicit and readily ascertainable **(OAG #87-10-2(L)).**

Opinions of the Attorney General

It shall be the duty of the attorney general to give an opinion in writing, when requested, upon all questions of law submitted by the general assembly or by either house thereof, or by any state officer, elective or appointive. Questions submitted by state officers must be of a public nature and relate to the duties of such officer **(13.2(1)"e").**

An attorney general's opinion establishes the substantive interpretation of a Code section until it is overruled, revised, withdrawn upon consideration or upset by court decision **(OAG #87-1-5).**

A footnote in OAG #92-11-3 indicates that an opinion based on a Code section which is repealed but replaced with a section having much the same language would continue to apply **(OAG #92-11-3).**

Various Finance Related Compliance Issues

Iowa Gambling

The department of inspections and appeals shall issue the licenses required by chapter 99B for games of skill or chance and raffles **(99B.2(1)"a").** The Social and Charitable Gambling Program administers Iowa Code Chapter 99B, which regulates games of skill or chance, raffles, bingo, social gambling and amusement devices. Qualified organizations may

obtain a social and charitable gambling license to conduct fund-raising activities benefiting educational, civic, public, charitable, patriotic, or religious purposes. The Social and Charitable Gambling License Application is available on-line. The application form describes the various types of licenses available (bingo, raffles, amusement concessions), as well as the licensing fees and requirements. For further information on, or interpretation of gambling laws or rules, contact the Department of Inspections and Appeals, 515-281-6848.

"*Game of chance*" means a game whereby the result is determined by chance and the player in order to win aligns objects or balls into a prescribed pattern or order or makes certain color patterns appear and specifically includes but is not limited to the game defined as bingo. Game of changes does not include a slot machine **(99B.1(15)).**

"*Game of skill*" means a game whereby the result is determined by the player directing or throwing objects to designated areas or targets, or by maneuvering water or an object into a designated area, or by maneuvering a dragline device to pick up particular items, or by shooting a gun or rifle **(99B.1(16)).**

"*Raffle*" means a lottery in which each participant buys a ticket for a chance at a prized with the winner determined by a random method and the winner is not required to be present to win. Raffle does not include a slot machine **(99B.1(26)).**

"*Social games*" means and includes only the activities permitted by section 99B.12, subsection 2 **(99B.1(27)).**

"*Qualified organization*" means any licensed organization which dedicates the net receipts of a game of skill, game of chance or raffle as provided in section 99B.7 and meets the requirements of section 99B.7, subsection 1, paragraph "m" **(99B.1(25)).**

Department of Inspection rules include the following license exception for student game nights:
Schools. The following provisions apply to schools as defined in 107.1(10A,99B). Schools are not required to have a license if <u>all</u> of the following are complied with:
a. Approval. Public school organizations must receive approval for the game night from the board of directors, and private school organizations must receive approval for the game night from authorities in charge.
b. Participants. Only students shall be allowed to participate in game nights sponsored by organizations of public and private schools.
c. Participation fees. No participation fees are allowed. Students may use only play money for the game night.
d. Prizes. No restrictions or limits are placed upon prizes.
e. Reports. No reports are required for schools holding game nights pursuant to this subrule.
f. Frequency. There is no restriction on the frequency of game nights for schools **(IAC 481—107.5(1)).**
"School" means an organization within a public school or private school accredited by the state board of education **(IAC 481—107.1).**

The board of directors of a school district may authorize that public schools within that district may authorize that games of skill, games of chance, bingo and raffles may be held at bona fide school functions, such as carnivals, fall festivals, bazaars and similar events. Each school shall obtain a license pursuant to this section prior to permitting the games or activities on the premises. However, the board of directors of a public school district may also be issued a license under this section. However, a board of directors of a public school shall not spend or authorize the expenditure of public funds for the purpose of purchasing a license. The department of inspections and appeals shall provide by rule a short form application for a license issued to a board of directors. Upon written approval by the board of directors, the license may be used by any school group or parent support group in the district to conduct activities authorized by this section. The board of directors shall not authorize a school group or parent support group to use the license more than twice in 12 months **(99B.7(2)"b").**

More information on game nights is found in Iowa Code section 99B.8.

Other exceptions from licensure are found in Iowa Code sections 99B.10 to 99B.12A and include such things as bona fide contests or competitions and social games between individuals.

The receipts from a raffle are required to be kept in a separate financial account **(99B.7(1)"d"(3)"d").** For a school district or AEA this means that the district or AEA shall establish a locally defined project code within its accounting system to track the gross revenues, expenditures, and balances from each specific raffle separately; and no transactions related to that raffle shall be commingled into any other account within the district's or AEA's accounting system.

The regulations, restrictions and exceptions on gambling; the limitations on the nature and value of prizes; the size, location, and amount of signage, and the timing and reporting requirements, are extensive and cannot be covered here.

For specific information that applies to your district or AEA, contact the Department of Inspections and Appeals, 515-281-6848.

Sales Tax on Gambling Receipts

Gambling receipts are generally subject to Iowa sales tax, even for nonprofit organizations. So licensees must file a state sales tax return with the Iowa Department of Revenue. The word "donation" printed on a gambling ticket does not exempt it from sales tax. All licensees must make arrangements with the department of revenue to obtain a sales tax permit. For assistance determining who must file and how to file and pay sales tax on gambling receipts, contact the Iowa Department of Revenue, Taxpayer Services Section at 1-800-367-3388.

Prize winners must pay income tax on their winnings of any dollar amount. All prizes awarded are Iowa earned income and are subject to state and federal income tax laws. A person conducting a game of skill, game of chance, or a raffle shall deduct state income taxes, pursuant to section 422.16, subsection 1, from a cash prize awarded to an individual. An amount deducted from the prize for payment of a state tax shall be remitted to the department of revenue on behalf of the prize winner **(99B.21).**

For the purposes of this subsection, state income tax shall be withheld on winnings in excess of $600 derived from gambling activities authorized under chapter 99B **(422.16(1)"d").**

Every person making any payment of a "prize subject to withholding" must deduct and withhold a tax in an amount equal to 5 percent of the prize from a game of skill, a game of chance, or a raffle. The tax must be deducted and withheld upon payment of the winnings to a payee by the person making this payment. Any person or payee receiving a payment of winnings subject to withholding must furnish the payer with a statement as is required under Treasury Regulation Section 31.3402(q)-1, paragraph "e," with the information required by that paragraph. Payers of prizes subject to withholding must file Form W-2G with the Internal Revenue Service, the department of revenue, and the payee of the prize by the dates specified in the Internal Revenue Code and in Iowa Code section 422.16. The W-2G form must include the information described in Treasury Regulation Section 31.3402(q)-1, paragraph "f." "Prizes subject to withholding" means any payment of a prize where the amount won exceeds $600 **(IAC 701--46.1(1)"e").**

Federal postal regulations may prohibit using the mails to distribute printed matter that advertises most forms of gambling. For information, contact the United States Postal Service or review the website at www.usps.com.

Iowa Sales and Use Taxes

Collection of tax on sales

Sales from educational activities are exempt from sales and use taxes if the entire proceeds are expended for educational purpose. The gross receipts from games of skill, games of chance, raffles, and bingo do not qualify for the exemption, and are generally subject to Iowa sales and use tax, even for nonprofit organizations.

The sales price from sales or rental of tangible personal property, or services rendered by any entity where the profits from the sales or rental of the tangible personal property, or services rendered are used by or donated to a government entity and where the entire proceeds from the sales, rental, or services are expended for educational purposes. This exemption does not apply to the sales price from games of skill, games of chance, raffles, and bingo games as defined in chapter 99B. This exemption is disallowed on the amount of the sales price only to the extent the profits from the sales, rental, or services are not used by the appropriate entity and expended for educational purposes **(423.3(78)).**

"*Tangible personal property*" means personal property that can be seen, weighed, measured, felt, or touched, or that is in any other manner perceptible to the senses. "*Tangible personal property*" includes electricity, water, gas, steam, and prewritten computer software **(423.1(59)).**
"*Sales*" or "*sale*" means any transfer, exchange, or barter, conditional or otherwise, in any manner or by any means whatsoever, for consideration **(423.1(50)).**

"*Services*" means all acts or services rendered, furnished, or performed, other than services used in processing of tangible personal property for use in retail sales or services, for an employer who pays the wages of an employee for a valuable consideration by any person engaged in any business or occupation specifically enumerated in section 423.2. The tax shall be due and collectible when the service is rendered, furnished, or performed for the ultimate user of the service **(423.1(54)).**

"Lease or rental":

a. "*Lease or rental*" means any transfer of possession or control of tangible personal property for a fixed or indeterminate term for consideration. A "*lease or rental*" may include future options to purchase or extend.
b. "*Lease or rental*" includes agreements covering motor vehicles and trailers when the amount of consideration may be increased or decreased by reference to the amount realized upon sale or disposition of the property as defined in 26 U.S.C. § 7701(h)(1).
c. "*Lease or rental*" does not include any of the following:
    1) A transfer of possession or control of property under a security agreement or deferred payment plan that requires the transfer of title upon completion of the required payments.
    2) A transfer of possession or control of property under an agreement that requires the transfer of title upon completion of required payments, and payment of any option price does not exceed the greater of one hundred dollars or one percent of the total required payments.
    3) Providing tangible personal property along with an operator for a fixed or indeterminate period of time. A condition of this exclusion is that the operator is necessary for the equipment to perform as designed. For the purpose of this subparagraph, an operator must do more than maintain, inspect, or set up the tangible personal property.

d. This definition shall be used for sales and use tax purposes regardless of whether a transaction is characterized as a lease or rental under generally accepted accounting principles; the Internal Revenue Code; the uniform commercial code, chapter 554; or other provisions of federal, state, or local law **(423.1(24)).**

For assistance determining who must obtain a permit and file and how to do so, contact the Iowa Department of Revenue, Taxpayer Services Section at 1-800-367-3388.

Sales tax exemption on purchases

There are hereby specifically exempted from the provisions of the retail sales tax the following: The sales price of goods, wares, or merchandise sold to and of services furnished, and used for public purposes sold to a tax-certifying or tax-levying body of the state or a governmental subdivision of the state. The exemption provided by this subsection shall also apply to all such sales of goods, wares, or merchandise or of services furnished and subject to use tax **(423.3(31)).** There is no exemption number or exemption permit for sales tax purposes by the State of Iowa for school corporations.

"*Goods, wares, or merchandise*" means the same as tangible personal property **(423.1(21)).**

"*Purchase*" means any transfer, exchange, or barter, conditional or otherwise, in any manner or by any means whatsoever, for a consideration **(423.1(40)).**

Refunds on sales or use taxes paid by tax-certifying and tax-levying bodies or governmental subdivisions of the state are available in certain circumstances **(423.4).**

For assistance on any issues related to SAVE, contact the Iowa Department of Revenue, Taxpayer Services Section at 1-800-367-3388.

CHAPTER 13

PROPERTY MANAGEMENT

Inventory

A school corporation which owns facilities used as attendance centers for students shall maintain an itemized statement of the appraised value of all buildings owned by the school corporation. The appraisal shall be updated at least once every five [5] years **(282.24(1)"b").**

Use of School Property

The board of directors of any school district may authorize the use of any schoolhouse and its grounds within such district for the purpose of meetings of granges, lodges, agricultural societies, and similar societies, for parent-teacher associations, for community recreational activities, community education programs, election purposes, other meetings of public interest, public forums and similar community purposes; provided that such use shall in no way interfere with school activities; such use to be for such compensation and upon such terms and conditions as may be fixed by said board for the proper protection of the schoolhouse and the property belonging therein, including that of pupils, except that in the case of community education programs, any compensation necessary for programs provided specifically by community education and not those provided through community education by other agencies or organizations shall be compensated from the funding provided for community education programs **(297.9).**

Any compensation for the use of a schoolhouse and schoolhouse grounds shall be paid into the general fund and be expended in the upkeep and [minor] repair of and in purchasing supplies for that school property **(297.10).**

In carrying out the provisions of chapter 29C regarding emergency management services, the governor, the director of the department of public defense, and the executive officers or governing boards of political subdivisions of the state shall utilize, to the maximum extent practicable, the services, equipment, supplies and facilities of existing departments, officers, and agencies of the state and of political subdivisions at their respective levels of responsibility **(29C.12).**

Boards of directors of school corporations may authorize the use by senior citizen organizations of school meal facilities subject to reasonable rules and regulations of the board. Such use shall not interfere with the use of the facilities for public school purposes. The board may charge for such use an amount not to exceed the cost to the district **(283A.8).**

The school board may grant the use of a school room to the community for public library purposes unless the electors of the district have voted otherwise **(1910 Op. Att'y Gen. 57 (#9-3-10)).**

The voters at the regular election shall have power to instruct the board that school buildings may or may not be used for meetings of public interest **(278.1(1)"d").**

If the voters of a district at a regular election forbid the use of any schoolhouse or grounds, the board shall not permit that use until the action of the voters is rescinded by the voters at an election held on a date specified in section 39.2, subsection 4, paragraph "c" **(297.11).**

No one has the right to demand the free use of a gymnasium or auditorium or other school facility, but a board may authorize its use at any time that the use does not interfere with regular school activities **(OAG #35-6-19(L)).**

A leasehold interest in vehicles or other property is "public property" if the lease is acquired in the name of a public agency or is acquired with public funds. Private use of public property is permissible only if the private use is incidental to a public purpose. Heads of agencies should promulgate rules establishing guidelines for mixed public and private usage of publicly owned property. A contract may not authorize purely private use of public property, nor may public property be used for purely private purposes on a reimbursement basis **(OAG #83-5-13).**

The property of a school corporation when devoted to public use and not held for pecuniary profit shall not be taxed **(427.1(2)).**

Public buildings owned by the state, or any county, city, school district, or other municipal corporation, or any other public property which is necessary and proper for carrying out the general purpose for which such corporation is organized, are exempt from execution **(627.18).**

The board of directors shall notify the cities located within the school district, the counties in which the school district may be located, and the department of administrative services annually of the facilities and buildings owned by the public school corporation which are vacant and available to be leased or purchased **(297.4).**

Before proceeding to construct or purchase a facility as otherwise provided by law, a public agency shall inquire of other public agencies having facilities within the same general geographic area concerning the availability of all or part of those facilities for rent or sharing by agreement with the inquiring public agency. If there are no suitable facilities available for rent or sharing, the governing body of the public agency shall record its findings in its meeting minutes **(28E.18).**

The governor shall issue an executive order requiring all state agencies to consider the leasing of a vacant facility or building which is appropriately located and which is owned by a public school corporation before a state agency leases, purchases, or constructs a facility or building. The state agency may lease a facility or building owned by a public school corporation with an option to purchase the facility or building in compliance with section 297.22. The lease shall provide that the public school corporation may terminate the lease if the corporation needs to use the facility or building for school purposes. The public school corporation shall notify the state agency at least thirty [30] days before the termination of the lease **(7.20).**

Religious Use

If school districts permit community groups to use schoolhouse or grounds for meetings, religious groups are entitled to use school property on an equal basis. School boards may promulgate 'time, place and manner' regulations for use of school property **(OAG #82-4-29).**

School districts and AEA boards shall make public school services, which shall include special education programs and services and may include health services, services for remedial education programs, guidance services, and school testing services, available to children attending nonpublic schools in the same manner and to the same extent that they are provided to public school students. Service activities shall be similar to those undertaken for public school students. Health services, special education support, and related services provided by AEAs for the purpose of identifying children with disabilities, assistance with physical and communications needs of students with physical disabilities, and services of an educational interpreter may be provided on nonpublic school premises with the permission of the lawful custodian of the property. Other special education services may be provided on nonpublic school premises at the discretion of the school district or AEA provider of the service and with the permission of the lawful custodian of the property **(256.12(2)).**

There is no statute that allows a school board to loan school property to a parochial school **(OAG #29-10-19).** [Exception - Textbooks, See Iowa Code section 301.1.]

A public school board may lease a vacant school building to a parochial school board for one year if adequate consideration is paid for the leasehold interest **(OAG #65-6-14).**

A local board may set aside a public school classroom for the exclusive use of shared-time classes **(1972 Op. Att'y Gen. 453 (72-5-9)).**

Maintenance of School Property

The board shall make rules for the care of the schoolhouse, grounds, and property of the school corporation **(279.8).**

The board may make necessary rules to provide for the policing, control, and regulation of traffic and parking of vehicles and bicycles on school grounds **(279.8A).**

The control and management of a school building is placed exclusively with the board of directors of the school district and cannot be voted or delegated to any other agency **(1938 Op. Att'y Gen. 234 (#37-5-17)).**

No school attendance center fence shall be constructed of barbed wire, nor shall any barbed wire fence be placed within ten [10] feet of any school attendance center. Any person violating the provisions of this section shall be guilty of a simple misdemeanor **(297.14, 1912 Op. Att'y Gen. 738 (#12-7-12)).**

If the owner of the ground adjacent to a school site has it fenced hog-tight, the schoolhouse fence must also be hog-tight. The board must maintain all of the fences between the school grounds and adjacent improved or cultivated land (**1912 Op. Att'y Gen. 658 (#12-4-20)).**

Electric companies have no right to trespass upon school property and they may be compelled to remove wires from crossing over a section of the school property. The enforcement would give the electric companies no right to cut off the service to the buildings **(1928 Op. Att'y Gen. 136 (#37-3-31)).**

A municipality cannot directly or indirectly prohibit a fire department from answering a fire call or making an inspection of school buildings within the corporate limits of the municipality **(OAG #60-7-13).**

Where an independent or community school district has within its limits a city of one hundred twenty-five thousand [125,000] population or more, and has a schoolhouse located outside the city limits of such city and outside the limits of any city, the board of supervisors of the county in which such school district is located shall upon the filing of a petition signed by the owners of at least seventy-five percent [75%] of the property which will be assessed, order the construction or reconstruction of a permanent sidewalk not less than four [4] feet in width along the highway adjacent to the property described and leading to such schoolhouse **(320.1).**

The board of directors of each public school district and the authorities in charge of each nonpublic school shall provide and maintain a suitable flagstaff on each school site under its control, and the United States flag and the Iowa state flag shall be raised on all school days when weather conditions are suitable **(280.5).**

It shall be the duty of any board of public officers charged with providing supplies for a public building in the state to provide a suitable state flag, and it shall be the duty of the custodian of that public building to raise the flags of the United States of America and the state of Iowa, upon each secular day when weather conditions are favorable **(1B.3).**

School districts and AEAs shall identify and implement, through energy audits and engineering analyses, all energy management improvements identified for which financing is facilitated by the authority for the entity. The energy management improvement financings shall be supported through payment from energy savings **(473.13A).**

Between July 1, 1986, and June 30, 1991, and on a staggered annual basis each five [5] years thereafter, the board of directors of each school district shall file with the economic development authority, on forms prescribed by the office, the results of an energy audit of the buildings owned and leased by the school district. The office may waive the requirement for the initial and subsequent energy audits for school districts that submit evidence that energy audits were conducted prior to January 1, 1987, and energy consumption of the district is at an adjusted statewide average or below. This section takes effect only if funds have been made available to a school district to pay the costs of the energy audit **(279.44).**

All private and public school officials and teachers are required to conduct not less than four [4] fire drills and not less than four [4] tornado drills in all school buildings during each school year when school is in session. Not less than two [2] drills of each type shall be conducted between July 1 and December 31 of each year and not less than two [2] drills of each type shall be conducted between January 1 and June 30 of each year **(100.31).**

Officials and teachers of all schools are required to keep all doors and exits of their respective rooms and buildings unlocked when occupied during school hours or when such areas are being used by the public at other times **(100.31).**

Every school building with two [2] or more classrooms shall have a warning system for fires of a type approved by the underwriters' laboratories and by the state fire marshal. The warning system shall be used only for fire drills or as a warning for emergency. Schools may modify the fire warning system for use as a tornado warning system or shall install a separate tornado warning system. Every school building shall also be equipped with portable fire extinguishers, with the type, size and number in accordance with national fire protection association standards and approved by the state fire marshal **(100.31).**

The state fire marshal or the fire marshal's deputies shall cause each public or private school to be inspected at least once every two [2] years to determine whether each school meets the fire safety standards of this Code and is free from other fire hazards. Provided, however, that cities which employ fire department inspectors shall cause such inspections to be made **(100.31).**

If a building or structure has a floor space of five thousand [5,000] square feet or less, an employer shall post signs on the outside of the building or structure identifying the type of each hazardous chemical contained in the building or structure. If the building has more than five thousand [5,000] square feet, the employer shall post a sign at the place within the building where each hazardous chemical is permanently stored to identify the type of hazardous chemical. If

the hazardous chemical or a portion of the hazardous chemical is moved within the building, the employer shall also move the sign or post an additional sign at the location where the hazardous chemical is moved. All letters and figures on signs required shall be at least three inches [3”] in height. The signs shall comply with the national fire protection association’s standard system for the identification of fire hazards of materials, based upon NFPA 704-1980 **(89B.14).**

After repairs are made, excess insurance proceeds become a part of the schoolhouse fund [PPEL] **(OAG #24-2-26; 1928 Op. Att’y Gen. 77(#27-3-23)).**

Work in excess of minor repair may be paid only from the schoolhouse [PPEL, capital projects] fund **(OAG #57-7-18).**

A school district cannot contribute (voluntarily as opposed to paying a special assessment) its funds for the aid of a city or town sewage extension **(OAG #62-5-19).**

School district boundaries are not automatically extended by the expansion of the city limits **(OAG #27-5-19(L)).**

Any damage, defacing, alteration, or destruction of property is criminal mischief when done intentionally by one who has no right to so act **(716.1).**

Establishment and Maintenance of Playgrounds Using the Public Education and Recreation Levy (PERL)

Boards of directors of school districts may establish and maintain for children and adults public recreation places and playgrounds, and necessary accommodations for the recreation places and playgrounds, in the public school buildings and grounds of the district. The board may cooperate under chapter 28E with a public agency having the custody and management of public parks or public buildings and grounds, and with a private agency having custody and management of buildings or grounds open to the public, located within the school district, and may provide for the supervision and instruction necessary to carry on public educational and recreational activities in the parks, buildings, and grounds located within the district **(300.1).**

The board of directors of a school district may, and upon receipt of a petition signed by eligible electors equal in number to at least twenty-five percent [25%] of the number of voters at the last preceding school election, shall direct the county commissioner of elections to submit to the registered voters of the school district the question of whether to levy a tax of not to exceed thirteen and one-half cents [$0.135] per thousand dollars [$1,000] of assessed valuation for public educational and recreational activities authorized under chapter 300. The question shall be submitted at an election held on a date specified in section 39.2, subsection 4, paragraph “c” **(300.2).**

If a majority of the votes cast upon the proposition is in favor of the proposition, the board shall certify the amount required for a fiscal year to the county board of supervisors by April 15 of the preceding fiscal year. The board of supervisors shall levy the amount certified. The amount shall be placed in the PERL fund of the district and shall be used only for the purposes specified in chapter 300 **(300.2).**

Once approved at an election, the authority of the board to levy and collect the tax under section 300.2 shall continue until the board votes to rescind the levy and collection of the tax or the voters of the school district by majority vote order the discontinuance of the levy and collection of the tax. The tax shall be discontinued in the manner provided in this section or in the manner provided for imposition of the tax in section 300.2 **(300.3).**

A school board and a city council have authority to enter into a lease from the school district to the city for land to be used as a playground or recreation center, and where reasonable, they may approve a lease, term of which is longer than the terms of office of the officers of the governmental bodies approving the lease **(OAG #68-9-8).**

A school district may lease land to a city for recreational purposes and cooperate in the operation thereof **(OAG #72-4-19).**

A school district may not assume the sole responsibility for maintenance of a playground constructed by a city for public use **(OAG #65-5-3).**

School Lunch Facilities

School districts may purchase, erect, or otherwise acquire a building for use as a school meal facility, and equip a building for that use, and pay for the acquisition or equipping from funds available in the PPEL fund subject to the terms of section 298.2 **(283A.9).**

School Bus Maintenance Facilities

Bonded indebtedness upon approval of voters for the cost of building a garage is permitted. General fund may not be expended for this purpose **(OAG #64-5-5).**

Construction costs of a new school bus maintenance building must come from the schoolhouse fund [PPEL, capital projects] **(OAG #82-7-2(L)).**

Acquisition of Personal Property (Equipment) Using General Fund

The board of directors of a school corporation may purchase equipment, and may negotiate and enter into a loan agreement and issue a note to pay for the equipment subject to the following terms and procedures:

a. The note must mature within five years, or the useful life of the equipment, whichever is less.
b. The note may bear interest at a rate to be determined by the board of directors in the manner provided in section 74A.3, subsection 1, paragraph *"a"*. Chapter 75 is not applicable.
c. The board of directors shall provide for the form of the agreement and note.
d. Principal and interest on the note must be payable from budgeted receipts in the debt service fund for each year of a period of up to five [5] years **(279.48(1)).**

The total of scheduled annual payments of principal or interest due and payable from current budgeted receipts or future budgeted receipts with respect to all loan agreements authorized under this section or section 285.10, subsection 7, paragraph *"b"*, must not exceed ten percent of the last authorized budget of the school corporation **(279.48(2)).**

Before entering into a loan agreement for an equipment purchase, the school corporation must publish a notice, including a statement of the amount and purpose of the agreement, at least once in a newspaper of general circulation within the school corporation at least ten days before the meeting at which the loan agreement is to be approved **(279.48(3)).**

The AEA board is authorized to purchase equipment as provided in section 279.48 **(273.3(20)).**

Acquisition of Buildings and Sites

Financing Sources

Rejection of a bond issue proposal conducted to build a school building does not limit the use of the other funds available for schoolhouses. The legislature has provided several sources of schoolhouse funds and the existence of one method does not restrict, by implication, the use of other methods. After the voters have approved the tax levy for a period of years for particular purposes they do not have power to rescind the tax levy or narrow the scope of the purposes for which the funds may be used **(OAG #85-2-1).**

Gifts and Bequests

School corporations are authorized to take and hold property, real and personal, by gift and bequest and to administer the property through the proper officer in pursuance of the terms of the gift or bequest. Title shall not pass unless accepted by the governing board of the corporation. Conditions attached to the gifts or bequests become binding upon the corporation upon acceptance **(565.6).**

The board of directors of a school district that receives funds through a gift, devise, or bequest shall deposit the funds in a trust fund, permanent fund, or agency fund [as appropriate under GAAP] and use the funds in accordance with the terms of the gift, devise, or bequest **(279.42).** Generally these would be deposited into a trust fund or permanent fund; an agency fund would only be used if title did not pass because it was not accepted by the governing board.

Bequests to a school district must be turned over to the school treasurer and treated like all other school district moneys **(OAG #27-6-7(L)).**

A school district board may accept a gift of an auditorium to be built upon school property without submitting the issue to a vote of the district electorate **(OAG #83-3-4).**

Lease-Purchase and Other Contracts

The board may, with approval of sixty percent [60%] of the voters, voting in an election in the school district, make extended time contracts not to exceed twenty [20] years in duration for rental of buildings to supplement existing schoolhouse facilities; and where it is deemed advisable for buildings to be constructed or placed on real estate owned by the school district, these contracts may include lease-purchase option agreements, the amounts to be paid out of the PPEL fund. The election shall be held on a date specified in section 39.2, subsection 4, paragraph "c". Before entering into a rental or lease-purchase option contract, authorized by the electors, the board shall first adopt plans and specifications for a building or buildings which it considers suitable for the intended use and also adopt a form of rental or lease-purchase option contract. The board shall then invite bids thereon, by advertisement published once each week for two consecutive weeks, in a newspaper published in the county in which the building or buildings are to be located, and the rental or lease-purchase option contract shall be awarded to the lowest responsible bidder, but the board may reject any and all bids and advertise for new bids **(278.1(2)).**

School districts with approval of sixty percent [60%] of the voters may enter into lease-purchase agreements for pre-fabricated classroom units, but the cost thereof is to be paid out of the schoolhouse fund [PPEL] and cannot be paid from the general fund **(OAG #65-7-14).**

The board of directors of a local school district for which a voter-approved physical plant and equipment levy has been voted pursuant to section 298.2, may enter into a rental or lease arrangement, consistent with the purposes for which the voter-approved physical plant and equipment levy has been voted, for a period not exceeding ten [10] years and not exceeding the period for which the voter-approved physical plant and equipment levy has been authorized by the voters **(279.26).** If the board intends to enter into a rental or lease arrangement under section 279.26, or intends to enter into a loan agreement under section 297.36, only a property tax shall be levied for those purposes **(298.2(4)"a").**

Any other law to the contrary notwithstanding, the board of directors of a school district may acquire by purchase, lease, or other arrangement real estate located within or adjoining the boundaries of a municipal airport, and may take title, leasehold, or other interest, subject to a right of purchase or repurchase by the city owning or controlling the municipal airport. The city may purchase, repurchase, or repossess such real estate and the improvements constructed on the real estate upon terms and conditions as agreed to by the board of directors and the city council. The board of directors of any such school district may construct a technical school on the real estate to carry on vocational instruction in aviation mechanics and other aviation programs upon compliance with conditions and limitations otherwise provided by law **(297.7(2)).**

The board of directors of a school corporation in which there is no free public library may contract with a free public library for the free use of the library by the residents of the school district, and pay the library the amount agreed upon for the use of the library as provided by law. During the existence of the contract, the board shall certify annually a tax sufficient to pay the library the consideration agreed upon, not exceeding twenty cents [$0.20] per thousand dollars [$1,000] of assessed value of the taxable property of the district. During the existence of the contract, the school corporation is relieved from the requirement that the school treasurer withhold funds for library purposes. This section shall not apply in townships where a contract for other library facilities is in existence **(298.7(1)).**

The board may, when necessary, rent a room and employ a teacher, where there are ten [10] children for whose accommodation there is no schoolhouse **(297.12).**

A school board of a community school district may enter into a contract for the rental of a school building from a church or church corporation, provided that the building is not a place of worship and that under the terms of the lease the building would not be under ecclesiastical or sectarian control. The school board could enter into a contract for the rental of a building to be used as school rooms with a non-profit corporation where the non-profit corporation would in advance lease the school building from a church. The school board could enter into a contract for rental of a building to be used as school rooms with a non-profit corporation, where the non-profit corporation owned and held title to the school building and the land underneath the building. The local school board could purchase land or a building from such a non-profit corporation **(1970 Op. Att'y Gen. 110 (#69-4-9)).**

A levy authorized by the board cannot be used on a contract of years as this tax may be terminated at any time by the electors **(OAG #54-8-10).**

An AEA may hold property and execute purchase agreements within 2 years of a disaster as defined in section 29C.2, subsection 1, and lease-purchase agreements pursuant to section 273.3, subsection 7, and if the lease-purchase agreement exceeds10 years or the purchase price of the property to be acquired pursuant to a purchase or lease-purchase agreement [is equal to or]exceeds $25,000, the AEA shall conduct a public hearing on the proposed purchase or lease-purchase agreement and receive approval from the AEA board of directors and the state board of education or its designee before entering into the agreement **(273.2(2)).**

The AEA board is authorized to lease, purchase, or lease-purchase, subject to the approval of the state board of education or its designee and to receive by gift and operate and maintain facilities and buildings necessary to provide authorized programs and services. However, a lease for less than 10 years and with an annual cost of less than $25,000 does not require the approval of the state board. The state board shall not approve a lease, purchase, or lease-purchase until the state board is satisfied by investigation that public school corporations within the area do not have suitable facilities available. A purchase of property that is not a lease-purchase may be made only within 2 years of a disaster as defined in section 29C.2, subsection 1, and subject to the requirements of this subsection **(273.3(7)).**

Purchase or Construction Using the Physical Plant and Equipment Levy (PPEL)

The physical plant and equipment levy consists of the regular physical plant and equipment levy of not exceeding thirty-three cents [$0.33] per thousand dollars [$1,000] of assessed valuation in the district and a voter-approved physical plant and equipment levy of not exceeding one dollar and thirty-four cents [$1.34] per thousand dollars [$1,000] of assessed valuation in the district. However, the voter-approved physical plant and equipment levy may consist of a combination of a physical plant and equipment property tax levy and a physical plant and equipment income surtax as provided in section 298.2, subsection 4, with the maximum amount levied and imposed limited to an amount that could be raised by a one dollar and thirty-four cent [$1.34] property tax levy **(298.2(1)).**

The board may on its own motion, and upon the written request of not less than one hundred [100] eligible electors or thirty percent [30%] of the number of eligible electors voting at the last regular school election, whichever is greater, shall direct the county commissioner of elections to provide for submitting the proposition of levying the voter-approved physical plant and equipment levy for a period of time authorized by the voters at the election, not to exceed ten [10] years. The proposition is adopted if a majority of those voting on the proposition at the election approves it. The voter-approved physical plant and equipment levy shall be funded either by a physical plant and equipment property tax or by a combination of a physical plant and equipment property tax and a physical plant and equipment income surtax, as determined by the board. However, if the board intends to enter into a rental or lease arrangement under section 279.26, or intends to enter into a loan agreement under section 297.36, only a property tax shall be levied for those purposes. Subject to the limitations of section 298.14, if the board uses a combination of a physical plant and equipment property tax and a physical plant and equipment surtax, for each fiscal year the board shall determine the percent of income surtax to be imposed expressed as full percentage points, not to exceed twenty percent [20%] **(298.2(4)"a").**

Authorized levies for the period of time approved are not affected as a result of a failure of a proposition proposal to expand the purposes for which the funds may be expended **(298.2(5)"b").**

In order to make immediately available proceeds of the voter-approved physical plant and equipment levy which has been approved by the voters as provided in section 298.2, the board of directors may, with or without notice, borrow money and enter into loan agreements in anticipation of the collection of the tax with a bank, investment banker, trust company, insurance company, or insurance group. By resolution, the board shall provide for an annual levy which is within the limits of the voter-approved PPEL levy to pay for the amount of the principal and interest due each year until maturity. The board shall file a certified copy of the resolution with the auditor of each county in which the district is located. The filing of the resolution with the auditor makes it the duty of the auditor to annually levy the amount certified for collection until funds are realized to repay the loan and interest on the loan in full. The loan must mature within the period of time authorized by the voters and shall bear interest at a rate which does not exceed the limits under chapter 74A. A loan agreement entered into pursuant to this section shall be in a form as the board of directors shall by resolution provide and the loan shall be payable as to both principal and interest from the proceeds of the annual levy of the voter-approved physical plant and equipment levy or so much thereof as will be sufficient to pay the loan and interest on the loan. The proceeds of a loan must be deposited in the PPEL fund. Warrants paid from this fund must be for purposes authorized for the voter-approved physical plant and equipment levy **(297.36).**

The fact that a school corporation may have previously borrowed money and entered into loan agreements under authority of this section does not prevent the school corporation from borrowing additional money and entering into further loan agreements if the aggregate of the amount payable under all of the loan agreements does not exceed the proceeds of the voter-approved physical plant and equipment levy **(297.36).**

1. The revenue from the regular and voter-approved physical plant and equipment levies shall be placed in the physical plant and equipment levy fund and expended only for the following purposes:
    a. The purchase and improvement of grounds. For the purpose of this paragraph:
        1) "Purchase of grounds" includes the legal costs relating to the property acquisition, costs of surveys of the property, costs of relocation assistance under state and federal law, and other costs incidental to the property acquisition.

2) "Improvement of grounds" includes grading, landscaping, paving, seeding, and planting of shrubs and trees; constructing sidewalks, roadways, retaining walls, sewers and storm drains, and installing hydrants; surfacing and soil treatment of athletic fields and tennis courts; exterior lighting, including athletic fields and tennis courts; furnishing and installing flagpoles, gateways, fences, and underground storage tanks which are not parts of building service systems; demolition work; and special assessments against the school district for public improvements, as defined in section 384.37.

b. The construction of schoolhouses or buildings and opening roads to schoolhouses or buildings.
c. The purchase, lease, or lease-purchase of equipment or technology exceeding five hundred dollars [$500] in value per purchase, lease, or lease-purchase transaction. Each transaction may include multiple equipment or technology units.
d. The payment of debts contracted for the erection or construction of schoolhouses or buildings, not including interest on bonds.
e. Procuring or acquisition of library facilities.
f. Repairing, remodeling, reconstructing, improving, or expanding the schoolhouses or buildings and additions to existing schoolhouses. For the purpose of this paragraph:
   1) "Repairing" means restoring an existing structure or thing to its original condition, as near as may be, after decay, waste, injury, or partial destruction, but does not include maintenance.
   2) "Reconstructing" means rebuilding or restoring as an entity a thing which was lost or destroyed.
g. Expenditures for energy conservation, including payments made pursuant to a guarantee furnished by a school district entering into a financing agreement for energy management improvements, limited to agreements pursuant to section 473.19, 473.20, or 473.20A.
h. The rental of facilities under chapter 28E.
i. Purchase of transportation equipment for transporting students.
j. The purchase of buildings or lease-purchase option agreements for school buildings.
k. Equipment purchases for recreational purposes.
l. Payments to a municipality or other entity as required under section 403.19, subsection 2.
m. Demolition, clean up, and other costs if such costs are necessitated by, and incurred within two years of, a disaster as defined in section 29C.2, subsection 1.

2. Interest earned on money in the physical plant and equipment levy fund may be expended for a purpose listed in this section.
3. Unencumbered funds collected prior to July 1, 1991, from the levy previously authorized under section 297.5, Code 1991, may be expended for the purposes listed in this section.
4. Revenue from the regular and voter-approved physical plant and equipment levies shall not be expended for school district employee salaries or travel expenses, supplies, printing costs or media services, or for any other purpose not expressly authorized in this section **(298.3).**

Asbestos Project Grant Awards

The board of directors may pay the actual cost of an asbestos project from any funds in the general fund of the district, funds received from the physical plant and equipment levy, or moneys obtained through a federal asbestos loan program, to be repaid from any of the funds specified in this subsection over a three-year period. For the purpose of this section, "cost of an asbestos project" includes the costs of inspection and reinspection, sampling, analysis, assessment, response actions, operations and maintenance, training, periodic surveillance, developing of management plans and recordkeeping requirements relating to the presence of asbestos in school buildings of the district and its removal or encapsulation **(279.52).**

A vote of the people is not required to remove or encapsulate asbestos when a federal grant or loan is obtained for the project **(AG Informal advice, August 7 1985).**

A state agency or political subdivision shall not accept a bid in connection with any asbestos project from a business entity which does not hold a permit from the division of labor services of the department of workforce development at the time the bid is submitted, unless the business entity provides the state agency or political subdivision with written proof that ensures that the business entity has contracted to have the asbestos removal or encapsulation performed by a licensed asbestos contractor **(88B.11).** *"Asbestos project"* means an activity involving the removal or encapsulation of asbestos and affecting a building or structure. *"Asbestos project"* includes the preparation of the project site and all activities through the transportation of the asbestos-containing materials off the premises. *"Asbestos project"* includes the removal or encapsulation of building materials containing asbestos from the site of a building or structure renovation, demolition, or collapse **(88B.1)(1).**

School Infrastructure Grant Awards (Formerly Vision Iowa)

"*School infrastructure"* means activities initiated on or after July 1, 2000, as authorized in section 296.1 but does not include those activities related to stadiums, bus barns, a home or homes of a teacher or superintendent, procuring and improving a site for an athletic field, or improving a site already owned for an athletic field **(292.1(9)).**

The "*local match percentage*" means a percentage equivalent to either of the following, whichever is less:

a. Fifty percent [50%].
b. The quotient of a school district's capacity per pupil divided by the capacity per pupil of the school district at the fortieth [40th] percentile, multiplied by fifty percent [50%], except that the percentage shall not be less than twenty percent [20%] **(292.1(5)).**

"*Capacity per pupil*" means the sum of a school district's property tax infrastructure capacity per pupil and the sales tax capacity per pupil **(292.1(1)).** "*Property tax infrastructure capacity per pupil*" means the sum of a school district's levies under sections 298.2 and 298.18 when the levies are imposed to the maximum extent allowable under law in the budget year divided by the school district's basic enrollment for the budget year **(292.1(7)).** "*Sales tax capacity per pupil*" means the estimated amount of revenues that a school district receives or would receive from the secure an advanced vision for education [SAVE] fund pursuant to section 423F.2, divided by the school district's basic enrollment for the budget year **(292.1(8)).**

A school district shall receive the lesser of one million dollars [$1,000,000] of financial assistance under the program, or the total capital investment of the project minus the local match requirement **(292.2(5)).**

Chapter 292 specifies the criteria to be included in the application in subsection 292.2(3). Chapter 292 also specifies that greater priority be given to the following:

a. A school district with a lower capacity per pupil.
b. A school district whose plans address specific occupant safety issues.
c. A school district reorganizing or collaborating.
d. A school district receiving minimal revenues under section 423F.2 when the total enrollment of the school district is considered **(292.2(7)).**

A school district shall not receive more than one grant under the program **(292.2(4)).** If a school district receives financial assistance under the vision Iowa program created under section 15F.302 pursuant to a joint application shall not be eligible to receive financial assistance under this program **(292.2(9).**

Although this chapter remains in Iowa Code, the section of chapter 292 that authorized the appropriation was repealed in 2005. Therefore, there are actually no School Infrastructure Grants available.

During the term of the school infrastructure program established in section 292.2, up to fifty thousand dollars [$50,000] of the moneys deposited each fiscal year in the school infrastructure fund shall be allocated each fiscal year to the department of public safety for the use of the state fire marshal. The funds shall be used by the state fire marshal solely for the purpose of retaining an architect or architectural firm to evaluate structures for which school infrastructure program grant applications are made, to consult with school district representatives, to review construction drawings and blueprints, and to perform related duties at the direction of the state fire marshal to ensure the best possible use of moneys received by a school district under the school infrastructure program. The state fire marshal shall provide for the review of plans, drawings, and blueprints in a timely manner **(12.83).**

Iowa Demonstration Federal School Infrastructure Grant Awards

If federal rules or regulations are adopted relating to the distribution or utilization of funds allocated to the state department of education pursuant to section 423E.6 which are inconsistent with the provision of this section, the state department shall comply with the requirements of the federal rules or regulations **(423E.6(6)).** The federal appropriation to the state of Iowa for school demonstration grants contains two parts: fire safety and new construction. The funds shall be allocated to the school budget review committee to develop a school infrastructure safety fund grant program, in conjunction with the state fire marshal. For purposes of reviewing grant applications and making recommendations regarding the administration of the program, the state fire marshal shall be considered an additional voting member of the school budget review committee **(423E.6(2)).** The school budget review committee shall allocate the fire safety program funds to school districts which, in its discretion, are determined to be faced with the most severe deficiencies. School districts eligible for fire safety program grants shall have received an order or citation from the state fire marshal, or a fire department chief or fire prevention officer, for one or more fire safety violations regarding a school facility, or in the opinion of the state fire marshal shall be regarded as operating facilities subject to significant fire safety deficiencies. School districts applying for program grants shall have developed and submitted to the state

fire marshal or local building department a written plan to remedy fire or safety defects within a specified time frame. Approval of the written plan by the state fire marshal or local building department shall be obtained prior to receipt of a grant award by a school district. Grant awards shall also be available for defects or violations of the state building code, as adopted pursuant to section 103A.7, revealed during an inspection of school facilities by a local building department, or for improvements consistent with the standards and specifications contained in the state building code regarding ensuring that buildings and facilities are accessible to and functional for persons with disabilities **(423E.6(3)).**

Qualified Zone Academy Bonds (QZAB) Program

The Federal Taxpayer Relief Act of 1997 created the Qualified Zone Academy Bond (QZAB) program to provide low or no interest financing for renovating existing school buildings and purchasing equipment. New construction of buildings or additions to buildings does not qualify under this program. QZABs are financial instruments that provide low or no interest bonds which are subsidized by the federal government in the form of tax credits to the bondholder.

An eligible Qualified Zone Academy includes any public school (or academic program within a public school) that is established by and operated under the supervision of an eligible school district to provide education or training below the postsecondary level if:

1. Such public school or program is designed in cooperation with business to enhance the academic curriculum, increase graduation and employment rates, and better prepare students for the rigors of college and the increasingly complex workforce.
2. Students in such public school or program will be subject to the same academic standards and assessments as other students educated by the eligible district.
3. The comprehensive education plan of such public school or program is approved by the eligible district.
4. There is a reasonable expectation (as of the date of issuance of the bonds) that at least 35 percent [35%] of the students attending such school or participating in such program will be eligible for free or reduced price lunches under the school lunch program established under the National School Lunch Act.
5. The private business contribution requirement is met with respect to any issue if the eligible district that established the qualified zone academy has written commitments from private entities to make qualified contributions having a present value (as of the date issuance of the issue) of not less than 10 percent [10%] of the proceeds of the bond.
6. The local district issuing the QZABs (the Issuer) reasonably expects at the time of issuance of the QZABs that 98% of the QZAB proceeds will be spent for qualified purposes within 3 years of issuance. QZAB recipients are now required to spend 98% f the proceeds – 2% of proceeds are allowed for "issuance costs" (Section 54A (e) (4) (A) (ii)). Section 54A (d) (2) (A) (i) specifies that 100% or more of the QZAB available project proceeds to be spent for one or more qualified purposes within the 3-year period beginning on such date of issuance, and the "Available Project Proceeds" is defined as including no more than a two percent [2%] issuance cost.
7. Section 1601 of The American Recovery and Reinvestment Act of 2009 requires that projects that are funded with the proceeds of QZAB must comply with the Davis-Bacon Act (Subchapter IV of Chapter 31 of the Title 40 of the United States Code) Davis-Bacon Act .

Qualified contributions (of a type and quality acceptable to the eligible local education agency):
• Equipment for use in the qualified zone academy (including state-of-the-art technology and vocational equipment.
• Technical assistance in developing curriculum or in training teachers in order to promote appropriate market driven technology in the classroom.
• Services of employees as volunteer mentors.
• Internships, field trips, or other educational opportunities outside the academy for students.
• Any other property or service (including cash) specified by the eligible local district.

School districts may use the Voted School Physical Plant and Equipment Levy (VPPEL) or the Secure an Advanced Vision for Education (SAVE) to repay the principal.

QZAB authority allocations will be made upon receipt of a qualified application on a "first come first served" basis. However, priority will be given to districts that previously applied but were not granted the total amount requested. Incomplete applications will be disqualified and the next application will be considered. The "day of receipt" shall be determined by postmark or if hand delivered, by stamped date of delivery. Authorizations will be made up to a cumulative maximum of $1,000,000 per project, but authorizations for multiple projects in one district may be made at the department's discretion.

Qualified School Construction Bonds (QSCB)

The Iowa Department of Education has distributed $130,674,000 in Qualified School Construction Bonds (QSCBs) authority through the American Recovery and Reinvestment Act (ARRA) of 2009. The state of Iowa was issued $64,252,000 for 2009 and $66,422,000 for 2010 in QSCB bonding allocations. ARRA created this new tax credit program to provide no interest financing for the renovation, repair and construction of school buildings, the purchase of land on which school buildings will be built and the purchase of equipment to be used in the portion or portions of the public school facility that is being constructed, rehabilitated, or repaired. This program is similar to the Qualified Zone Academy Bond Program except that this program is designed for new construction as well as renovation. QSCBs are less restrictive in their uses than QZABs. For a QSCB that is issued by a state or local government where a public school is located, 100 percent of available project proceeds must be used for the construction, rehabilitation, or repair of the public school facility. In addition, a portion of the proceeds of such a bond may be used for the acquisition of land on which a public school facility is to be constructed.

This program provides credits, in lieu of interest to lenders who issue bonds to eligible school districts. Because the federal government provides for the "interest" payment, the school district is only responsible for repayment of the bond principal. The federal government covers all of the interest in the form of tax credits on these bonds, resulting in potential savings up to 50 percent of the cost of renovation and improvement projects. School districts may use the Voter Approved School Physical Plant and Equipment Levy (VPPEL) and/or the Secure an Advanced Vision for Education (SAVE) to repay the principal.

Section 1601 of ARRA of 2009 requires that projects that are funded with the proceeds of QSCB must comply with the Davis-Bacon Act (Subchapter IV of Chapter 31 of the Title 40 of the United States Code).

School Budget Review Committee Approval of Modified Supplemental Amount or Use of Unexpended Fund Balance

The SBRC shall establish a modified supplemental amount for a district by increasing its supplemental state aid when the district submits evidence that it requires additional funding for removal, management, or abatement of environmental hazards due to a state or federal requirement. Environmental hazards shall include but are not limited to the presence of asbestos, radon, or the presence of any other hazardous material dangerous to health and safety. The district shall include a budget for the actual cost of the project that may include the costs of inspection, reinspection, sampling, analysis, assessment, response actions, operations and maintenance, training, periodic surveillance, developing of management plans, recordkeeping requirements, and encapsulation or removal of the hazardous materials **(257.31(6)).**

The committee may authorize a district to spend a reasonable and specified amount from its unexpended fund balance for the following purposes:

1) Furnishing, equipping, and contributing to the construction of a new building or structure for which the voters of the district have approved a [general obligation] bond issue as provided by law or the tax levy provided in section 298.2 [VPPEL].
2) The costs associated with the demolition of an unused school building, or the conversion of an unused school building for community use, in a school district involved in a dissolution or reorganization under chapter 275, if the costs are incurred within 3 years of the dissolution or reorganization.
3) The costs associated with the demolition or repair of a building or structure in a school district if such costs are necessitated by, and incurred within 2 years of, a disaster as defined in section 29C.2, subsection 1 **(257.31(7)"a").**

State-wide One-Cent Sales and Services Tax for School Infrastructure and Revenue Bonds

After July 1, 2008, all local sales and services taxes for school infrastructure purposes imposed under chapter 423E are repealed and replaced by the increase in the state sales, services, and use taxes from five to six percent **(423F.2(1)).** It is the intent of the general assembly that the increase in the state sales, services, and use taxes from five percent [5%] to six percent [6%] on July 1, 2008, shall be used solely for purposes of providing revenue to local school districts under chapter 423F to be used solely for school infrastructure purposes or school district property tax relief **(423F.1).**

The board of directors of a school district shall be authorized to issue negotiable, interest-bearing school bonds, without election, and utilize tax receipts derived from the sales and services tax for school infrastructure purposes and the supplemental school infrastructure amount distributed pursuant to section 423E.4, subsection 1, paragraph "b", and revenues received pursuant to section 423F.2, for principal and interests repayment. Proceeds of the bonds issued pursuant to this section shall be utilized solely for school infrastructure needs as school infrastructure is defined in section 423E.1, subsection 3, Code 2007, and section 423F.3 **(423E.5(1)).**

A school district may anticipate its share of the revenues under section 423F.2 by issuing bonds in the manner provided in section 423E.5. However, to the extent any school district has issued bonds anticipating the proceeds of an extended local sales and services tax for school infrastructure purposes imposed by a county pursuant to former chapter 423E, Code and Code Supplement 2007, prior to July 1, 2008, the pledge of such revenues for the payment of principal and interest on such bonds shall be replaced by a pledge of its share of the revenues under section 423F.2 **(423F.4).**

"School infrastructure" means those activities for which a school district is authorized to contract indebtedness and issue general obligation bonds under section 296.1, except those activities related to a teacher's or superintendent's home or homes. These activities include the construction, reconstruction, repair, demolition work, purchasing, or remodeling of schoolhouses, stadiums, gyms, field houses, and bus garages and the procurement of schoolhouse construction sites and the making of site improvements and those activities for which revenues under section 298.3 [PPEL] or 300.2 [PERL] may be spent. A school district that uses sales and services tax moneys for school infrastructure shall comply with the state building code in the absence of a local building code. Additionally, *"school infrastructure"* includes the payment or retirement of outstanding bonds previously issued for school infrastructure purposes as defined in this subsection, and the payment or retirement of [revenue] bonds issued under section 423E.5 **(423E.1(3) Code 2007).** Note that the Code states these activities include…but does not say "include, but are not limited to…". Items that are included in section 296.1, but that are not included in the list in 423E.5 are teacher's or superintendent's home or homes and furnishing a schoolhouse. Equipment other than as allowed in 298.3 or 300.2 is not separately listed in 423E.5, and is not listed in 296.1 at all. Equipment is listed in 298.21, which is not referenced in 423E.5 within the definition of school infrastructure.

For purposes of chapter 423F, *"school infrastructure"* means those activities authorized in section 423E.1, subsection 3, Code 2007. Additionally, *"school infrastructure"* includes the payment or retirement of outstanding bonds previously issued for school infrastructure purposes as defined in this subsection, and the payment or retirement of bonds issued under sections 423E.5 and 423F.4. A school district that uses secure an advanced vision for education fund moneys for school infrastructure shall comply with the state building code in the absence of a local building code **(423F.3(6)).**

Subject to the approval of the voters thereof, school districts are hereby authorized to contract indebtedness and to issue general obligation bonds to provide funds to defray the cost of purchasing, building, furnishing, reconstructing, repairing, improving or remodeling a schoolhouse or schoolhouses and additions thereto, gymnasium, stadium, field house, school bus garage, teachers' or superintendent's home or homes, and procuring a site or sites therefor, or purchasing land to add to a site already owned, or procuring and improving a site for an athletic field, or improving a site already owned for an athletic field, and for any one or more of such purposes **(296.1).**

Section 423E.1(3)(Code 2007) does not prohibit per se a school district from expending school infrastructure sales and services tax revenues for salaries and benefits of school district employees who are engaged in school infrastructure activities authorized under chapter 423E **(OAG #00-4-4)L)).**

Equal protection guarantees do not prohibit a school infrastructure sales and services tax ballot [or revenue purpose statement] from setting forth different propositions for separate school districts that would give property tax relief only to those taxpayers residing within one of the school districts. A ballot proposition may also include language premised upon the passage of future legislation **(OAG #00-2-1).**

Bonded Indebtedness, General Obligation Bonds

The board of directors of any school corporation when authorized by the voters at an election held on a date specified in section 39.2, subsection 4, paragraph "c", may issue the negotiable, interest-bearing school bonds of the corporation for borrowing money for any or all of the following purposes:

1. To acquire sites for school purposes.
2. To erect, complete, or improve buildings authorized for school purposes.
3. To acquire equipment for schools, sites, and buildings **(298.21).**

Subject to the approval of the voters thereof, school districts are hereby authorized to contract indebtedness and to issue general obligation bonds to provide funds to defray the cost of purchasing, building, furnishing, reconstructing, repairing, improving or remodeling a schoolhouse or schoolhouses and additions thereto, gymnasium, stadium, field house, school bus garage, teachers' or superintendent's home or homes, and procuring a site or sites therefor, or purchasing land to add to a site already owned, or procuring and improving a site for an athletic field, or improving a site already owned for an athletic field, and for any one or more of such purposes. Taxes for the payment of said bonds shall be levied in accordance with chapter 76, and said bonds shall mature within a period not exceeding 20 years from date of issue, shall bear interest at a rate or rates not exceeding that permitted by chapter 74A and shall be of such form as the board of directors of such school district shall by resolution provide, but the aggregate indebtedness of any

school district shall not exceed five percent [5%] of the actual value of the taxable property within said school district, as ascertained by the last preceding state and county tax lists **(296.1).**

A school board may alter the educational purpose served by a school building constructed with proceeds from bonds issued for a particular purpose in order to meet the current needs of the school district. A court would not likely reverse the exercise of a school board's discretion in the absence of some showing of fraud, arbitrary action or abuse of discretion **(OAG #92-8-6).**

Boundary Changes

In any case where, by reason of natural obstacles, any portion of the inhabitants of any school corporation in the opinion of the AEA administrator cannot with reasonable facility attend school in their own corporation, the AEA administrator shall, by a written order, in duplicate, attach the part thus affected to an adjoining school corporation, the board of the same consenting thereto, one copy of which order shall be at once transmitted to the secretary of each corporation affected thereby, who shall record the same and make the proper designation on the plat of the corporation. Township or county lines shall not be a bar to the operation of this section **(274.13).**

When the natural obstacles by reason of which territory has been set off by the AEA administrator from one school district and attached to another in the same or an adjoining county have been removed, such territory may, upon the concurrence of the respective boards, be restored to the school district from which set off and shall be so restored by said boards upon the written application of two-thirds [2/3] of the electors residing upon the territory so set off together with the concurrence of the AEA administrator and the board of the school district from which such territory was originally set off by the said administrator **(274.14).**

The boundary lines of contiguous school corporations may be changed by the concurrent action of the respective boards of directors at their regular meetings in July, or at special meetings called for that purpose. Such concurrent action shall be subject to the approval of the AEA board but such concurrent action shall stand approved if the said board does not disapprove such concurrent action within 30 days following receipt of notice thereof. The corporation from which territory is detached shall, after the change, contain not less than four [4] government sections of land **(274.37).**

The boards in the respective districts, the boundaries of which have been changed under this section, complete in all respects except for the passage of time prior to the effective date of the change, and when the right of appeal of the change has expired, may enter into joint contracts for the construction of buildings for the benefit of the corporations whose boundaries have been changed, using funds accumulated under the physical plant and equipment levy in section 298.2 [PPEL]. The district in which the building is to be located may use any funds authorized in accordance with chapter 75. This section does not permit the changed districts to expend any funds jointly which they are not entitled to expend acting individually **(274.37).**

Any school board may request a study and recommendations of the department of education relative to the adjustment of boundary lines and the recommendations of the department of education shall be submitted to those districts involved within 60 days after the request for such study and recommendations is made but such recommendations shall be advisory only and shall not be binding on the local districts **(274.38).**

If the federal government, or any agency or department of the federal government locates a project which is desirable for the development of the national defense or for the purpose of flood control, and for the purpose of locating the project determines that certain real property making up a portion of a school district is required, the director of the department of education may by resolution adjust the boundaries of school districts in which the federally owned property is located and the boundaries of adjoining school districts so as to effectively provide for the schooling of children residing within all of the districts. A copy of the resolution shall be promptly filed with the board of directors of the adjoining school district or districts and with the board of directors of the school district in which the federally owned property is located unless the board has been reduced below a quorum in the manner contemplated in section 274.40, in which event the resolution shall be posted in two public places within the altered district **(274.42).** The officers of the altered district shall relinquish to the proper officers of such adjoining district or districts all funds, claims for taxes, credits, and such other personal property in such a manner as the director of the department of education shall direct, which said funds, credits, and personal property shall become the property of such adjoining district or districts as enlarged, to be used as the boards of directors of such districts may direct **(274.43).** The determination of the director of the department of education in such matters shall be final **(274.44).**

Size and Location of Sites

The board of each school district may fix the site for each schoolhouse, which shall be upon some public highway already established or procured by such board and not in any public park, and except in cities and villages, not less than 30 rods from the residence of any landowner who objects thereto. [A rod is a linear measure of 5 ½ yards or 16 ½ feet. Thirty rods would be equal to 165 yards or 495 feet.] In fixing such site, the board shall take into consideration the number of scholars residing in the various portions of the school district and the geographical location and convenience of any proposed site **(297.1).**

Except as hereinafter provided, any school district may take and hold so much real estate as may be required for such site, for the location or construction thereon of schoolhouses, and the convenient use thereof, but not to exceed 10 acres exclusive of public highway **(297.2).**

Any school district, including a city or village, may take and hold an area equal to 2 blocks exclusive of the street or highway, for a schoolhouse site, and not exceeding 30 acres for school playground, stadium, or field house, or other purposes for each such site **(297.3).** [A city block 300 feet by 300 feet contains 2.01 acres of ground. This would allow approximately 34 acres for a site for any district including a city or village.]

A school district including a city, town, or village may purchase more land for sites providing each site is for a different school. It makes no difference if the sites adjoin. For example, if a district, under section 297.3, desired to build an elementary school on a site, a junior high school, and a senior high school, it may buy 2 blocks plus 30 acres for each site in three different locations quite remote from each other or the district might buy the three sites adjoining each other **(OAG #55-6-16(L)).**

A school board may purchase land in more than one location. Sites for a building and for play purposes need not be contiguous **(1928 Op. Att'y Gen. 187 (#27-7-12)).**

It shall be on a public highway already established or procured by the board. [A street is considered a public highway.] A school district cannot legally acquire a site by purchase or condemnation if it is not on some public highway **(1906 Op. Att'y Gen. 58 (#4-5-2)).**

It shall not be less than 30 rods from the residence of any landowner who objects to its location, except in cities, towns, and villages. [No one except the landowner may raise an objection.] **(1899 Op. Att'y Gen. 218 (#99-11-23)).**

A cemetery which is no longer used as burying ground cannot be acquired as a school site by any statutory proceedings, there being no provision authorizing the removal of a grave for any purpose in Iowa, but the only manner in which the cemetery can be removed is by obtaining consent of next of kin of those buried in the cemetery **(1920 Op. Att'y Gen. 529 (#19-9-10)).**

School sites may be purchased from a school board member. This is an unusual procedure and such a transaction should be so "above-board" that no accusation of collusion as to sale and price could be justified **(1929 Op. Att'y Gen. 104).**

A site location may be included as part of a ballot question placed before the voters of a school district. In the event that multiple competing proposals are placed on the ballot at the same election and more than one proposal receives the number of votes necessary for approval, the school board is authorized to choose the proposal receiving the highest number of votes as the sole proposal to be accomplished **(OAG #93-2-3(L)).**

Where the location of a schoolhouse has been placed on the ballot and the people have voted it, the board cannot revoke that power unless for some controlling reason **(OAG #45-6-8).**

The general fund is not to be used for schoolhouses or sites **(OAG #23-11-28).**

Expenditures for a playground site are capital improvements which are required to be made out of the schoolhouse fund [PPEL or capital projects] rather than out of the general fund **(1938 Op. Att'y Gen. 210 (#37-5-7)).**

Payments for sites must be made from the schoolhouse fund [PPEL or capital projects], not from the general fund **(1934 Op. Att'y Gen. 223 (#33-5-18)).**

A district cannot use the general fund for building schoolhouses, purchasing sites or equipment [real property] for new schoolhouses **(OAG #56-11-20).**

Condemnation

Whenever the power to condemn private property for public use is granted to any officer, board, commission, or other official, or to any county, township, or municipality, such grant shall, unless otherwise declared, be construed as granting authority to the officer, board, or official body having jurisdiction over the matter, to acquire, at its fair market value [FMV], and from the parties having legal authority to convey, such right as would be acquired by condemnation **(6A.5).**

If the owner of real estate desired for any purpose for which any school may be authorized to take and hold real estate refuses to convey the same, or is dead or unknown or cannot be found, or if in the judgment of the board of directors of the corporation they cannot agree with such owner as to the price to be paid therefor, such real estate may be taken under condemnation proceedings in accordance with the provisions of chapter 6B **(297.6).**

An acquiring agency shall provide written notice of a public hearing to each owner and any contract purchaser of record of agricultural land that may be the subject of condemnation. The authority under chapter 6B is not conferred and condemnation proceedings shall not begin unless a good faith effort is made to mail and publish the notice as provided in section 6B.2A on the owner and any contract purchaser of record of the property subject to condemnation **(6B.2A(1)).**

The acquiring agency shall make a good faith effort to negotiate with the owner to purchase the private property or property interest before filing an application for condemnation or otherwise proceeding with the condemnation process **(6B.2B).**

The authority to condemn is not conferred, and the condemnation proceedings shall not commence, unless the governing body for the acquiring agency approves the use of condemnation and there is a reasonable expectation the applicant will be able to achieve its public purpose, comply with all applicable standards, and obtain the necessary permits **(6B.2C).**

A school district cannot condemn public property for school use or vice versa. State doctrine is that property dedicated to one public use may be taken over for another public use if there is mutual improvement, otherwise it cannot **(OAG #27-11-17).** Absent a clear showing of fraud, bad faith, or arbitrary abuse of discretion, a city may condemn property owned by a school district to use as right-of-way for a street **(OAG #01-7-1(L)).**

In light of these authorities, and given the clear intent of the legislature to require and facilitate voluntary acquisition of property as an alternative to condemnation, we believe that chapter 6B should be interpreted to allow an acquiring agency which has a good faith belief that all property necessary for a public improvement can be obtained through dedication and voluntary negotiation to take advantage of the exception to procedure allowed by section 6B.1A, forego chapter 6B procedures, and proceed with the acquisition of property. In the event that the agency later discovers that it cannot voluntarily acquire all of the needed property, the agency should step back to the beginning of the process and follow through the procedural requirements for condemnation. An acquiring agency seeking to make a public improvement on agricultural land generally must provide notice and hearing to affected landowners. The acquiring agency may forgo providing notice and hearing if it plans to obtain necessary property or easements from all landowners by dedication or voluntary negotiation and purchase. If the acquiring agency finalizes its plans for the public improvement and then discovers it cannot acquire all necessary property or easements by dedication or voluntary negotiation and purchase, the agency should proceed with notice, public hearing, and condemnation proceedings **(OAG #03-1-1).**

Construction

It is the duty of the state board to prescribe guidelines for facility standards **(256.7(11)).**

School districts are quasi-municipal corporations of the most limited power known to the law and are subject to city ordinances pertaining to building permits and fees **(1950 Op. Att'y Gen. 201 (#50-12-21)).**

A school district is subject to the provisions of a city ordinance pertaining to the issuing of building permits in connection with the construction of school buildings and is required to pay the fees prescribed by the foregoing ordinance **(Cedar Rapids Community School District v. City of Cedar Rapids. 252 Iowa 205, 106 N.W. 2d, 655).**

A school district is immune from the restrictions of zoning ordinances **(Bloomfield v. Davis County Community School District, 254 Iowa 900, 119 N.W. 2d, 909).**

When a school district utilizes the services of a construction manager for building, compliance with the statutory requirements of public hearing on the project and form of contract, approval of plans and bonding is also required **(OAG #74-7-19).**

Under the statute making it the duty of the board to select the site, adopt the plans for the schoolhouse, and award the contract for the building thereof, the board cannot delegate such powers to a committee appointed by it **(Kinney v. Howard, 1907, 133 Iowa 94, 110 N.W. 282).**

Accessibility for Persons with Disabilities

Buildings

It is the intent of Iowa Code chapter 104A that standards and specifications are followed in the construction of public and private buildings and facilities which are intended for use by the general public to ensure that these buildings and facilities are accessible to and functional for persons with disabilities **(104A.1).** The standards and specifications adopted by the state building code commissioner and set forth in chapter 104A shall apply to all public and private buildings and facilities, temporary and permanent, used by the general public **(104A.2).**

Parking

1. Persons with disabilities parking spaces and access loading zones for persons with disabilities that serve a particular building shall be located on the shortest accessible route to the nearest accessible entrance to the building.
2. A person with disabilities parking space designated after July 1, 1990, shall comply with the dimension requirements in rules adopted by the department of public safety and in effect when the spaces are designated. Adopted rules shall be for accepted national standards for dimensions of persons with disabilities spaces, consistent with the requirements of federal law. However, these dimension requirements do not apply to parallel on-street parking spaces.
3. a. The state or a political subdivision of the state which provides off-street public parking facilities or an entity providing nonresidential parking on off-street public parking facilities shall provide not less than two percent [2%] of the total parking spaces in each parking facility as persons with disabilities parking spaces, rounded to the nearest whole number of persons with disabilities parking spaces. However, such parking facilities having 10 or more parking spaces shall set aside at least one [1] persons with disabilities parking space.

   b An entity providing off-street nonresidential public parking facilities shall review the utilization of existing persons with disabilities parking spaces for a one-month period not less than once every 12 months. If upon review, the average occupancy rate for persons with disabilities parking spaces in a facility exceeds sixty percent [60%] during normal business hours, the entity shall provide additional persons with disabilities parking spaces as needed.

   c. An entity providing off-street nonresidential parking as a lessor shall provide a persons with disabilities parking space to an individual requesting to lease a parking space, if that individual possesses a persons with disabilities parking permit.

   d. A new nonresidential facility in which construction has been completed on or after July 1, 1991, providing parking to the general public shall provide persons with disabilities parking spaces as stipulated below:

Total Parking Spaces in Lot	Required Minimum Number of Persons with Disabilities Parking Spaces
10 to 25	1
26 to 50	2
51 to 75	3
76 to 100	4
101 to 150	5
151 to 200	6
201 to 300	7
301 to 400	8
401 to 500	9
501 to 1000	2 percent of total
1001 and over	20 spaces plus 1 for each 100 over 1000

   e. Any other person may also set aside persons with disabilities parking spaces on the person's property provided each persons with disabilities parking space is clearly and prominently designated as a person with disabilities parking space.

5. A persons with disabilities parking space located on a paved surface may be painted with a blue background upon which the international symbol of accessibility is painted in white or yellow paint. However, the blue background paint may be omitted. As used in this subsection, "paved surface" includes surfaces which are asphalt surfaced.
6. A persons with disabilities parking review committee may be established by the state and each political subdivision of the state which is required to provide persons with disabilities parking spaces in off-street public parking facilities according to subsection 3. The persons with disabilities parking review committee shall consist of 5 members who are persons with disabilities as defined in section 321L.1 and 5 members who are officials of the state or political subdivision. The persons with disabilities parking review committee shall have the discretion to increase or decrease the numbers of persons with disabilities parking spaces required by this section. A decision to change the numbers or location of persons with disabilities parking spaces shall be based upon the needs of the community, the percentage of use of the present persons with disabilities parking spaces, and the past experience of the state or political subdivision regarding persons with disabilities parking. An individual may request the persons with disabilities parking committee to review the amounts and locations of persons with disabilities parking spaces. The persons with disabilities parking review committee shall investigate each individual's request and shall act upon such request if the investigation substantiates the individual's complaint **(321L.5).**

A persons with disabilities parking sign shall be displayed designating the persons with disabilities parking space.

1. The persons with disabilities parking sign shall have a blue background and bear the international symbol of accessibility in white. If an entity who owns or leases real property in a city is required to provide persons with disabilities parking spaces, the city shall provide, upon request, the signs for the entity at cost. If an entity who owns or leases real property outside the corporate limits of a city is required to provide persons with disabilities parking spaces, the county in which the property is located shall provide the signs for the entity at cost upon request.
2. The persons with disabilities parking sign shall be affixed vertically on another object so that it is readily visible to a driver of a motor vehicle approaching the persons with disabilities parking space. A persons with disabilities parking space designated only by the international symbol of accessibility being painted or otherwise placed horizontally on the parking space does not meet the requirements of this subsection **(321L.6).**

Failure to provide proper persons with disabilities parking spaces as provided in section 321L.5 or to properly display persons with disabilities parking signs as provided in section 321L.6 is a simple misdemeanor punishable as a scheduled violation under section 805.8A(1)(c) **(321L.7).**

State Building Codes

The authority responsible for the construction of any building or facility covered by section 104A.2 shall conform with rules adopted by the state building code commissioner as provided in Iowa Code section 103A.7 **(104A.6).**

Nothing in chapter 103A shall be construed as prohibiting any governmental subdivision from adopting or enacting any building regulations relating to any building or structure within its limits, but a governmental subdivision in which the state building code has been accepted and is applicable shall not have the power to supersede, void, or repeal or make more restrictive any of the provisions of chapter 103A or of the rules adopted by the commissioner. This subsection does not apply to energy conservation requirements adopted by the commissioner and approved by the council pursuant to section 103A.8A or 103A.10 **(103A.22(1)).**

Notwithstanding the provisions of subsection 103A.22(1):

a. Provisions of the state building code establishing thermal efficiency energy conservation standards shall be applicable to all construction in the state which will contain enclosed space that is heated or cooled. The commissioner shall provide appropriate exceptions for construction where the application of an energy conservation requirements adopted pursuant to chapter 103A would be impractical.
b. Provisions of the state building code establishing lighting efficiency standards shall be applicable to all construction in the state and to new and replacement lighting in existing buildings **(103A.10(4)).**

Places of assembly for public use including but not limited to theaters, auditoriums, and convention halls, constructed on or after January 1, 1991, shall conform to the standards for minimum plumbing facilities as provided in the uniform plumbing code **(104B.1(1)).** All toilets installed pursuant to section 104B.1 shall be water efficient toilets which use three gallons or less of water per flush **(104B.1(3)).**

Energy Conservation and Life Cycle Analysis

Life cycle cost analysis means an analytical technique that considers certain costs of owning, using and operating a facility over its economic life including but not limited to the following:

a. Initial costs.
b. System repair and replacement costs.
c. Maintenance costs.
d. Operating costs, including energy costs.
e. Salvage value **(470.1(7)).**

A contract for a public improvement or construction of a public building, including new construction or renovation of an existing public building shall not be let without satisfying the following requirements:

1) A design professional submitting a design development proposal for consideration of the public body shall at minimum prepare one proposal meeting the design program's space and use requirements which reflects the lowest life cycle cost possible in light of existing commercially available technology.
2) Submission of a cost benefit analysis of any deviations from the lowest life cycle cost proposal contained in other design proposals requested by or prepared for submission to the public body **(72.5(1)"a").**

The public body may request additional design proposals in light of funds available for construction, aesthetic considerations, or any other reason **(72.5(1)"b").**

The director of the economic development authority, in consultation with the department of management, state building code commissioner, and state fire marshal, shall develop standards and methods to evaluate design development documents and construction documents based upon life cycle cost factors to facilitate fair and uniform comparisons between design proposals and informed decision making by public bodies **(72.5(2)).**

It is the intent of the general assembly to discourage construction of public buildings based upon lowest acquisition cost, and instead to require that such decisions be based upon life cycle costs to reduce energy consumption, maintenance requirements, and continuing burdens upon taxpayers **(72.5(4)).**

The general assembly declares that energy management is of primary importance in the design of publicly owned facilities. Commencing January 1, 1980, a public agency responsible for the construction or renovation of a facility shall, in a design begun after that date, include as a design criterion the requirement that a life cycle cost analysis be conducted for the facility. The objectives of the life cycle cost analysis are to optimize energy efficiency at an acceptable life cycle cost. The life cycle cost analysis shall meet the requirements of section 470.3 **(470.2).**

A life cycle cost analysis shall include but is not limited to the following elements:

a. Specification of energy management objectives and health, safety and functional constraints. The facility design shall comply with applicable state or local building code requirements.
b. Identification of energy needs of the facility and energy system alternatives to meet those needs.
c. Cost of the energy system alternatives identified in paragraph "b" of this subsection.
d. Determination of amounts and timing of cash flow.
e. Calculation of life cycle cost using an economic model such as, but not limited to, rate of return, annual equivalent cost or present equivalent cost.
f. Evaluation of design and system alternatives using a method such as, but limited to, design matrixes, ranking tables, or network analysis **(470.3(1)).**

A public agency or a person preparing a life cycle cost analysis for a public agency shall consider the methods and analytical models provided by the authority and available through the commissioner, which are suited to the purpose for which the project is intended **(470.3(2)).**

The life cycle cost analysis shall be approved by the public agency before contracts for the construction or renovation are let. A public agency may accept a facility design and shall meet the requirements of chapter 470 if the design meets the operational requirements of the agency and provides the optimum life cycle cost. The public agency shall retain a copy of the life cycle cost analysis and a statement justifying a design decision both of which shall be available for public inspection at reasonable hours **(470.4).**

The public agency responsible for the new construction or renovation of a public facility shall implement the recommendations of the life cycle cost analysis **(470.8).**

Public funds shall not be used for the construction or renovation of a facility unless the design for the work is prepared in accordance with chapter 470 and the actual construction or renovation meets the requirements of the design **(470.6).**

Various statutes require counties, cities, and school corporations participating in the energy bank program to administer and use competitive-bidding procedures for capital improvements, which would include the implementation of energy conservation measures when the estimated cost exceed statutory limitations; in any event, public policy suggests all pubic entities administer and use competitive-bidding procedures in such circumstances. Public entities may consult with the private sector, such as an energy savings company, in preparing their proposals for energy conservation measures **(OAG #94-9-3(L)).**

Public Improvements

Chapter 26 [bidding] is applicable to the construction or repair of school buildings and other public improvements as defined in section 26.2 **(297.7(1)).**

If private funds are offered to a governmental entity for a building or an improvement to be used by the public and such funds are conditioned upon private construction of the building or improvement, this chapter shall not apply to the project if the governmental entity does not contribute any funds to such construction **(26.6).**

Splitting a project to avoid the requirements of Code [public contracts and bonds] is improper and indefensible **(West Harrison Community School District v. Iowa State Board of Public Instruction, App. 1984, 347 N.W. 2d 684).** If the estimated total cost of a public improvement exceeds the competitive bid threshold of $100,000, or as established in section 314.1B, a governmental entity shall not divide the public improvement project into separate parts, regardless of intent, if a resulting part of the public improvement project is not let in accordance with section 26.3 **(26.5).**

As used in chapter 26 [public construction bidding], unless the context clearly indicates otherwise:
1. *"Estimated total cost of a public improvement"* or "estimated total cost" means the estimated total cost to the governmental entity to construct a public improvement, including cost of labor, materials, equipment, and supplies, but excluding the cost of architectural, landscape architectural, or engineering design services and inspection.
2. "Governmental entity" means the state, political subdivisions of the state, public school corporations, and all officers, boards, or commissions empowered by law to enter into contracts for the construction of public improvements, excluding the state board of regents and the state department of transportation.
3. "Public improvement" means a building or construction work which is constructed under the control of a governmental entity and is paid for in whole or in part with funds of the governmental entity, including a building or improvement constructed or operated jointly with any other public or private agency, but excluding urban renewal demolition and low-rent housing projects, industrial aid projects authorized under chapter 419, emergency work or repair or maintenance work performed by employees of a governmental entity, and excluding a highway, bridge, or culvert project, and excluding construction or repair or maintenance work performed for a city utility under chapter 388 by its employees or performed for a rural water district under chapter 357A by its employees.
4. "Repair or maintenance work" means the preservation of a building, storm sewer, sanitary sewer, or other public facility or structure so that it remains in sound or proper condition, including minor replacements and additions as necessary to restore the public facility or structure to its original condition with the same design **(26.2).**

For chapter 73A [public contracts and bonds] purposes, "public improvement" means public improvements as defined in section 73A.1 [a building or other construction work to be paid for in whole or in part by the use of funds of any municipality] and includes road construction, reconstruction, and maintenance projects **(73A.21(1)"a").** Generally chapter 73A no longer applies to school districts except when the term "political subdivision" is used—section 73A.21 applies to the state and any political subdivisions of the state, including a school district **(73A.21(1)"d").**

Public Hearing

If the estimated total cost of a public improvement exceeds the competitive bid threshold in section 26.3, or as adjusted in section 314.1B, the governmental entity shall not enter into a contract for the public improvement until the governmental entity has held a public hearing and has approved the proposed plans, specifications, and form of contract, and estimated total cost of the public improvement. Notice of the hearing must be published as provided in section 362.3. At the hearing, any interested person may appear and file objections to the proposed plans, specifications, contract, or estimated cost of the public improvement. After hearing objections, the governmental entity shall by resolution enter its decision on the plans, specifications, contract, and estimated cost **(26.12).**

1. Unless otherwise provided by state law:
    - *a.* If notice of an election, hearing, or other official action is required by the city code, the notice must be published at least once, not less than four nor more than twenty days before the date of the election, hearing, or other action.
    - *b.* A publication required by the city code must be in a newspaper published at least once weekly and having general circulation in the city. However, if the city has a population of 200 or less, or in the

case of ordinances and amendments to be published in a city in which no newspaper is published, a publication may be made by posting in 3 public places in the city which have been permanently designated by ordinance.

2. In the case of notices of elections, a city with a population of 200 or less meets the publication requirement of this section by posting notices of elections in 3 public places which have been designated by ordinance **(362.3).**

Bids

If the estimated total cost of a public improvement exceeds the competitive bid threshold of one hundred thousand dollars [$100,000], or the adjusted competitive bid threshold established in section 314.1B, the governmental entity shall advertise for sealed bids for the proposed public improvement by publishing a notice to bidders. The notice to bidders shall be published at least once, not less than four [4] and not more than forty-five [45] days before the date for filing bids, in a newspaper published at least once weekly and having general circulation in the geographic area served by the governmental entity. Additionally, the governmental entity may publish a notice in a relevant contractor organization publication and a relevant contractor plan room service with statewide circulation, provided that a notice is posted on an internet site sponsored by either a governmental entity or a statewide association that represents the governmental entity **(26.3(1)).**

A governmental entity shall have an engineer licensed under chapter 542B, a landscape architect licensed under chapter 544B, or an architect registered under chapter 544A prepare plans and specifications, and calculate the estimated total cost of a proposed public improvement. A governmental entity shall ensure that a sufficient number of paper copies of the project's contract documents, including all drawings, plans, specifications, and estimated total costs of the proposed public improvement are made available for distribution at no charge to prospective bidders, subcontractor bidders, suppliers, and contractor plan room services. If a deposit is required as part of a paper contract documents distribution policy by the public owner, the deposit shall not exceed two hundred fifty dollars [$250] per set which shall be refunded upon return of the contract documents within fourteen [14] days after award of the project. If the contract documents are not returned in a timely manner and in a reusable condition, the deposit shall be forfeited. The governmental entity shall reimburse the landscape architect, architect, or professional engineer for the actual costs of preparation and distribution of plans and specifications **(26.3(2)).**

Sections 26.4 through 26.13 apply to all competitive bidding pursuant to this section **(26.3(3)).**

Architectural, landscape architectural, or engineering design services procured for a public improvement are not subject to sections 26.3 [competitive bid] and 26.14[competitive quotes] **(26.4).**

When emergency repairs costing more than the competitive bid threshold in section 26.3, or as established in section 314.1B, are necessary in order to ensure the continued use of any school or school facility, the provisions of the law with reference to advertising for bids shall not apply, and in that event the board may contract for such emergency repairs without advertising for bids. However, before such emergency repairs can be made to any schoolhouse or school facility, it shall be necessary to procure a certificate from the AEA administrator that such emergency repairs are necessary to ensure the continued use of the school or school facility **(297.8).** Public hearing requirements would still apply.

No public officer or deputy thereof, if any, shall directly or indirectly or in any manner whatsoever, at any other time or in any other manner than as provided by law, open any sealed bid or convey or divulge to any person any part of the contents of a sealed bid, on any proposed contract concerning which a sealed bid is required or permitted by law **(72.3).**

A violation of the provisions of section 72.3 shall, in addition to criminal liability, render the violator liable, personally and on the violator's bond, if any, to liquidated damages in the sum of one thousand dollars [$1,000] for each violation, to inure to and be collected by the school corporation of which the violator is an officer or deputy **(72.4).**

Evaluations of bid proposals are public records which are confidential until the bids are opened and an award made. The possibility of misuse of nonconfidential public records does not justify placing restrictions on access to those records **(OAG #79-3-3).**

Where a school district first solicited bids for removal of asbestos from two schools as one project, and awarded the contract without making determination that the lowest bidder was not a "responsible bidder," and after being informed by the lowest bidder's attorney of public bidding requirements and the fact that the project was subject to those requirements, rejected all bids, split the project into two contracts and did not solicit bids from the lowest bidder, the school district divided the repair project for improper, inadequate and indefensible purpose of evading the public

bidding procedures **(West Harrison Community School District v. Iowa State Board of Public Instruction, App.1984, 347 N.W. 2d 684).**

Public notice in regard to competitive bidding assumes three elements:

- first, there should be an offering, or notice, extended to the public;
- second, an opportunity for competition; and
- third, a basis for an exact comparison of bids **(OAG #80-9-4).**

Refer to chapter 26 of the Iowa Code for more information on bid security, notice, award, opening and considering bids and early release of retained funds.

Competitive Quotations

1. Competitive quotations shall be required for a public improvement having an estimated total cost that exceeds the applicable threshold amount provided in this section, but is less than the competitive bid threshold established in section 26.3.
2. Unless the threshold amounts are adjusted pursuant to section 314.1B, the following threshold amounts shall apply:
a. $67,000 for a county, including a county hospital.
b. $51,000 for a city having a population of 50,000 or more.
c. $51,000 for a school district having a population of $50,000 or more.
d. $51,000 for an aviation authority created within a city having a population of 50,000 or more.
e. $36,000 for a city having a population of less than 50,000, for a school district having a population of less than 50,000, and for any other governmental entity.
f. The threshold amount applied to a city applies to a city hospital.
3. *a.* When a competitive quotation is required, the governmental entity shall make a good faith effort to obtain quotations for the work from at least two contractors regularly engaged in such work prior to letting a contract. Good faith effort shall include advising all contractors who have filed with the governmental entity a request for notice of projects. The governmental entity shall provide such notice in a timely manner so that a requesting contractor will have a reasonable opportunity to submit a competitive quotation. Quotations may be obtained from contractors after the governmental entity provides a description of the work to be performed, including the plans and specifications prepared by an architect, landscape architect, or engineer, if required under chapter 542B, 544B, or 544A, and an opportunity to inspect the work site. The contractor shall include in the quotation the price for labor, materials, equipment, and supplies required to perform the work. If the work can be performed by an employee or employees of the governmental entity, the governmental entity may file a quotation for the work to be performed in the same manner as a contractor. If the governmental entity receives no quotations after making a good faith effort to obtain quotations from at least two contractors regularly engaged in such work, the governmental entity may negotiate a contract with a contractor regularly engaged in such work.
b. The governmental entity shall designate the time, place, and manner for filing quotations, which may be received by mail, facsimile, or electronic mail. The governmental entity shall award the contract to the contractor submitting the lowest responsive, responsible quotation subject to section 26.9, or the governmental entity may reject all of the quotations. The unconditional acceptance and approval of the lowest responsive, responsible quotation shall constitute the award of a contract. The governmental entity shall record the approved quotation in its meeting minutes. The contractor awarded the contract shall not commence work until the contractor's performance and payment bond has been approved by the governmental entity. A governmental entity may delegate the authority to award a contract, to execute a contract, to authorize work to proceed under a contract, or to approve the contractor's performance and payment bond to an officer or employee of the governmental entity. A quotation approved outside a meeting of the governing body of a governmental entity shall be included in the minutes of the next regular or special meeting of the governing body.
c. If a public improvement may be performed by an employee of the governmental entity, the amount of estimated sales and fuel tax and the premium cost for the performance and payment bond which a contractor identifies in its quotation shall be deducted from the contractor's price for determining the lowest responsive, responsible quotation. If no quotations are received to perform the work, or if the governmental entity's estimated cost to do the work with its employee is less than the lowest responsive, responsible quotation received, the governmental entity may authorize its employee or employees to perform the work **(26.14).**

Alternative procedures

1. When competitive quotations are required under section 26.14 for a public improvement, the governmental entity may proceed, in lieu of competitive quotations, as if the estimated total cost of the public improvement exceeds the competitive bid threshold under section 26.3.

2. If the total estimated cost of the public improvement does not warrant either competitive quotations under section 26.14 or competitive bidding under section 26.3, the governmental entity may nevertheless proceed with competitive quotations or competitive bidding for the public improvement **(26.14A).**

Structure Demolition Project

A governmental entity may enter into annual contracts with multiple contractors for structure demolition projects, with each project having a total estimated cost of $100,000 or less, or each project having a total estimated cost equal to or less than the competitive bid threshold as established in section 314.1B. The governmental entity shall solicit contractors by publishing a notice as provided in section 362.3. A contractor is eligible to perform structure demolition work for the governmental entity after the contractor executes an annual demolition contract in a form satisfactory to the governmental entity, including a bond and insurance. For the twelve-month period following execution of the contract or contracts, the governmental entity may obtain competitive proposals from each eligible contractor as necessary for the demolition of structures. The contractor submitting the lowest responsible proposal shall enter into a contract addendum to perform the work **(26.15).**

Architects

The practice of architecture affects the public health, safety, and welfare and is subject to regulation and control in the public interest. Only persons qualified by the law of the state are authorized to engage in the practice of architecture in the state **(544A.1).**

A person shall not engage in the practice of engineering or land surveying in the state unless the person is a licensed professional engineer or a licensed professional land surveyor as provided in chapter 542B, except as permitted by section 542B.26 **(542B.1).**

An architect's fee is based on the original cost of the building. Where a change of materials must be made to meet lawful specifications and these materials are higher priced than the original ones, an architect cannot charge on the extra cost. The architect is supposed to know legal materials when signing the contract **(OAG #58-1-7(L)).**

Architect's fees can be paid from the proceeds of a bond issue. Such fees are considered as part of the cost of construction of a building and should be paid out of the same fund as a building **(OAG #29-2-4(L), OAG #39-5-27(L)).** If the bond issue fails, and the school board has employed an architect to make preliminary sketches and present informative data, the costs may be paid out of the general fund **(1954 Op. Att'y Gen. 98 (#53-11-19)).** Architect's fee for schematic phase of projects presented to the electorate may be paid from the general fund even when a bond issue is defeated. When a building is constructed with proceeds of a 67.5 cent schoolhouse levy [PPEL], the architect may be paid from such fund **(1970 Op. Att'y Gen. 344 (#69-11-28)).**

Preference

When a contract for a public improvement is to be awarded to the lowest responsible bidder, a resident bidder shall be allowed a preference as against a nonresident bidder from a state or foreign country if that state or foreign country gives or requires any preference to bidders from that state or foreign country, including but not limited to any preference to bidders, the imposition of any type of labor force preference, or any other form of preferential treatment to bidders or laborers from that state or foreign country. The preference allowed shall be equal to the preference given or required by the state or foreign country in which the nonresident bidder is a resident. In the instance of a resident labor force preference, a nonresident bidder shall apply the same resident labor force preference to a public improvement in this state as would be required in the construction of a public improvement by the state or foreign country in which the nonresident bidder is a resident **(73A.21(2)).**

Contracts and Bonding

Officers empowered to expend, or direct the expenditure of, public money of the state shall not make any contract for any purpose which contemplates an expenditure of such money in excess of that authorized by law **(72.1).**

Contracts based on bids made by mistake are not enforceable **(1912 Op. Att'y Gen. 735 (#12-7-10)).**

Bid Bonds

Contracts for the construction of a public improvement shall, when the contract price equals or exceeds twenty-five thousand dollars [$25,000], be accompanied by a bond, with surety, conditioned for the faithful performance of the contract, and for the fulfillment of other requirements as provided by law. The bond may also be required when the

contract price does not equal that amount . However, if a contractor provides a performance or maintenance bond as required by a public improvement contract governed by this chapter and subsequently the surety company becomes insolvent and the contractor is required to purchase a new bond, the contractor may apply for reimbursement from the governmental agency that required a second bond and the claims shall be reimbursed from funds allocated for road construction purposes. If the requirement for a bond is waived pursuant to section 12.44, a person, firm, or corporation, having a contract with the targeted small business or with subcontractors of the targeted small business, for labor performed or materials furnished, in the performance of the contract on account of which the bond was waived, is entitled to any remedy provided under this chapter. When a bond has been waived pursuant to section 12.44, the remedies provided for under this paragraph are available in an action against the public corporation. **(573.2).**

Agencies of state government shall be required to waive the requirement of satisfaction, performance, surety, or bid bonds for targeted small businesses which are able to demonstrate the inability of securing such a bond because of a lack of experience, lack of net worth, or lack of capital. This waiver shall not apply to businesses with a record of repeated failure of substantial performance or material breach of contract in prior circumstances. The waiver shall be applied only to a project or individual transaction amounting to fifty thousand dollars or less, notwithstanding section 573.2. In order to qualify, the targeted small business shall provide written evidence to the department of inspections and appeals that the bond would otherwise be denied the business. The granting of the waiver shall in no way relieve the business from its contractual obligations and shall not preclude the state agency from pursuing any remedies under law upon default or breach of contract. The department of inspections and appeals shall certify targeted small businesses for eligibility and participation in this program and shall make this information available to other state agencies. Subdivisions of state government may also grant such a waiver under similar circumstances **(12.44).**

The obligation of the public corporation to require, and the contractor to execute and deliver said bond, shall not be limited or avoided by contract. A public corporation, with respect to a public improvement which is or has been competitively bid or negotiated, shall not require a contractor to procure a bond, as required under section 573.2, from a particular insurance or surety company, agent, or broker **(573.3).**

A deposit of money, certified check on a solvent bank of the county in which the improvement is to be located, a credit union certified share draft, state or federal bonds, bonds issued by a school corporation may be received in an amount equal to the amount of the bond and held in lieu of a surety on the bond, and when so received the securities shall be held on the terms and conditions applicable to a surety **(573.4).**

The amount of the bond shall be fixed, and the bond approved, by the official board or officer empowered to let the contract, in an amount not less than seventy-five percent [75%] of the contract price, and sufficient to comply with all requirements of said contract and to insure the fulfillment of every condition, expressly or impliedly embraced in said bond; except that in contracts where no part of the contract price is paid until after the completion of the public improvement the amount of said bond may be fixed at not less than twenty-five percent [25%] of the contract price **(573.5).**

Notwithstanding section 573.14, a public corporation may release retained funds upon completion of ninety-five percent [95%] of the contract under certain circumstances **(573.15A).**

Where a bidder's check is lost, there is no liability on the school district. The district should not furnish a bond to protect the drawee bank **(OAG #25-12-2(L)).**

Payment Schedule to Architects and Contractors

Payments made under contracts for the construction of public improvements, unless provided otherwise by law, shall be made on the basis of monthly estimates of labor performed and material delivered, as determined by the project architect or engineer. The public corporation shall retain from each monthly payment not more than five percent [5%] of that amount which is determined to be due according to the estimate of the architect or engineer. The contractor may retain from each payment to a subcontractor not more than the lesser of five percent or the amount specified in the contract between the contractor and the subcontractor **(573.12(1)).**

Interest shall be paid to the contractor on any progress payment that is approved as payable by the public corporation's project architect or engineer and remains unpaid for a period of fourteen [14] days after receipt of the payment request at the place, or by the person, designated in the contract, or by the public corporation to first receive the request, or for a time period greater than fourteen [14] days, unless a time period greater than fourteen [14] days is specified in the contract documents, not to exceed thirty [30] days, to afford the public corporation a reasonable opportunity to inspect the work and to determine the adequacy of the contractor's performance under the contract **(573.12(2)"a"(1)).**

A public corporation shall not be permitted to plead noncompliance with section 573.12 and the retained percentage of the contract price, which in no case shall be more than five percent [5%], constitutes a fund for the payment of claims for materials furnished and labor performed on the improvement and shall be held and disposed of by the public corporation as provided in chapter 573 **(573.13).**

The fund provided for in section 573.13 shall be retained by the public corporation for a period of thirty [30] days after the completion and final acceptance of the improvement. If at the end of the thirty-day period claims are on file as provided the public corporation shall continue to retain from the unpaid funds a sum equal to double the total amount of all claims on file. The remaining balance of the unpaid fund, or if no claims are on file, the entire unpaid fund, shall be released and paid to the contractor **(573.14).**

No part of the unpaid fund due the contractor shall be retained as provided in chapter 573 on claims for material furnished, other than materials ordered by the general contractor or the general contractor's authorized agent, unless such claims are supported by a certified statement that the general contractor had been notified within thirty [30] days after the materials are furnished or by itemized invoices rendered to contractor during the progress of the work of the amount, kind, and value of the material furnished for use upon the said public improvement **(573.15).**

Notwithstanding anything in this Code to the contrary, when at least ninety-five percent [95%] of any contract for the construction of public improvements has been completed to the satisfaction of the public contracting authority and owing to conditions beyond the control of the construction contractor the remaining work on the contract cannot proceed for a period of more than sixty [60] days, such public contracting authority may make full payment for the completed work and enter into a supplemental contract with the construction contractor involved on the same terms and conditions so far as applicable thereto for the construction of the work remaining to be done, provided however, that the contractor's surety consents thereto and agrees that the bond shall remain in full force and effect **(573.27).**

Refunds of Sales Tax on Construction Projects

A governmental subdivision may make application to the department of revenue for the refund of the sales or use tax upon the sales price of all sales of goods, wares, or merchandise, or from services furnished to a contractor, used in the fulfillment of a written contract with any political subdivision if the property becomes an integral part of the project under contract and at the completion of the project becomes public property or is devoted to educational uses **(423.4(1)).**

Such contractor shall state under oath, on forms provided by the department of revenue, the amount of such sales of goods, wares or merchandise or services furnished and used in the performance of such contract, and upon which sales or use tax has been paid, and shall file such forms with the governmental unit which has made any written contract for performance by the contractor. The forms shall be filed by the contractor with the governmental unit before final settlement is made **(423.4(1)"a").**

Such governmental unit shall, not more than one year after the final settlement has been made, make application to the department of revenue for any refund of the amount of such sales or use tax which shall have been paid upon any goods, wares, or merchandise, or services furnished, the application to be made in the manner and upon forms to be provided by the department, and the department shall forthwith audit the claim and, if approved, issue a warrant to the governmental unit in the amount of the sales or use tax which has been paid to the state of Iowa under the contract **(423.4(1)"b").**

Only the state sales or use tax is refundable. Local option taxes paid by the contractor are not refundable **(423.4(2)"d").**

Any contractor who shall willfully make a false report of tax paid under the provisions of this subsection is guilty of a simple misdemeanor and in addition shall be liable for the payment of the tax and any applicable penalty and interest **(423.4(1)"d").**

Contractors, subcontractors, and builders who enter into written construction contracts with designated exempt entities, businesses in economic development areas, or rural water districts organized under Iowa Code chapter 504A can still be required to remit sales tax on building materials, supplies, and equipment to their suppliers or to pay a corresponding use tax. Reasons for this will vary; these reasons are not intended to be all-inclusive. In the case of a contractor, subcontractor, or builder entering into a written construction contract with a designated exempt entity, the requirement to remit or pay tax can result from failure to secure an exemption certificate or purchasing agent authorization letter. In the case of a contractor, subcontractor, or builder entering into a written construction contract with businesses in economic development areas or rural water districts organized under Iowa Code chapter 504A, the requirement to remit or pay tax can result from the fact that businesses in economic development areas or rural water districts organized

under Iowa Code chapter 504A are not designated exempt entities and thus not eligible to claim their exemption. Even if no right to claim the designated exempt entity exemption exists, under the provisions of Iowa Code section 422.45(7) or 15.331A(1), a contractor is still required to provide a designated exempt entity which has not properly claimed its exemption, business or supporting business in an economic development area, or a rural water district organized under Iowa Code chapter 504A with a statement before final settlement of the contract, showing the amount of sales of goods, wares or merchandise or services rendered, furnished or performed and used in the performance of the contract, and the amount of sales and use taxes paid on these items. The department provides Form 35-002 for this purpose. If final settlement occurred before May 20, 1999, the governmental unit, private nonprofit educational institution, nonprofit private museum, business or supporting business, or rural water district organized under Iowa Code chapter 504A has six months after the final settlement to file a claim for refund on Form 35-003 for sales and use taxes paid by the contractor. If final settlement occurs on or after May 20, 1999, a period of one year after the date of final settlement is allowed for filing a claim for refund. The failure of a contractor to remit taxes on materials, supplies, and equipment used in the performance of a construction contract does not relieve the contractor of liability even though the refund was not or cannot be claimed. See *Dealers Warehouse Co. Inc. v. Department of Revenue*, Jasper County District Court, 90-3910936, December 6, 1978. If a construction contract is a contract which includes machinery or equipment with installation (see rule 701—19.8(422,423)) or a mixed contract (see rule 701—19.9(422,423)), the machinery and equipment must be purchased tax-free because the machinery and equipment will be resold to the contract sponsor. There will be no sales tax charged on resales of machinery and equipment to sponsors which are designated exempt entities, businesses in economic development areas, or rural water districts organized under Iowa Code chapter 504A since these sales are exempt under Iowa Code sections 422.45(5) and 422.45(8). See also 261—subrule 58.4(7) for an explanation of the exemption for sales of machinery and equipment to businesses or supporting businesses in an economic development area **(IAC 701--19.12(5)).**

Sales tax refunds may be spent by the school board for the original project which was the source of the refund but not for construction of a new building or for an addition to an existing building; funds received from sale of real estate may be used for the purposes listed in Code; and contributions from the public may be used for the purposes designated by the donors but the voters [or board in some instances], not donors, must approve new construction **(OAG #86-12-13).**

Disposition of School Property

Vacating School Facilities

The board of directors shall determine the number of schools to be taught, divide the corporation into such wards or other divisions for school purposes as may be proper, determine the particular school which each child shall attend, and designate the period each school shall be held beyond the time required by law **(279.11).**

The board of directors of a school district by record action may discontinue any or all of grades seven [7] through twelve [12] and negotiate an agreement for attendance of the pupils enrolled in those grades in the schools of one or more contiguous school districts having accredited school systems **(282.7(1)).**

The board of directors shall notify the cities located within the school district, the counties in which the school district may be located, and the department of administrative services annually of the facilities and buildings owned by the public school corporation which are vacant and available to be leased or purchased **(297.4).**

Procedures for Closing Facilities (Barker Guidelines)

The state board of education has reviewed local board decisions involving the closing of attendance centers. The first time it addressed a school closing issue, the state board issued seven principles to guide local boards, commonly called the Barker Guidelines. These guideline were reviewed and approved by the Iowa Supreme Count in Keeler v. Iowa Board of Public Instruction, 331 NW2d 110, 112 (Iowa 1983). Those steps have long existed as guidance and they remain as valid guidance. Those steps are:

- The board shall establish a timeline in advance for carrying out the procedures involved in making the decision on the matter, focusing all aspects of the timeline upon the anticipated date that the board will make its final decision.
- The board shall inform segments of the community within its district that the matter is under consideration by the board. This shall be done in a manner reasonably calculated to apprise the public of that information.
- The board shall seek public input in all study and planning steps involved in making the decision.
- The board and groups and individuals selected by the board shall carry out sufficient research, study, and planning. The research, study, and planning shall include consideration of, at a minimum, student enrollment statistics, transportation costs, financial gains and losses, program offerings, plant facilities, and staff assignment.
- The board shall promote open and frank public discussion of the facts and issues involved.
- The board shall make a proper record of all steps taken in the making of the decision.

- The board shall make its final decision in an open meeting with record made thereof **(1 D.P.I. App Dec. 145 (1977)).**

Disposition with School Budget Review Committee Approval

The SBRC may authorize a district to spend a reasonable and specified amount from its unexpended fund balance for the following purposes:
The costs associated with the demolition of an unused school building, or the conversion of an unused school building for community use, in a school district involved in a dissolution or reorganization under chapter 275, if the costs are incurred within three [3] years of the dissolution or reorganization **(257.31(7)"a"(2)).**

Disposition by Sales and Leases

Monies received from the condemnation, sale, or other disposition for public purposes of schoolhouses, school sites, or both schoolhouses and school sites shall be deposited in the PPEL fund and may without a vote of the electorate be used for the purposes authorized under section 298.3, as ordered by the board of directors of such school district **(279.41).**

The board of directors of a school district may sell, lease, or dispose of, in whole or in part, a schoolhouse, school site, or other property belonging to the district **(297.22(1)"a").** Before the board may sell, lease for a period in excess of one year, or dispose of any property belonging to the school, the board shall hold a public hearing on the proposal. After the public hearing, the board may make a final determination on the proposal contained in the resolution **(297.22(1)"c").** However, property having a value of not more than five thousand dollars [$5,000], other than real property, may be disposed of by any procedure which is adopted by the board and each sale shall be published by at least one [1] insertion each week for two [2] consecutive weeks in a newspaper having general circulation in the district **(297.22(1)"d").**

The AEA board is authorized to sell, lease, or dispose of, in whole or in part, property belonging to the AEA. Before the AEA may sell property belonging to the agency, the board of directors shall comply with the requirements set forth in section 297.22. Before the board of directors of an AEA may lease property belonging to the agency, the board shall obtain the approval of the director of the Department of Education **(273.3(21)).**

The voters at the regular election shall have the powers to, except when restricted by section 297.25, direct the sale, lease, or other disposition of any schoolhouse or site or other property belonging to the corporation, and the application to be made of the proceeds thereof. However, nothing in this section shall be construed to prevent the sale, lease, exchange, gift, or grant and acceptance of any interest in real or other property of the corporation to the extent authorized in section 297.22 **(278.1(1)"b").**

A proposition to sell a school site or school building and use the proceeds in a certain way is a single proposition and may be so stated on a ballot. However, if more than one public measure is to be voted upon, they may be printed on the same ballot but as single propositions, one below the other with one-inch space between them **(1944 Op. Att'y Gen. 139 (#44-3-4)).**

Proceeds from the sale or disposition of real property shall be placed in the PPEL fund. Proceeds from the sale or disposition of property other than real property shall be placed in the general fund. Proceeds from the lease of real or other property shall be placed in the general fund **(297.22).**

If the real property contains less than two [2] acres, is located outside of a city, is not adjacent to a city and was previously used as a schoolhouse site, the procedure contained in sections 297.15 through 297.20 shall be followed in lieu of section 297.22 for sale, lease, or disposition of real property belonging to the district **(297.22(1)"a").**

The board of directors of a school district may sell, lease, exchange, give, or grant and accept any interest in real property to, with, or from a county, municipal corporation, school district, township, or AEA if the real property is within the jurisdiction of both the grantor and grantee **(297.22(2)"a").**

The board of directors of a school district may lease a portion of an existing school building in which the remaining portion of the building will be used for school purposes for a period of not to exceed five [5] years. The lease may be renewed at the option of the board. The notice and public hearing requirements of this section do not apply to the lease of a portion of an existing school building. A school district shall pay out of the revenue from a lease to the state of Iowa, and to the city, school district and any other political subdivision authorized to levy taxes, an amount as determined by this section. The amount shall be determined by applying the annual tax rate of the taxing district to the assessed value of the portion of the building leased, prorated for the term of the lease during the appropriate taxing

period. The provisions of this section relating to the payment of property tax because of leases shall only apply to leases to private, for-profit entities which lease a portion of the school building for a period of thirty [30] or more consecutive days **(297.22(2)"b").**

The provisions in subsections 1 and 2 relating to the sale, lease, or disposition of school district property do not apply to student-constructed buildings and the property on which student-constructed buildings are located. The board of directors of a school district may sell, lease, or dispose of a student-constructed building and the property on which the student-constructed building is located, and may purchase sites for the erection of additional structures, by any procedure which is adopted by the board **(297.22(3)).**

Sections 297.22 shall be construed as independent of the power vested in the electors by section 278.1, and as additional to such power. If a board of directors has exercised its independent power under section 297.22 regarding the disposition of real or personal property of the school district and has by resolution approved such action, the electors may subsequently proceed to exercise their power under section 278.1 for a purpose directly contrary to an action previously approved by the board in accordance with section 297.22. However, the electors shall be limited to ten [10] days after an action by the board to exercise such power for a purpose directly contrary to the board's action **(297.25).**

The governor shall issue an executive order requiring all state agencies to consider the leasing of a vacant facility or building which is appropriately located and which is owned by a public school corporation before a state agency leases, purchases, or constructs a facility or building. The state agency may lease a facility or building owned by a public school corporation with an option to purchase the facility or building in compliance with section 297.22. The lease shall provide that the public school corporation may terminate the lease if the corporation needs to use the facility or building for school purposes. The public school corporation shall notify the state agency at least thirty [30] days before the termination of the lease **(7.20).**

When voters authorize the board of directors to sell and convey or lease or otherwise dispose of certain real property such authorization does not give the board power to deal with the real property differently than other property which they are otherwise authorized to sell or lease **(1968 Op. Att'y Gen. 115 (#67-5-23)).**

A school board has six months during which it can seek the best bid for property advertised for sale **(OAG #64-8-7(L)).**

The school board may give free of charge an old schoolhouse site to a town under section 297.22 **(OAG #71-9-14).**

Where a school district board conveys real estate to another governmental unit by gift, it does not hold power to spend school funds to demolish school buildings to satisfy the wishes of the donee of the gift because such expenditure would not be for a school purpose **(OAG #82-1-1(L)).**

Payment for school property must be made in cash. No mortgage on real estate may be accepted. The authority to sell does not give authority to accept anything but cash in settlement for property **(OAG #32-8-6(L)).**

Neither by board action nor on petition could a school building be sold if there weren't sufficient remaining schoolhouses to house the pupils **(OAG #52-1-7).**

AEAs may not buy property from sources other than school districts **(OAG #94-12-3(L)).**

Any school building or any school site, the title of which is vested in the state of Iowa by reason of it having been provided by state mining camp funds for schools in mining camps, shall be sold by the department when the director of the department of education determines it is no longer needed for school purposes **(297.26).**

If there is any school equipment, supplies, or other usable school materials, such as desks, blackboards, playground equipment, or the like, in or on said buildings or grounds, the director of the department of education may remove the same and divert their use to other public school districts **(297.32).**

All deeds and conveyances of land executed by or purporting to be executed by a school district or by the board of directors of a school district, and placed of record more than 10 years earlier, which deeds or conveyances purport to sustain the record title, are legalized and valid, even though the record fails to show that all necessary steps in the sale and deeding of the property were complied with. The deeds and conveyances are legalized and valid as if the record showed that the law had been complied with, and that the sales had been duly authorized by the electors of the school district **(589.25).**

Disposition by Reversion of Sites

Any real estate, owned by a school district, containing less than two [2] acres, situated wholly outside of a city, and not adjacent thereto, and heretofore used as a schoolhouse site shall revert to the then owner of the tract from which the same was taken, provided that said owner of the tract last aforesaid shall, within the time hereinafter prescribed, pay the value thereof to such school district. Any such schoolhouse site containing two [2] or more acres shall be subject to the law as otherwise provided **(297.15).**

In case the school district and said owner of the tract from which such school site was taken, do not agree as to the value of such site, the chief judge of the judicial district of the county in which the greater part of such school district is situated, shall, on the written application of either party, appoint three [3] disinterested voters of the county from the list of person eligible to serve as compensation commissioners to appraise the site **(297.16).**

The county sheriff shall give notice to both parties of the time and place of making such appraisement, which notice shall be served in the same manner and for the same time as for the commencement of action in the district court **(297.17).**

Such appraisers shall inspect the premises and, at the time and place designated in the notice, appraise said site in writing, which appraisement, after being duly verified, shall be filed with the county sheriff **(297.18).**

If the owner of the tract from which said site was taken fails to pay the amount of such appraisement to such school district within twenty [20] days after the filing of same with the county sheriff, the school district may sell said site to any other person at the appraised value, or may sell the same at public sale to the highest bidder **(297.19).**

If there are improvements on said site, the improvements may, at the request of either party, be appraised and sold separately **(297.20).**

A school board may sell improvements on a site to the owner at a price mutually agreed upon, or it may sell to the owner at a price higher than the appraised value. The landowner has no equity in improvements placed on the site with public funds **(OAG #54-10-28(L)).**

Where a large farm was divided into tracts and two of the tracts adjoin the school ground and both owners want the school site, they should draw lots. If not, the site should be sold according to law **(OAG #55-1-17).**

Disposition of Land to the Federal Government

Whenever the federal government, or any agency or department thereof shall have heretofore located or shall hereafter locate in any county an ordnance plant or other project which may be deemed desirable for the development of the national defense or for the purpose of flood control, and for the purpose of so locating such plant or project shall have heretofore determined, or shall hereafter determine, that real property and improvements thereon owned by school districts is required, the board of directors of such school districts by resolution is hereby authorized to sell and convey such property at a price and upon terms as may be agreed upon, any such instruments of conveyance to be executed on behalf of such school districts by the president of such district **(274.39).**

The proceeds of the sale of the property of the school district under the authority granted in sections 274.39 and 274.40 shall be deposited with the treasurer of the county and applied so far as necessary to the payment of the outstanding indebtedness of such school district **(274.41).**

If the federal government, or any agency or department of the federal government, determines that certain real property making up a portion of a school district is required, the director of the department of education may by resolution adjust the boundaries of school districts in which the federally owned property is located and the boundaries of adjoining school districts so as to effectively provide for the schooling of children residing within all of the districts **(274.42).**

The officers of the altered district shall relinquish to the proper officers of such adjoining district or districts all funds, claims for taxes, credits, and such other personal property in such a manner as the director of the department of education shall direct, which said funds, credits, and personal property shall become the property of such adjoining district or districts as enlarged, to be used as the boards of directors of such districts may direct **(274.43).**

Davis-Bacon and Related Acts (41 CFR 1-18.7; 29 CFR 1, 3, 4, and 5)

This law is applicable to most federally-financed or assisted contracts of $2,000 or greater for the construction, alteration, or repair, including painting and decorating, of public buildings or public works. It provides that all laborers and mechanics employed under such contracts be paid the wage rates and fringe benefits found by the department of labor to be prevailing on similar projects for corresponding classifications of laborers and mechanics in the locality in which the work is to be performed and included in a wage decision in the contract. A contract which is subject to the Davis-Bacon Act or most of the related acts is also subject to the Copeland (Anti-Kickback) Act which prohibits illegal deductions or kickbacks of wages. Such contracts also require the submission of certified payroll records on a weekly basis to the contracting agency.

CHAPTER 14

MANAGEMENT OF ANCILLARY SERVICES -- TRANSPORTATION

Providing Transportation

The board of directors in every school district shall provide transportation, either directly or by reimbursement for transportation, for all resident pupils attending public school, kindergarten through twelfth grade, except that:

1) Elementary pupils shall be entitled to transportation only if they live more than 2 miles from the school designated for attendance.
2) High school pupils shall be entitled to transportation only if they live more than 3 miles from the school designated for attendance. *"High school"* means a school which commences with either grade nine or grade ten, as determined by the board of directors of the school district or by the governing authority of the nonpublic school in the case of nonpublic schools **(285.1(1)"b").**
3) Children attending prekindergarten programs offered or sponsored by the district or nonpublic school and approved by the department of education or department of human services or children participating in preschool in an approved local program under chapter 256C may be provided transportation services. However, transportation services provided to nonpublic school children are not eligible for reimbursement under this chapter.
4) Districts are not required to maintain seating space on school buses for students who are otherwise to be provided transportation under 285.1 if the students do not or will not regularly utilize the district's transportation service for extended periods during the school year. The student, or the student's parent or legal guardian if the student is less than 18 years of age, shall be notified by the district before transportation services may be suspended, and the suspension may continue until the student, or the student's parent or legal guardian, notifies the district that regular student ridership will continue **(285.1(1)"a").**

Notwithstanding subsection 1, paragraph *"a"*, subparagraph (1), a parent or guardian of an elementary pupil entitled to transportation pursuant to subsection 1, may request that a child care facility be designated for purposes of subsection 9 rather than the residence of the pupil. The request shall be submitted for a period of time of at least one semester and may not be submitted more than twice during a school year **(285.1(22)).**

Distance to school or to a bus route shall in all cases be measured on the public highway only and over the most passable and safest route as determined by the AEA board, starting in the roadway opposite the private entrance to the resident of the pupil and ending in the roadway opposite the entrance to the school grounds or designated point on bus route **(285.1(9)).**

Districts may but are not required to provide transportation for summer school students **(OAG #79-7-20).**

The board shall included in its rules provisions regulating the loading and unloading of pupils from a school bus stopped on the highway during a period of reduced highway visibility caused by fog, snow, or other weather conditions **(279.8).**

Boards have the right to promulgate rules to regulate the conduct of students who ride on school buses and to impose sanctions for violating such rules **(OAG #83-8-7).**

If special education services are provided by the AEA, the board of directors of the AEA with the cooperation of the local school districts within its jurisdiction may provide transportation for children requiring special education services that are in need of transportation in connection with any programs, classes, or services **(256B.4(1)"e").**

The local school board shall provide transportation for each resident pupil who attends public school, and each resident pupil who attends a nonpublic school, and who is entitled to transportation under the laws of this state **(285.10(1)).**

The local school board shall establish, maintain, and operate bus routes for the transportation of pupils so as to provide for the economical and efficient operation thereof without duplication of facilities, and to properly safeguard the health and safety of the pupils transported **(285.10(2)).**

Purchase or lease buses and other transportation facilities, and maintain same, and to enter into contracts for transportation subject to any provisions of law affecting same **(285.10(3)).**

Employ such drivers and other employees as may be necessary and prescribe their qualifications and adopt rules for their conduct **(285.10(4)).**

Exercise any and all powers and duties relating to transportation of pupils enjoined upon them by law **(285.10(5)).**

Shall purchase liability insurance and other insurance coverage which the board deems advisable to insure the school district, its officers, employees, and agents against liability incurred as a result of operating school buses, including but not limited to liability to pupils or other persons lawfully transported. Section 670.7 shall apply to such insurance. However, the board of directors in its discretion shall determine the insurance coverages and limits, and the school district and directors shall not be liable as a result of any such discretionary decision **(285.10(6)).**

Boards in school districts which have sufficient resident pupils they are required to transport to warrant the purchase of transportation equipment may purchase buses needed to provide the transportation **(285.10(8)).**

In the case of **Bruggeman v. Independent District No. 4 Union Township School**, the Iowa Supreme Court has held that the school district is a quasi-corporation of the state and the statute has imposed the duty of transportation upon the board.

The failure of any local district to comply with the provisions of chapter 285 or any other laws relating to the transportation of pupils, or any rules made by the Department of Education under chapter 285 or the final decisions of the AEA board, or the final decisions of the Department of Education shall during the period such failure to comply existed forfeit the rights to collect transportation costs from school or parents while operating in such illegal manner. Any superintendent, board, or board member who knowingly operates or permits to be operated any school bus transporting public school pupils in violation of any school transportation law shall be deemed guilty of a simple misdemeanor **(285.15).**

Pupils Sent to Another District

When a board closes its elementary school facilities for lack of pupils or by action of the board, it shall, if there is a school bus service available in the area, designate for attendance the school operating the buses, provided the board of such school is willing to receive them and the facilities and curricular offerings are adequate. The board of the district where the pupils reside may with the approval of the AEA board, subject to legal limitations and established uniform standards, designate another rural school and provide their own transportation if the transportation costs will be less than to use the established bus service **(285.4).**

The board of directors of a school district by record action may discontinue any or all of grades seven through twelve and negotiate an agreement for attendance of the pupils enrolled in those grades in the schools of one or more contiguous school districts having accredited school systems. The agreement shall provide for transportation and authority and liability of the affected boards **(282.7(1)).**

When the school designated for attendance of pupils is engaged in the transportation of pupils, the sending or designating school shall use these facilities and pay the pro rata cost of transportation except that a district sending pupils to another school may make other arrangements when it can be shown that such arrangements will be more efficient and economical than to use facilities of the receiving school, providing such arrangements are approved by the board of the area education agency **(285.1(6)).**

If a local board closes either elementary or high school facilities and is approved by the board of the AEA to operate its own transportation equipment, the full cost of transportation shall be paid by the board for all pupils living beyond the statutory walking distance from the school designated for attendance **(285.1(7)).**

Reimbursement to Parents

Any pupil may be required to meet a school bus on the approved route a distance of not to exceed three-fourths [3/4] of a mile without reimbursement **(285.1(2)).**

Where transportation by school bus is impracticable, where necessary to implement a whole grade sharing agreement under section 282.10, or where school bus service is not available, the board may require parents or guardians to furnish transportation for their children to the schools designated for attendance. Except as provided in section 285.3, the parent or guardian shall be reimbursed for such transportation service for public and nonpublic school pupils by the board of the resident district in an amount equal to $80 plus 75% of the difference between $80 and the previous school year's statewide average per pupil transportation cost, as determined by the Department of Education. However, a

parent or guardian shall not receive reimbursement for furnishing transportation for more than3 family members who attend elementary school and one family member who attends high school **(285.1(3)).**

Where unsatisfactory roads or other conditions make it advisable, the board at its discretion may require the parents or guardians of public and nonpublic school pupils to furnish transportation for their children up to 2 miles to connect with vehicles of transportation. The parent s or guardians shall be reimbursed for such transportation by the boards of the resident districts at the rate of $0.28 per mile per day, one way, per family for the distance from the pupil's residence to the bus route **(285.1(4)).**

Reimbursement to Parents for Pupils at ISD or IBSSS

Funds appropriated to the school for the deaf [ISD] and the Iowa braille and sight saving school [IBSSS] for payments to the parents or guardians of pupils in either institution shall be expended as follows:

1. Transportation reimbursement at a rate established annually by the state board of regents to the parents or guardians of children who do not reside in the institution, but are transported to the institution on a daily basis.
2. Transportation reimbursement at a rate established annually by the state board of regents to the parents or guardians for transportation from the institution to the residence of the parent or guardian and return to the institution for children who reside in the institution **(270.9).**

Transportation Services to Nonresident Pupils

The board in any district providing transportation for nonresident pupils shall collect the pro rata cost of transportation from the district of pupil's residence for all properly designated pupils so transported **(285.1(10)).**

Boards in districts operating buses may transport nonresident pupils who attend public school, kindergarten through junior college, who are not entitled to free transportation provided they collect the pro rata cost of transportation from the parents **(285.1(11)).**

Full pro rata costs must be charged and collected for the transportation of all nonresident pupils. No differentiation may be made in charges due to differences in distance or grade in school **(IAC 281--43.8).**

Transportation Services to Accredited Nonpublic School Pupils

Nonpublic school for purposes of chapter 285 [transportation services] means those nonpublic schools accredited by the department of education as provided in section 256.11 and nonpublic institutions which comply with state board of education standards for providing special education programs **(285.16).**

Resident pupils attending a nonpublic school located either within or without the school district of the pupil's residence shall be entitled to transportation on the same basis as provided for resident public school pupils under section 285.1. The public school district providing transportation to a nonpublic school pupil shall determine the days on which bus service is provided, which shall be based upon the days for which bus service is provided to public school pupils, and the public school district shall determine bus schedules and routes. In the case of nonpublic school pupils the term *"school designated for attendance"* means the nonpublic school which is designated for attendance by the parents of the nonpublic school pupil **(285.1(14)).**

If the nonpublic school designated for attendance is located within the public school district in which the pupil is a resident, the pupil shall be transported to the nonpublic school designated for attendance as provided in this section **(285.1(15)).**

If the nonpublic school designated for attendance of a pupil is located outside the boundary line of the school district of the pupil's residence, the pupil may be transported by the district of residence to a public school or other location within the district of the pupil's residence. A public school district in which a nonpublic school is located may establish school bus collection locations within its district from which nonresident nonpublic school pupils may be transported to and from a nonpublic school located in the district. If a pupil receives such transportation, the district of the pupil's residence shall be relieved of any requirement to provide transportation **(285.1(16)"a").**

As an alternative to 285.1(16), paragraph *"a"*, subject to section 285.9, subsection 3, where practicable, and at the option of the public school district in which a nonpublic school pupil resides, the school district may transport a nonpublic school pupil to a nonpublic school located outside the boundary lines of the public school district if the nonpublic school is located in a school district contiguous to the school district which is transporting the nonpublic

school pupils, or may contract with the contiguous public school district in which a nonpublic school is located for the contiguous school district to transport the nonpublic school pupils to the nonpublic school of attendance within the boundary lines of the contiguous school district **(285.1(16)"b").**

If the nonpublic school designated for attendance of a pupil is located outside the boundary line of the school district of the pupil's residence and the district of residence meets the requirements of subsections 14 to 16 of this section by using subsection 17, paragraph *"c"*, of this section and the district in which the nonpublic school is located is contiguous to the district of the pupil's residence and is willing to provide transportation under subsection 17, paragraph *"a"* or *"b"*, of this section, the district in which the nonpublic school is located may provide transportation services, subject to section 285.9, subsection 3, and may make the claim for reimbursement under section 285.2. The district in which the nonpublic school is located shall notify the district of the pupil's residence that it is making the claim for reimbursement, and the district of the pupil's residence shall be relieved of the requirement for providing transportation and shall not make a claim for reimbursement for those nonpublic school pupils for which a claim is filed by the district in which the nonpublic school is located **(285.1(16)"c").**

The public school district may meet the requirements of subsections 14 to 16 [above] by any of the following:

a. Transportation in a school bus operated by a public school district.
b. Contracting with private parties as provided in section 285.5. However, contracts shall not provide payment in excess of the average per pupil transportation costs of the school district for that year.
c. Utilizing the transportation reimbursement provision of subsection 3.
d. Contracting with a contiguous public school district to transport resident nonpublic school pupils the entire distance from the nonpublic pupil's residence to the nonpublic school located in the contiguous public school district or from the boundary line of the public school district to the nonpublic school **(281.1(17)).**

Boards of directors of school districts shall be required to provide transportation services to nonpublic school pupils as provided in section 285.1 when the general assembly appropriates funds to the Department of Education for the payment of claims for transportation costs submitted by the school district **(285.2(1)"a").**

A parent or legal guardian of a student attending an accredited nonpublic school, who furnishes transportation for the student pursuant to section 285.1, subsection 17, paragraph *"c"*, and who meets the requirements of subsection 2 of this section [below], is entitled to reimbursement equal to an amount calculated under the provisions of section 285.1, subsection 3. In addition, a parent or guardian who transports one or more family members more than 4 miles to their nonpublic school of attendance shall be entitled to one supplemental mileage payment per family, per claim period, equal to 13% of the parental reimbursement for the claim period rounded to the nearest whole dollar **(285.3(1)).**

To qualify for parental reimbursement under subsection 1, a parent or guardian of a student attending an accredited nonpublic school who furnishes transportation for the student in accordance with this section, shall submit a notice of nonpublic school attendance to the resident public school district, notifying the district that the student is enrolled in and will attend an accredited nonpublic school during the period for which parental reimbursement is being requested. The notice shall be filed with the resident public school district not later than December 1 for the first semester claim and May 1 for the second semester claim each year. The notice shall include the parent's name and address, the name, age, and grade level of the student, and the name of the nonpublic school and its location. The resident public school district shall submit claims for reimbursement to the department of education on behalf of the parent or guardian if the parent or guardian meets the requirements of this section **(285.3(2)).**

Except as provided in section 285.3, the parent or guardian shall be reimbursed for such transportation service for public and nonpublic school pupils by the board of the resident district in an amount equal to $80 plus 75% of the difference between $80 and the previous school year's statewide average per pupil transportation cost, as determined by the department of education. However, a parent or guardian shall not receive reimbursement for furnishing transportation for more than 3 family members who attend elementary school and one family member who attends high school **(285.1(3)).**

Claims for Nonpublic Transportation Reimbursements

The costs of providing transportation to nonpublic school pupils as provided in section 285.1 shall not be included in the computation of district cost under chapter 257, but shall be shown in the budget as an expense from miscellaneous income. Any transportation reimbursements received by a local school district for transporting nonpublic school pupils shall not affect district cost limitations of chapter 257. The reimbursements provided in this section are miscellaneous income as defined in section 257.2 **(285.2(2)).**

Claims for reimbursement shall be made to the department of education by the public school district providing transportation or transportation reimbursement during a school year on a form prescribed by the department, and the

claim shall state the services provided and the actual costs incurred. A claim shall not exceed the average transportation costs of the district per pupil transported except as otherwise provided. If transportation is provided under section 285.1, subsection 3, the amount of a claim shall be determined under section 285.3 regardless of the average transportation costs of the district per pupil transported **(285.2(3)"a").**

Claims shall be allowed where practical, and at the option of the public school district of the pupil's residence, subject to approval by the area education agency of the pupil's residence, under section 285.9, subsection 3, the public school district of the pupil's residence may transport a pupil to a school located in a contiguous public school district outside the boundary lines of the public school district of the pupil's residence **(285.2(4)"a").**

The public school district of the pupil's residence may contract with the contiguous public school district or with a private contractor under section 285.5 to transport the pupils to the school of attendance within the boundary lines of the contiguous public school district. The public school district in which the pupil resides may contract with the contiguous public school district or with a private contractor under section 285.5 to transport the pupil from the pupil's residence or from designated school bus collection locations to the school located within the boundary lines of the contiguous public school district, subject to the approval of the AEA of the pupil's residence. The public school district of the pupil's residence may utilize the reimbursement provisions of section 285.1, subsection 3 **(285.2(4)"b").**

Discretionary Transportation Services and Charges

Boards in their discretion may provide transportation for some or all resident pupils attending public school or pupils who attend nonpublic schools who are not entitled to transportation. Boards in their discretion may collect from the parent or guardian of the pupil not more than the pro rata cost for such optional transportation, determined as provided in subsection 12 **(285.1(1)"c").**

Pupils whose residence is within 2 miles of an established stop on a bus route are within the area served by the bus and are not eligible for parent or private transportation at public expense to the school served by the bus, except as follows:

a. Bus is fully loaded.

b. Physical handicap makes bus transportation impractical.

All parents or guardians who are required by their school district to furnish transportation for their children up to 2 miles to an established stop on a bus route shall be reimbursed pursuant to Iowa Code subsection 285.1(4) **(IAC 281—43.1(3)).**

Boards in districts operating buses may in their discretion transport senior citizens, children, persons with disabilities, and other persons and groups, who are not otherwise entitled to free transportation, and shall collect the pro rata cost of transportation. Transportation under this subsection shall not be provided when the school bus is being used to transport pupils to or from school unless the board determines that such transportation is desirable and will not interfere with or delay the transportation of pupils **(285.1(21)).**

The board, in its discretion, may furnish a school bus and services of a qualified driver to an organization of, or sponsoring activities for, senior citizens, children, persons with disabilities, or other persons and groups in this state. The board shall charge and collect an amount sufficient to reimburse all costs of furnishing the bus and driver except when the bus is used for transporting pupils to and from extracurricular activities sponsored by the school. A school bus shall be used as provided in this subsection only at times when it is not needed for transportation of pupils **(285.10(9)).**

The board, in its discretion, may furnish a school bus and services of a qualified driver for transportation of persons other than pupils to activities in which pupils from the school are participants or are attending the activity or for which the school is a sponsor. The board shall charge and collect an amount sufficient to reimburse all costs of furnishing the bus and driver. A school bus shall be used as provided in this subsection only at times when it is not needed for transportation of pupils **(285.10(10)).**

School buses may be used by an organization of, or sponsoring activities for, senior citizens, children, persons with disabilities, and other persons and groups, and for transportation of persons other than pupils to activities in which pupils from the school are participants or are attending the activity or for which the school is a sponsor under the following conditions:

a. The "school bus" signs shall be covered and the flashing warning lamps and stop arm made inoperable when the bus is being used in a nonschool-sponsored activity.

b. Transportation outside the state of Iowa shall not be provided without the approval of the Federal Motor Carrier Safety Administration of the United States Department of Transportation.

c. A chaperone shall accompany each bus to assist the passengers in boarding and disembarking from the bus and to aid them in case of illness or injury.
d. The driver of the bus shall be approved by the local board of education and must possess an appropriate driver's license and a school bus driver's authorization.
e. The driver of the bus shall observe the maximum speed limits for school buses at all times **(IAC 281--43.10(5)).**

The use of school buses shall be restricted to transporting pupils to and from school and to and from extracurricular activities sponsored by the school when such extracurricular activity is under the direction of a qualified member of the faculty and a part of the regular school program and to transporting other persons to the extent permitted by section 285.1, subsection 1, and section 285.10, subsections 9 and 10. School employees of districts operating buses may be transported to and from school and approved activities which they are required to attend as a result of their responsibilities. Provided, however, nothing in this subsection shall prohibit the use of school buses in transporting a school teacher going to and from the teacher's school when such school is on an established school bus route and such teacher makes arrangements with the district operating such school bus **(285.11(6)).**

Transportation for which the pro rata cost or other charge is collected shall not be provided outside the state of Iowa except in accordance with rules adopted by the department of education in accordance with chapter 17A. The rules shall take into account any applicable federal requirements **(285.1(20)).**

Public school teachers who are transported should be included in the average number transported and should be charged the pro rata cost by the transporting district **(IAC 281--43.11).**

Postsecondary Enrollment Transportation

The parent or legal guardian of an eligible student who has enrolled in and is attending an eligible postsecondary institution under chapter 261E [Senior Year Plus Program] shall furnish transportation to and from the eligible postsecondary institution for the student **(261E.6(5)).**

Open Enrollment Transportation

Notwithstanding section 285.1 relating to transportation of nonresident pupils, the parent or guardian is responsible for transporting the pupil without reimbursement to and from a point on a regular school bus route of the receiving district. For purposes of this subsection, *"a point on a regular school bus route of the receiving district"* includes any school bus stop on the regular school bus route of the receiving district that existed prior to road construction that necessitates a change in the regular school bus route, whether or not the change in the regular school bus route resulting from the road construction necessitates sending school vehicles from the receiving district into the district of residence in order to safely, economically, or efficiently transport students to or from the preexisting point **(282.18(10)"a").**

A receiving district may send school vehicles into the district of residence of the pupil using the open enrollment option under section 282.18, for the purpose of transporting the pupil to and from school in the receiving district, if the boards of both the sending and receiving district agree to this arrangement **(282.18(10)"b").**

The parent or guardian of a pupil who has been accepted for open enrollment shall be responsible to transport the pupil without reimbursement, except as provided in subrule 17.9(2), to and from a point on a regular school bus route of the receiving district. This point shall be a designated stop on the bus route of the receiving district. If this point—designated stop--is within the distances established by Iowa Code section 285.1 from the school designated for attendance by the receiving district, that district may, but is not required to, provide transportation for an open enrollment pupil. A receiving district may send buses into a resident district solely for the purpose of transporting an open enrollment pupil if the boards of both the sending and receiving districts agree to this arrangement. Bus routes that are outside the boundary of the receiving district that have been authorized by an AEA board of directors, as provided by Iowa Code subsection 285.9(3), may be used to transport open enrollment pupils if boards of directors of the resident and receiving districts have both taken action to approve such an arrangement. Bus routes that have been established by the receiving district for the purpose of transporting nonpublic school or special education pupils that operate in the resident district of an open enrollment pupil shall not be utilized for the transportation of such pupil for the portion of the route that is within the resident district unless the boards of directors of the resident and receiving districts have both taken action to approve such an arrangement. Bus routes transporting pupils for the purpose of whole-grade sharing shall not be used to transport open enrollment pupils for the portion of the route that is within the

resident district unless the boards of directors of the resident and receiving districts have both taken action to approve such an arrangement **(IAC 281--17.9(1)).**

If the pupil meets the economic eligibility requirements established by the department and state board of education, the sending district is responsible for providing transportation or paying the pro rata cost of the transportation to a parent or guardian for transporting the pupil to and from a point on a regular school bus route of a contiguous receiving district unless the cost of providing transportation or the pro rata cost of the transportation to a parent or guardian exceeds the average transportation cost per pupil transported for the previous school year in the district. If the cost exceeds the average transportation cost per pupil transported for the previous school year, the sending district shall only be responsible for that average per pupil amount. A sending district which provides transportation for a pupil to a contiguous receiving district under subsection 282.18(10) may withhold, from the district cost per pupil amount, that is to be paid to the receiving district, an amount which represents the average or pro rata cost per pupil for transportation, whichever is less **(282.18(10)"c").**

Open enrollment pupils that meet the economic eligibility requirements established by the department of education shall receive transportation assistance from their resident district under the following conditions. The resident district is not required to provide any transportation assistance for a pupil involved in open enrollment with a district that is not contiguous with the pupil's resident district. The resident district shall provide transportation for the pupil to a point that is a designated stop on a regular bus route of a contiguous receiving district, or as an alternative, the resident district shall pay the parent or guardian for providing this transportation. In either situation the resident district is not obligated to expend more than the average cost per pupil transported amount established for that district for the previous school year. If the resident district provides the transportation, it shall determine that it is able to perform this function at a cost not in excess of the average cost per pupil transported for the resident district as established the previous year. It shall not assess any additional cost to the parent or guardian for providing transportation. If the district chooses to reimburse the parent or guardian for providing transportation, to determine the amount to be reimbursed, the district shall use the provisions of Iowa Code subsection 285.1(3). This reimbursement shall not exceed the average cost per pupil transported for the resident district as established the previous year. The resident district may withhold from the amount it is required to pay to a receiving district for an open enrollment pupil the actual amount or the average cost per pupil transported amount it pays for transportation assistance, whichever is the lesser amount **(IAC 281--17.9(2)).**

A parent or guardian shall be eligible for transportation assistance from the resident district if the household income of the parent or guardian is at or below 160 percent of the federal income poverty guidelines as stated by household size. Since the federal income poverty guidelines are adjusted each year, the department of education shall provide revised eligibility guidelines to school districts each year **(IAC 281--17.9(3)).**

The resident district may deduct any transportation assistance funds for which the pupil is eligible as provided by subrule 17.9(2) **(IAC 281--17.10(4)).**

Inclement Weather and Safety

Transportation service may be suspended upon any day or days due to the inclemency of the weather, conditions of roads, or the existence of other conditions, by the board of the school district operating the buses, when in their judgment it is deemed advisable and when the school or schools are closed to all children **(285.1(8)).**

Suspension does not mean that if one bus cannot run because of bad roads the school shall be closed. It does mean that if all buses do not run there shall be no school **(OAG #57-9-30(L)).**

A school board is allowed to suspend student transportation services only if the board determines that weather, road, or other conditions make running the buses unadvisable and the district schools are closed **(OAG #93-11-8(L)).**

The board shall include in its rules provisions regulating the loading and unloading of pupils from a school bus stopped on the highway during a period of reduced highway visibility caused by fog, snow or other weather conditions **(279.8).**

Restricted loading and unloading areas shall be established for school buses at, or near, schools **(IAC 281--43.42).**

At least twice during each school year, each pupil who is transported in a school vehicle shall be instructed in safe riding practices and participate in emergency evacuation drills **(IAC 281--43.40).**

Cities and counties shall have the power to establish school zones and provide for the stopping of all motor vehicles approaching the school zones, when movable stop signs have been placed in the streets in such cities and highways in counties at the limits of the zones, notwithstanding the provisions of any statute to the contrary. All traffic-control devices provided for school zones shall conform to specifications included in the manual of traffic-control devises adopted by the department of transportation, except the provision prohibiting the use of portable or part-time stop signs **(321.249).**

A city council may close a street during any portion of a school day as a safety measure for the protection of children, and the city is not liable for any damages, providing it erects a sufficient barrier to warn the public that the street is closed **(OAG #30-12-5(L)).**

Calculating Pro Rata (Per Pupil) Costs and Charges

The pro rata cost of transportation shall be based upon the actual cost for all the children transported in all school buses. It shall include one-seventh of the original net cost of the bus and other items as determined and approved by the director of the department of education but no part of the capital outlay cost for school buses and transportation equipment for which the school district is reimbursed from state funds or that portion of the cost of the operation of a school bus used in transporting pupils to and from extracurricular activities shall be included in determining the pro rata cost. In a district where, because of unusual conditions, the cost of transportation is in excess of the actual operating cost of the bus route used to furnish transportation to nonresident pupils, the board of the local district may charge a cost equal to the cost of other schools supplying such service to that area, upon receiving approval of the director of the department of education **(285.1(12)).**

A district's average transportation costs per pupil shall be determined by dividing the district's actual cost for all children transported in all school buses for a school year pursuant to subsection 285.1(12), less the amount received for transporting nonpublic school pupils under section 285.1, by the district's actual enrollment for the school year excluding the shared-time enrollment for the school year as defined in section 257.6. The state average transportation costs per pupil shall be determined by dividing the total actual costs for all children transported in all districts for a school year, by the total of all districts' actual enrollments for the school year **(257.31(17)).**

Transporting school districts which use their equipment for activity trips, or educational tours, or other types of transportation services as permitted in Iowa Code sections 285.10(9) and 285.10(10), must deduct the cost of trips from the total yearly transportation cost. In other words, costs may not be included in the pro rata costs which determine the charge to sending districts **(IAC 281—43.9).**

Accurate and complete accounting records must be kept so that the cost of transportation to and from school may be ascertained **(IAC 281—43.9).**

Failure to Pay Transportation Costs

When a local board fails to pay transportation costs due to another school for transportation service rendered, the board of the creditor corporation shall file a sworn statement with the AEA board specifying the amount due. The agency board shall check such claim and if the claim is valid shall certify to the county auditor. The auditor shall transmit to the county treasurer an order directing the county treasurer to transfer the amount of such claim from the funds of the debtor corporation to the creditor corporation and the treasurer shall pay the same accordingly **(285.1(13)).**

Iowa Code section 282.21 sets up the method for the collection of tuition fees owed from one local board to another but not paid, and subsection 285.1(13) provides the method of collection of transportation costs **(OAG #52-2-7(L)).**

SBRC Transportation Aid

If a district's average transportation costs per pupil exceed the state average transportation costs per pupil determined under paragraph "c" by 150%, the school budget review committee (SBRC) may grant transportation assistance aid to the district. To be eligible for transportation assistance aid, a school district shall annually certify its actual cost for all children transported in all school buses not later than July 31 after each school year on forms prescribed by the committee. A district's average transportation costs per pupil shall be determined by dividing the district's actual cost for all children transported in all school buses for a school year pursuant to subsection 285.1(12), less the amount received for transporting nonpublic school pupils under section 285.1, by the district's actual enrollment for the school year excluding the shared-time enrollment for the school year as defined in section 257.6. The state average

transportation costs per pupil shall be determined by dividing the total actual costs for all children transported in all districts for a school year, by the total of all districts' actual enrollments for the school year **(257.31(17)).**

Funds transferred to the SBRC in accordance with subsection 321.34(22) are appropriated to and may be expended for the purposes of the committee, as described in this section. However, highest priority shall be given to districts that meet the conditions described in this subsection **(257.31(17)"d").**

An owner upon written application to the department of transportation, may order special registration plates with an education emblem. The education emblem shall be designed by the department in cooperation with the department of education **(321.34(22)"a").**

Bus Routes

The establishment and operation of bus routes and the contracting for transportation shall be based upon the following considerations:

1. Each bus route shall be planned and adjusted to utilize the normal seating capacity of each bus insofar as it is possible to do so.
2. Each bus route shall serve only those pupils living in those areas where transportation by bus is the most economical method for providing adequate transportation facilities.
3. A route shall not be extended for the purpose of accommodating pupils whose homes are nearer another bus route.
4. Special contracts for transportation of pupils entitled to transportation shall be entered into only when it is more economical to make such special provision than to provide same by regular bus route, or when by reason of physical or mental disability of the pupil such pupil cannot be transported with safety by bus.
5. The boards shall take advantage of all tax exemptions on fuel, equipment, and of such other economies as are available.
6. The use of school buses shall be restricted to transporting pupils to and from school and to and from extracurricular activities sponsored by the school when such extracurricular activity is under the direction of a qualified member of the faculty and a part of the regular school program and to transporting other persons to the extent permitted by section 285.1, subsection 1, and section 285.10, subsections 9 and 10. School employees of districts operating buses may be transported to and from school and approved activities which they are required to attend as a result of their responsibilities. Provided, however, nothing in this subsection shall prohibit the use of school buses in transporting a school teacher going to and from the teacher's school when such school is on an established school bus route and such teacher makes arrangements with the district operating such school bus.
7. No bus shall leave the public highway to receive or discharge pupils unless their safety is enhanced thereby, or the private road is maintained in the same manner as a public roadway.
8. Bus routes shall be established only to give service to properly designated pupils **(285.11).**

Bus routes within the boundaries of transporting districts as well as within designated areas must be as efficient and economical as possible under existing conditions. Duplication of service facilities shall be avoided insofar as possible **(IAC 281—43.1(1)).**

A route shall provide a load of at least 75 percent capacity of the bus **(IAC 281—43.1(2)).**

The riding time, under normal conditions, from the designated stop to the attendance center, or on the return trip, shall not exceed 75 minutes for high school pupils or 60 minutes for elementary pupils. (These limits may be waived upon request of the parents.) **(IAC 281—43.1(3)).**

Transporting districts shall arrange routes to provide the greatest possible convenience to the pupils. Distance pupils who are required to transport themselves to meet the bus shall be kept to the minimum consistent with road conditions, uniform standards and legal requirements for locating bus routes **(IAC 281—43.1(5)).**

Each bus route shall be reviewed annually for safety hazards **(IAC 281—43.1(6)).**

Bus Drivers

When school buses are used to transport pupils, the bus shall be driven by a regularly approved driver holding an appropriate driver's license and a school bus driver's authorization. In addition, the buses must be accompanied by a member of the faculty or other employee of the school or a parent or other adult volunteer as authorized by a school

administrator who will be responsible for the conduct and the general supervision of the pupils on the bus and at the place of the activity. If the faculty member is an approved driver, that person can act both as a driver and faculty sponsor **(IAC 281--43.10(4)).**

The driver of a school bus shall hold a driver's license issued by the department of transportation valid for the operation of the school bus and a certificate of qualification for operation of a commercial motor vehicle issued by a physician or osteopathic physician licensed pursuant to chapter 148, physician's assistant, advanced registered nurse practitioner, or chiropractor or any other person identified by federal and state law as authorized to perform physical examinations, and shall successfully complete an approved course of instruction in accordance with subsection 3. A person holding a temporary restricted license issued under chapter 321J shall be prohibited from operating a school bus **(321.376(1)).** The department of education shall refuse to issue an authorization to operate a school bus to any person who, after notice and opportunity for hearing, is determined to have committed any of the acts proscribed under section 321.375, subsection 3. The department of education shall take adverse action against any person who, after notice and opportunity for hearing, is determined to have committed any of the acts proscribed under section 321.375, subsection 3. Such action may include a reprimand or warning of the person or the suspension or revocation of the person's authorization to operate a school bus. The department of education shall recommend, and the state board of education shall adopt under chapter 17A, rules and procedures for issuing and suspending or revoking authorization to operate a school bus in this state. Rules and procedures adopted shall include but are not limited to provisions for the revocation or suspension of, or refusal to issue, authorization to persons who are determined to have met any of the grounds listed under section 321.375, subsection 3 **(321.376(2)).**

A person applying for employment or employed as a school bus driver shall successfully complete a department of education approved course of instruction for school bus drivers before or within the first 6 months of employment and at least every 24 months thereafter. If an employee fails to provide an employer with a certificate of completion of the required school bus driver's course, the driver's employer shall report the failure to the department of education and the employee's authorization to operate a school bus shall be revoked. The department of education shall send notice of the revocation to both the employee and the employer. A person whose school bus authorization has been revoked under this section shall not be issued another authorization until certification of the completion of an approved school bus driver's course is received by the department of education **(321.376(3)).**

All bus drivers for school-owned equipment shall be under contract with the board **(285.5(9)).** All contracts for transportation service and for drivers of school-owned and operated buses shall be made with someone outside the board except where no other transportation service is available, a board member may transport the member's own children **(285.5(7)).**

A driver of a school bus must meet all of the following requirements:

a. Be at least 18 years of age.
b. Be physically and mentally competent.
c. Not possess personal or moral habits which would be detrimental to the best interests of the safety and welfare of the children transported.
d. Possess a current certificate of qualification for operation of a commercial motor vehicle issued by a physician licensed pursuant to chapter 148, physician's assistant, advanced registered nurse practitioner, or chiropractor or any other person identified by federal and state law as authorized to perform physical examinations **(321.375(1)).**

Prior to hiring an applicant for a school bus driver position, including a contract position, an employer shall have access to and shall review the information in the Iowa court information system available to the general public, the sex offender registry information under section 692A.121 available to the general public, the central registry for child abuse information established under section 235A.14, and the central registry for dependent adult abuse information established under section 235B.5 for information regarding the applicant. An employer shall follow the same procedure upon the renewal of an employee's or contract employee's school bus driver's license issued by the department of transportation valid for the operation of a school bus. An employer shall pay for the cost of the registry checks conducted pursuant to this subsection. An employer shall maintain documentation demonstrating compliance with this subsection **(321.375(2)).**

Any of the following shall constitute grounds for the immediate suspension from duties of a school bus driver, including a part-time or substitute bus driver, pending a termination hearing by the board of directors of a public school district or the authorities in charge in a nonpublic school, or pending confirmation of the grounds by the employer of the school bus driver if the employer is not a school district or accredited nonpublic school:

a. Use of nonprescription controlled substances or alcoholic beverages during working hours.
b. Operating a school bus while under the influence of nonprescription controlled substances or alcoholic beverages.

c. Fraud in the procurement or renewal of a school bus driver's authorization to operate a school bus.
d. The commission of or conviction for a public offense as defined by the Iowa criminal code, if the offense is relevant to and affects driving ability, or if the offense includes sexual involvement with a minor student with the intent to commit acts and practices proscribed under sections 709.2 through 709.4, section 709.8, and sections 725.1 through 725.3, or is a violation of the rules of the department of education adopted to implement section 280.17.
e. The school bus driver is listed in the sex offender registry established under chapter 692A, the central registry for child abuse information established under section 235A.14, or the central registry for dependent adult abuse information established under section 235B.5. A termination hearing conducted pursuant to this paragraph shall be limited to the question of whether the school bus driver was incorrectly listed in the registry.
a. A change in circumstances indicating that the driver is no longer physically or mentally competent. For the purpose of an insulin-dependent diabetic, a change in circumstances includes the following:
    1) Results of a glycosylated hemoglobin test indicating values less than 6.0 percent or greater than 9.5 percent unless accompanied by the required medical opinion that the event was incidental and not an indication of failure to control glucose levels.
    2) Results of self-monitoring indicate glucose levels less than one hundred milligrams per deciliter or greater than three hundred milligrams per deciliter, until self-monitoring indicates compliance with specifications.
    3) Experiencing a loss of consciousness or control relating to diabetes.
    4) Failing to maintain or falsifying the required reports **(321.375(3)).**

Notwithstanding any provision to the contrary, an insulin-dependent diabetic may qualify under subsection 1, paragraph *"d"*, for purposes of operating a school bus under this section if a person identified by federal or state law as authorized to perform physical examinations annually provides a signed statement indicating that based upon an annual physical examination the individual is physically able to perform the required functions despite insulin dependency. The insulin-dependent diabetic shall not qualify to operate a school bus if, at minimum, the individual results of a glycosylated hemoglobin test indicate values less than 6.0 percent or greater than 9.5 percent on other than an incidental basis and not as a result of failure to control glucose levels. The statement shall also indicate that within the past three years the insulin-dependent diabetic has completed instruction to address diabetes management and driving safety, signs and symptoms of hypoglycemia and hyperglycemia, and what procedures must be followed if complications arise **(321.375(4)"a").**

A school district or authorities in charge of the nonpublic school that employs or otherwise secures the services of an individual with an authorization who is an insulin-dependent diabetic shall monitor the insulin-dependent diabetic to determine that they are in compliance with all of the following:

1) Self-monitoring blood glucose and demonstrating conformance with requirements, more than one hundred milligrams per deciliter and less than three hundred milligrams per deciliter, within one hour before driving a school bus and approximately every four hours while on duty using a United States food and drug administration approved device.
2) Reporting immediately to the school district or school any failure to comply with specific glucose level requirements as listed in subparagraph (1) or loss of consciousness or control.
3) Carrying a source of readily absorbable, fast-acting glucose while on duty.
4) Maintaining a daily log of all glucose test results for the previous six-month period and providing copies to the school district or school, the examining physician, and the department of education upon request.
5) Submitting all required department of education forms within the prescribed timelines **(321.375(4)"a").**

The driver of the bus shall observe the maximum speed limits for school buses at all times **(IAC 281—43.10(5)"e").**

General character and emotional stability are qualities which must be given careful consideration by boards of education in the selection of school bus drivers. Elements that should be considered in setting a character standard are:

1. Reliability or dependability.
2. Initiative, self-reliance, and leadership.
3. Ability to get along with others.
4. Freedom from use of undesirable language.
5. Personal habits of cleanliness.
6. Moral conduct above reproach.
7. Honesty.
8. Freedom from addiction to narcotics or habit-forming drugs.
9. Freedom from addiction to alcoholic beverages or liquors **(IAC 281—43.12).**

Factors to be considered in determining emotional stability are:

1) Patience.
2) Considerateness.
3) Even temperament.
4) Calmness under stress **(IAC 281—43.13).**

School bus drivers must be at least 18 years of age on or before August 1 preceding the opening of the school year for which a school bus driver's authorization is required **(IAC 281—43.14).**

Except for insulin-dependent diabetics, an applicant for a school bus driver's authorization must undergo a biennial physical examination by a licensed physician or surgeon, osteopathic physician or surgeon, osteopath, qualified doctor of chiropractic, licensed physician assistant, or advanced registered nurse practitioner. The applicant must submit annually to the applicant's employer the signed medical examiner's certificate (pursuant to Federal Motor Carrier Safety Administration regulations 49 CFR Sections 391.41 to 391.49), indicating, among other requirements, sufficient physical capacity to operate the bus effectively and to render assistance to the passengers in case of illness or injury, and freedom from any communicable disease. At the discretion of the chief administrator or designee of the employer or prospective employer, the chief administrator or designee shall evaluate the applicant's ability in operating a school bus, including all safety equipment, in providing assistance to passengers in evacuation of the school bus, and in performing other duties required of a school bus driver **(IAC 281—43.15).**

A person who is an insulin-dependent diabetic may qualify to be a school bus driver if the person meets all qualifications of Iowa Code subsection 321.375(3). Such driver is subject to an annual physical examination by a qualified medical examiner as listed in rule 281—43.15(285) **(IAC 281—43.17).**

Every school bus driver shall carry a copy of the driver's school bus driver's authorization at all times when the driver is acting in that capacity. **(IAC 281—43.18).**

No driver applicant shall be employed or allowed to transport students until the board determines that the applicant has an acceptable driving record, demonstrates the ability to safely operate the vehicle(s) representative of the vehicle(s) required to be operated during employment and is knowledgeable of traffic laws and regulations pertaining to the operation of a school bus. **(IAC 281—43.21).**

Driver restrictions.
1) The driver of a school bus shall not smoke on the bus or on any school property.
2) The driver shall not permit firearms to be carried in the bus.
3) The driver shall not fill the fuel tank while the motor is running or when there are passengers on the bus.
4) The driver shall ensure that aisles and exits are not blocked **(IAC 281—43.38).**

Transportation Vehicles

A vehicle which carries liquefied petroleum gas fuel or natural gas, as a fuel source for the vehicle, in a concealed area, including but not limited to trunks or compartments located in or under the vehicle, shall display on the left rear and right front bumpers of the vehicle a standard abbreviation or symbol, approved by the department of public safety, which indicates liquefied petroleum gas fuel or natural gas is a fuel source for the vehicle. The owner of the vehicle which is fueled by natural gas or liquefied petroleum gas shall be responsible for the placement of the approved abbreviation or symbol on the vehicle. A person shall not dispense liquefied petroleum gas fuel or natural gas into a tank in a concealed area of a vehicle unless the vehicle complies with this requirement. A person who violates this section is guilty of a simple misdemeanor. **(101.11).**

A refund is allowable for the tax on motor fuel or undyed special fuel sold directly to and used for the following: a school district which is used for a public purpose, including fuel sold for the transportation of pupils of approved public and nonpublic schools by a carrier who contracts with the public school under section 285.5 **(452A.17(1)"a"(3)).**

All publicly owned motor vehicles shall bear at least two labels in a conspicuous place, one on each side of the vehicle. This label shall be designed to cover not less than one square foot of surface **(721.8).**

A motor vehicle purchased by or used under the direction of the board of directors to provide services to a school corporation shall not operate on gasoline other than ethanol blended gasoline blended as defined in section 214A.1. The motor vehicle shall also be affixed with a brightly visible sticker which notifies the traveling public that the motor vehicle is being operated on ethanol blended gasoline **(279.34).**

All diesel fuel sold for or used in vehicles designed for transporting persons or property on a street or highway must contain not more than 0.05 percent by weight of sulfur content. This mandate includes diesel fuels sold and used in school transportation vehicles **(40 CFR 80, 29, 86).**

Every motor vehicle, trailer, and semitrailer when driven or moved upon a highway shall be subject to the vehicle registration provisions of chapter 321 except any school bus in this state used exclusively for the transportation of pupils to and from school or a school function or for the purposes provided in subsection 285.1(1) and subsection 285.10(9), or used exclusively for the transportation of children enrolled in a federal head start program. Upon application the department of transportation shall, without charge, issue a registration certificate and registration plates. Such plates shall be attached to the front and rear of each bus exempt from registration **(321.18(7)).**

The provisions of sections 321.372 to 321.380, shall apply to all public and nonpublic schools where children are transported to and from school **(321.378).**

A school board, individual, or organization shall not purchase, construct, or contract for use, to transport pupils to or from school, any school bus which does not comply with the minimum requirements of section 321.373 and any individual, or any member or officer of such board or organization who authorizes, the purchase, construction, or contract for any such bus not complying with these minimum requirements commits a simple misdemeanor **(321.379).**

It shall be the duty of all peace officers and of the state patrol to enforce the provisions of sections 321.372 to 321.379 **(321.380).**

Every school bus except private passenger vehicles used as school buses shall be constructed and equipped to meet safety standards prescribed in rules adopted by the state board of education. Such rules shall conform to safety standards set forth in federal laws and regulations and shall conform, insofar as practicable, to the minimum standards for school buses recommended by the national conference on school transportation administered by the national commission on safety education and published by the national education association **(321.373(1)).** Rules prescribed for school buses shall provide standards for structural strength, materials, and insulation of the school bus body; color; seat and aisle arrangement; dimension and construction of service door; control of the front door or doors; emergency door and its location and construction; windows; roof ventilators; heaters; location, filling, and draining of the fuel tank; bumpers and how they shall be attached to the bus; lettering and identification of the bus; stop signal arm; warning lights and flashing lights **(321.373(2).** The rules prescribed for school buses shall include special rules for passenger automobiles, and other vehicles designed to carry 8 or fewer pupils, when used as school buses **(321.373(3).** These rules are found in IAC 281--44.

Every school bus shall be equipped with a comfortable seat for each child **(321.373(4)).**

Seating.

a. Each passenger shall have a comfortable seat.
b. Student passengers shall have a minimum of 13 inches of allowable seating per person.
c. For adult groups, no more than two persons shall occupy a 39-inch seat.
d. Standees are prohibited in all situations, whether the bus is transporting students or adults.
e. The maximum number of passengers shall never exceed the rated capacity of the vehicle as it is equipped **(IAC 281—43.10(6)).**

A school bus may be equipped with a white flashing strobe light mounted on the roof of the bus to afford optimum visibility during periods of inclement weather. The light shall be installed and operated in accordance with rules. Each new school bus put into initial service after January 1, 1977, shall be equipped with such a light **(321.373(7)).**

No vehicle shall be put into service as a school bus until it is given an original inspection to determine if it meets all legal and established uniform standards of construction for the protection of the health and safety of children to be transported. Vehicles which are approved shall be issued a seal of approval by the director of the department of education. All vehicles used as school buses shall be given a safety inspection at least once a year. Buses passing the inspection shall be issued an inspection seal of approval by the director of the department of education. The seal of original inspection and the annual seal of inspection shall be affixed to the lower right hand corner of the windshield **(321.374).**

Each school bus shall have a two-way communications system or cellular telephone capable of emergency communication between the driver of the bus and the school's base of operations for school transportation **(IAC 281—43.43).**

To facilitate the semiannual inspection program, school and school district officials shall send their buses to inspection centers as scheduled. A sufficient number of drivers or other school personnel shall be available at the inspection to operate the equipment for the inspectors. The fee for each vehicle inspected shall be $20 effective July 1, 2005; $25 effective July 1, 2007; and $28 effective July 1, 2009 **(IAC 281--43.30).** School officials shall cause the chassis of all buses and allowable alternative vehicles, whether publicly or privately owned, to be inspected annually and all necessary repairs made before the vehicle is put into service. The inspection and repairs shall be recorded on a form prescribed by the Department of Education. The completed form shall be signed by the mechanic and carried in the glove compartment of the bus **(IAC 281--43.31).**

A pre-trip inspection of each school bus shall be performed and recorded prior to each trip. A written report shall be submitted promptly to the superintendent of schools, transportation supervisor, school bus mechanic, or other person charged with the responsibility for the school transportation program, if any defects or deficiencies are discovered that may affect the safety of the vehicle's operation or result in its mechanical breakdown. A post-trip inspection of the interior of the school bus shall be performed after each trip **(IAC 281--43.41).**

Any person who operates or permits to be operated as a school bus to transport pupils, any vehicle which does not comply with the requirements provided by law or by the rules and regulations of the department of education, or for which there is not a valid temporary certificate for operation, shall be guilty of a simple misdemeanor. A vehicle used for an approved driver education course in which the driver education teacher transports driver education students from their residences for street or highway driving is not a school bus **(285.14).**

Contracts and Common Carriers

The public school district may meet the requirements of providing transportation by contracting with private parties as provided in section 285.5. However, contracts shall not provide payment in excess of the average per pupil transportation costs of the school district for that year **(285.1(17)"b").**

Where transportation by school bus is impracticable or not available or other existing conditions warrant it, arrangements may be made for use of common carriers according to uniform standards established by the director of the department of education and at a cost based upon the actual cost of service and approved by the board **(285.1(5)).**

All private contractors wishing to transport pupils to and from school in privately owned vehicles must be under contract with the board of education. This requirement will not apply to individuals who transport their own children or other children on a not-for-hire basis. The contract form used shall be that provided by the department of education **(IAC 281--43.3).** The contract must provide for a uniform charge for all pupils transported. No differentiations may be made between pupils of different districts except as provided in Iowa Code section 285.1(12) **(IAC 281--43.4).** The contractor may not arrange with individual families for transportation. The contractor undertakes to transport only those families indicated by the board of education **(IAC 281--43.5).** Parents, guardians, or custodians undertaking to transport other children for hire, in addition to their own, are private contractors. These individuals must be under contract, and must obtain an appropriate driver's license and a school bus driver's authorization **(IAC 281--43.6).** Any vehicle used, other than that used by individuals to transport their own children or other children on a not-for-hire basis, is considered to be a school bus and must meet all requirements for the type of vehicle used. (This requirement is not intended to restrict the use of passenger cars during the time the vehicles are not actually engaged in transporting school pupils.) **(IAC 281--43.7).**

a. Contracts for school bus service with private parties shall be in writing and be for the transportation of children who attend public school and children who attend nonpublic school. Such contracts shall define the route, the length of time, service contracted for, the compensation, and the vehicle to be used. The contract shall prescribe the duties of the contractor and driver of the vehicles and shall provide that every person in charge of a vehicle conveying children to and from school shall be at all times subject to any rules said board shall adopt for the protection of the children, or to govern the conduct of the persons in charge of said conveyance. Contracts may be made for a period not to exceed 3 years.
b. The contract shall provide that the contractor will sell the equipment to the board should the contractor desire to terminate the contract, provided the board should desire to purchase said equipment, the price of the equipment to be determined by an appraisal board composed of one person appointed by the school board, one appointed by the owner of the equipment, and a third selected by these two **(285.5(1)).**

The contractor shall operate the vehicle or provide a driver who must be approved by the board. The contractor and driver shall be subject to all laws and prescribed standards for school bus drivers. Failure to comply shall constitute grounds for dismissal of the driver or cancellation of the contract if the board so desires **(285.5(2)).**

All vehicles of transportation provided by contractor shall be inspected, approved and certified before being put into operation **(285.5(3)).**

All contracts may be terminated by either party on a ninety-day notice **(285.5(4)).**

The director of the department of education shall prepare a uniform contract containing provisions not in conflict with this chapter which shall be used by all schools in contracting for transportation service **(285.5(5)).**

All contractors shall carry liability insurance in amounts and kind as provided in the official contract **(285.5(6)).**

All contracts for transportation service and for drivers of school-owned and operated buses shall be made with someone outside the board except where no other transportation service is available, a board member may transport the member's own children **(285.5(7)).**

Private buses other than common carriers not used exclusively in transportation of pupils while under contract to a school district shall meet all requirements for school-owned buses, as to construction and operation **(285.5(8)).**

All bus drivers for school-owned equipment shall be under contract with the board. The director of the department of education shall prepare a uniform contract containing provision not in conflict with this chapter which shall be used by all school boards in contracting with drivers of school-owned vehicles **(285.5(9)).**

Transportation authorized by chapter 285 is exempt from all laws of this state regulating common carriers **(285.1(19)).**

Vehicles owned by private parties and used as school buses shall have reversed or covered the words "school bus" wherever they appear on the vehicle when the vehicle is not in use as a school bus. It shall be unlawful to operate flashing stop warning signals on such privately owned vehicles except as provided in section 321.372 **(321.373(5)).**

A vehicle operated by a regional transit system as defined in section 324A.1 may only provide school transportation services pursuant to rules adopted by the state department of transportation in consultation with the department of education **(321.377).**

The board of education shall carry insurance on all school-owned buses and see that insurance is carried by all contractors engaged in transporting pupils for the district in the coverages and limits as determined by the board of education **(IAC 281--43.33).**

The board of education and a contractor who undertakes to transport school pupils for the board, in privately owned vehicles, shall sign a contract substantially similar to that prescribed by the department of education. The contract shall contain the provisions in IAC 281—43.34 **(IAC 281--43.34).**

The board of education and a private individual undertaking to transport school pupils for the board in school district-owned vehicles shall sign a contract substantially similar to that prescribed by the department of education. The contract shall contain the provisions in IAC 281--43.35 **(IAC 281--43.35).**

Common Carrier Vehicles.
a. The vehicles need not be painted yellow and black as required for conventional school buses.
b. The vehicles shall, while transporting children to and from school, be equipped with temporary signs, located conspicuously on the front and back of the vehicle. The sign on the front shall have the words "School Bus" printed in black letters not less than six inches high, on a background of national school bus glossy yellow. The sign on the rear shall be at least ten square feet in size and shall be painted national school bus glossy yellow, and have the words "School Bus" printed in black letters not less than eight inches high. The yellow is to be in accordance with the colorimetric specification of Federal Standard No. 595a, Color 13432; the black matching Federal Standard 595a, Color 17038. Both the six-inch and eight-inch letters shall be Series "D" as specified in the Standard Alphabet—Federal Highway Administration, 1966 **(IAC 281—43.44(1)).**

Bus standards listed in IAC 281--43.44 are intended to apply to any vehicle operated by a common carrier when used exclusively for student transportation to and from school **(IAC 281—43-44).**

Drivers shall be required to perform daily pre-trip inspections of their vehicles and to report promptly and in writing any defects or deficiencies discovered that may affect the safety of the vehicle's operation or result in its mechanical breakdown in accordance with rule 43.41(285). Vehicles shall be inspected semiannually by personnel of the department of education in accordance with the provisions of Iowa Code section 285.8(4) **(IAC 281—43.44(5)).**

Local school officials shall provide the carrier with passenger conduct rules and the driver shall abide by the policies and procedures established by the local district **(IAC 281—43.44(6)"a").**

Student instruction for passenger safety shall be the responsibility of the local school district as specified in rule 43.40(285) **(IAC 281—43.44(6)"c").**

CHAPTER 15

INFORMATION MANAGEMENT

A Management Information System (MIS) is much more than a data processing system. Data are facts and figures, the raw material of information. Data processing collects in various groupings. An MIS goes beyond data collection. Information is data which are organized and interpreted. An MIS organizes and interprets data into information which can be used by management personnel for planning and decision-making. At a minimum, an MIS should include analysis and simulation or modeling components.

The director of the department of education shall conduct research on education matters **(256.9(9)).**

The school budget review committee (SBRC) may direct the director of the department of education or the director of the department of management to make studies and investigations of school costs in any school district **(257.31(1)).**

The director shall approve, coordinate, and supervise the use of electronic data processing by school districts, AEAs, and merged areas **(256.9(11)).**

The AEA board shall collaborate with the department of education to provide a statewide infrastructure for educational data to create cost efficiencies, provide storage and disaster mitigation, and improve interconnectivity between schools and school districts. In addition, the AEA boards shall work with the department to provide system-wide coordination in the implementation of the statewide longitudinal data system consistent with the federal American Recovery and Reinvestment Act of 2009. The AEAs shall provide support to school districts' information technology infrastructure that is consistent with the statewide infrastructure for the educational data collaborative **(273.2(8)).**

Information Sharing

Interagency Agreements with Juvenile Justice System

1. The board of directors of each public school and the authorities in charge of each accredited nonpublic school shall adopt a policy and the superintendent of each public school shall adopt rules which provide that the school district or school may share information contained within a student's permanent record pursuant to an interagency agreement with state and local agencies that are part of the juvenile justice system. These agencies include, but are not limited to, juvenile court services, the department of human services, and local law enforcement authorities. The disclosure of information shall be directly related to the juvenile justice system's ability to effectively serve, prior to adjudication, the student whose records are being released.
2. The purpose of the agreement shall be to reduce juvenile crime by promoting cooperation and collaboration and the sharing of appropriate information among the parties in a joint effort to improve school safety, reduce alcohol and illegal drug use, reduce truancy, reduce in-school and out-of-school suspensions, and to support alternatives to in-school and out-of-school suspensions and expulsions which provide structured and well-supervised educational programs supplemented by coordinated and appropriate services designed to correct behaviors that lead to truancy, suspension, and expulsions and to support students in successfully completing their education.
3. Information shared under the agreement shall be used solely for determining the programs and services appropriate to the needs of the juvenile or the juvenile's family, or coordinating the delivery of programs and services to the juvenile or the juvenile's family.
4. Information shared by the school district or school under the agreement is not admissible in any court proceedings which take place prior to a disposition hearing, unless written consent is obtained from a student's parent, guardian, or legal or actual custodian.
5. Information shared by another party to the agreement with a school district or school pursuant to an interagency agreement shall not be used as a basis for a school disciplinary action against a student.
6. The interagency agreement shall provide, and each signatory agency to the agreement shall certify in the agreement, that confidential information shared among the parties to the agreement shall remain confidential and shall not be shared with any other person, school, school district, or agency, unless otherwise provided by law.
7. Juvenile court social records may be disclosed in accordance with section 232.147, subsection 7.
8. A school or school district entering into an interagency agreement under this section shall adopt a policy implementing the provisions of the interagency agreement. The policy shall include, but not be limited to, the provisions of the interagency agreement and the procedures to be used by the school or school district to share information from the student's permanent record with participating agencies. The policy shall be published in the student handbook **(280.25).**

Foster Care Transfer of Records

In order to facilitate the educational stability of children in foster care, a school district, upon notification by an agency of the state that a child in foster care is transferring into the school district, shall provide for the immediate and appropriate enrollment of the child. A school district or an accredited nonpublic school, upon notification by an agency of the state that a child in foster care is transferring from the school district or accredited nonpublic school to another school district or accredited nonpublic school, shall promptly provide for the transfer of all of the educational records of the child not later than 5 school days after receiving the notification **(280.29).**

Reporting

It is a duty of the director of the department of education to prepare forms and procedures necessary to be used by AEA boards, district boards, school officials, principals, teachers, and other employees, and to insure uniformity, accuracy, and efficiency in keeping records in both pupil and cost accounting, the execution of contracts, and the submission of reports, and notify the AEA board, district board, or school authorities when a report has not been filed in the manner or on the dates prescribed by law or by rule that the school will not be accredited until the report has been properly filed **(256.9(18)).**

It is the responsibility of the administrative officials and board members to submit information and materials as requested by the department of education, department of management, any other state agency, or any federal agency. Reports shall be filed electronically if an electronic format is available **(IAC 281—99.2).**

All school districts shall submit program plans, reports, or data collections in the manner, by the procedures, and on the dates prescribed by the department of education. Plans, reports, and data collections shall include, but not be limited to, the following:

Vehicle Information System September 1
Annual Transportation Report September 15
Certified Annual Report (CAR-COA) September 15
Special Education Supplement September 15
Facilities, Elections & Save Report September 30
Certified Enrollment Report/PEACE October 15
Certified Supplementary Weighting Report October 15
School Board Officers Report November 1
Annual Audit Report March 31
Certified Budget April 15 **(IAC 281—99.2(1)).**

All AEAs shall submit program plans, reports, or data collections in the manner, by the procedures, and on the dates prescribed by the department of education. Plans, reports, and data collections shall include, but not be limited to, the following:

Certified Annual Report (CAR-COA) September 15
Facilities Report September 30
Certified Supplementary Weighting Report October 15
School Board Officers Report November 1
Proposed Budget March 15
Annual Audit Report March 31 **(IAC 281—99.2(2)).**

If any plan, report, or data collection has not been received by the due date of the form or by the due date of a valid extension granted by the department of education, the following procedure shall be followed:
a. The superintendent of the school district or the administrator of the area education agency, and the president of the applicable board, shall be notified of the unfiled report and the number of days it is past due.
b. The state board of education, the SBRC, or the Iowa board of educational examiners may be notified of the school districts or AEAs which were not timely in filing one or more reports.
c. The SBRC may implement the procedures described in 289—subrule 6.3(5) **(IAC 281—99.2(3)).**

The department of education may upon request allow a school district or AEA to submit reports, data collections, or program plans after the due date listed in rule 281—99.2(256,257,285,291) for good cause.
a. Good cause shall include illness or death of a school district or AEA staff member involved in developing the program plan or submitting the report or data collection, acts of God, technological problems at the department lasting at least seven days within the final two weeks prior to the deadline that prevent access necessary for the plan, report, or data collection submission, or unforeseeable unusual or unique circumstances which, in the opinion of the director of

the department, constitute sufficient cause for allowing submission of program plans, reports, or data collections after the published due date.
b. Good cause does not include consequences of local time management or administrative decisions or when districts and AEAs have timed out or have encountered system overloads within the final three days before the due date **(IAC 281—99.3(1)).**

A school district or AEA desiring permission to submit a program plan, report, or data collection after the published due date shall notify the department staff member responsible for receiving the plan, report, or data collection as soon as possible upon determining that the district or AEA will not be able to meet the deadline, but no sooner than two weeks prior to the due date and no later than two days prior to the due date. When an extension of the submission deadline is allowed, the department shall establish a date by which the school district or AEA shall submit the plan, report, or data collection. Permission to submit a program plan, report, or data collection after the published due date shall expire upon receipt of the submission by the department and shall not carry over into subsequent application or reporting cycles **(IAC 281—99.3(2)).**

The school district or AEA shall budget on the GAAP basis of budgeting as defined by the GASB. School districts and AEAs shall use the chart of accounts defined in Uniform Financial Accounting for Iowa LEAs and AEAs (UFA).
The school district or AEA shall maintain its financial records and prepare financial reports, including the Certified Annual Report, in the manner and by the procedures prescribed by the departments of education and management in the Uniform Financial Accounting for Iowa LEAs and AEAs (UFA) manual and GAAP. School districts and AEAs shall use the chart of accounts defined in Uniform Financial Accounting for Iowa LEAs and AEAs (UFA). The UFA manual shall be based on the most recent version of Financial Accounting for Local and State School Systems published by the United States Department of Education. If GAAP permits a choice of reporting methods for transactions, or if GAAP is in conflict with UFA, the department of education staff shall determine a uniform method of reporting to be used by all school districts and AEAs **(IAC 281—99(4)).**

The department shall compile the financial information related to chapters 423E and 423F from the certified annual reports of each school district received pursuant to section 291.10, subsection 2, and shall submit the information to the general assembly in an annual report each February 1 **(256.9(19)).**

The director of the Department of Education shall:

a. Conduct or direct the AEA to conduct feasibility surveys and studies, if requested under section 282.11, of the school districts within the AEA service areas and all adjacent territory, including but not limited to contiguous districts in other states, for the purpose of evaluating and recommending proposed whole grade sharing agreements requested under section 282.7 and section 282.10, subsections 1 and 4. The surveys and studies shall be revised periodically to reflect reorganizations which may have taken place in the AEA, adjacent territory, and contiguous districts in other states. The surveys and studies shall include a cover page containing recommendations and a short explanation of the recommendations. The factors to be used in determining the recommendations include, but are not limited to:
    (1) The possibility of long-term survival of the proposed alliance.
    (2) The adequacy of the proposed educational programs versus the educational opportunities offered through a different alliance.
    (3) The financial strength of the new alliance.
    (4) Geographical factors.
    (5) The impact of the alliance on surrounding schools.

b. Copies of the completed surveys and studies shall be transmitted to the affected districts' school boards **(256.9(32)).**

The AEA board shall provide data and prepare reports as directed by the director of the Department of Education **(273.3(3)).**

Failure by any school district to provide information or appear before the SBRC as requested for the accomplishment of review or hearing is justification for the SBRC to instruct the director of the department of management to withhold any state aid to that district until the SBRC's inquiries are satisfied completely **(257.31(11)).** Failure by an AEA to provide information or appear before the SBRC as requested for the accomplishment of review or hearing constitutes justification for the SBRC to instruct the department of administrative services to withhold payments for the AEA until the SBRC's inquiries are satisfied completely **(257.32(4)).**

The secretary shall report to the director of the department of education, the county auditor, and county treasurer the name and post office address of the president, treasurer and secretary of the board as soon as practicable after the qualification of each **(291.11).**

The school district shall file an annual report with the director of the department of education on forms prepared for that purpose **(291.10(1)).** This annual report is called the Certified Annual Financial Report (CAR). The annual report shall include the financial information required in section 423F.5, subsection 1, as related to moneys received under chapter 423E or 423F, as applicable, for each budget year **(291.10(2)).**

The secretary of each district shall file monthly with the board of directors a complete statement of all receipts and disbursements from each individual fund during the preceding month, and also the balance remaining on hand in each individual fund at the close of the period covered by the statement, which monthly statements shall be open to public inspection **(291.7).**

The treasurer shall render a statement of the finances of the corporation whenever required by the board, and the treasurer's accounting records shall always be open for inspection **(291.14).**

Each teacher shall keep a daily register which shall correctly exhibit the name or number of the school, the district and county in which it is located, the day of the week, month, year, and the name, age, and attendance of each scholar, and the branches taught, and when scholars reside in different districts, separate registers shall be kept for each district, and a certified copy of the register shall, immediately at the close of the school, be filed by the teacher in the office of the secretary of the board **(294.4).**

The teacher shall file with the school superintendent and the director of the department of education such reports and in such manner as may be required **(294.5).**

Each board that pays membership dues to the Iowa association of school boards shall annually report to the local community and to the department of education the amount the board pays in annual dues to the Iowa association of school boards, the amount of any fees paid and revenue or dividend payments received for services the board receives from the association or from any of the association's affiliated for-profit entities, and the products or services the school district received inclusive with membership in the association **(279.38(1)).** Each board that pays membership dues to an organization in accordance with this section shall annually report to the local community and to the department of education the amount the board pays in annual dues to the organization, the amount of any fees paid and revenue or dividend payments received for services the board receives from the organization, and the products or services the school district received inclusive with membership in the organization. If the organization administers federal education grants on behalf of school districts or distributes federal education grant funds to school districts, the organization shall submit to the general assembly copies of all reports the organization provides to the United States department of education, on the date on which each such report is provided to the United States department of education, relating to federal grants and grant amounts that the organization administers for or distributes to school districts. The governing board of the organization is subject to chapters 21 and 22 relating to open meetings and public records **(279.38A(2)).**

1. The board of directors of each public school district shall develop, maintain, and distribute a financial report on an annual basis. The objective of the financial report shall be to facilitate public access to a variety of information and statistics relating to the education funding received by the school district, enrollment and employment figures, and additional information.
2. The financial report shall contain, at a minimum, information relating to the following:
    - *a.* All property tax levies, income surtaxes, and local option sales taxes in place in the school district, listed by type of levy, rate, amount, duration, and notification of the maximum rate and amount limitations permitted by statute.
    - *b.* The amount of funding received on a per pupil basis through the operation of the school finance formula, and from any other state appropriation or state funding source.
    - *c.* Federal funding received per student or teacher population targeted to receive the funds, and any other federal grants or funding received by the district.
    - *d.* Teacher and administrator minimum, maximum, and average salary paid by the district, and the percentage and dollar increase under teacher and administrator salary and benefits settlement agreements.
    - *e.* Teacher and administrator health insurance and other alternative health benefit information, including the monthly premium, the percentage of the premium paid by the district, and the percentage of the premium paid by a teacher or administrator for single and family insurance.
    - *f.* Teacher and administrator employment statistics, including the annual number of licensed full-time and part-time teachers and administrators employed by the school district during the preceding five years, and including the number of teachers and administrators no longer employed by the district, and new hires.
    - *g.* Student enrollment levels during the preceding five years, including regular enrollment, special education enrollment, and enrollment adjustments made pursuant to supplementary weighting.

h. Such additional information as the school district may determine.

3. Copies of a school district's financial report for the previous school year shall be posted on an internet website maintained by the school district by January 1 of each school year. If the school district does not maintain or develop an internet website, the school district shall either distribute or post written copies of the financial report at specified locations throughout the school district **(279.63).**

Accurate and complete accounting records must be kept so that the cost of transportation to and from school may be ascertained **(IAC 281--43.9).**

Affidavit

Many documents filed with the department include affidavits. An affidavit is a written or printed declaration or statement of facts, made voluntarily, and confirmed by the oath or affirmation of the party making it, taken before a person having authority to administer such oath or affirmation. A person is guilty of perjury if in any official proceeding or on any official report, this person knowingly and willfully makes a false statement under oath or equivalent affirmation, including in an affidavit.

A notary public commissioned in the State of Iowa is authorized to administer this oath or affirmation. The notary should be independent of the individual to be placed under oath and should be aware that an affidavit is a jurat and, therefore, the individuals must be placed under oath. A typical oath would be "Do you swear or affirm that the data in this document are true, correct, complete, and done in full compliance with the pertinent statutes of the State of Iowa and rules of the State Department of Education, to the best of your knowledge and belief?" An attorney general opinion has opined that the notary may charge a reasonable fee for such services. Reasonable discretion is allowed in the exercise of powers and duties of notaries public. A notary public may decline the exercise of notarial services **(OAG #81-11-4(L)).** Employees may retain the fees for notarizing if notarizing papers is not one of their assigned duties **(OAG #65-12-25).**

Evidence of Timely Filing

Any report, claim, tax return, statement, or any payment required or authorized to be filed or made to the state, or any political subdivision which is transmitted through the United States mail or mailed but not received by the state or political subdivision or received and the cancellation mark is illegible, erroneous or omitted, shall be deemed filed or made and received on the date it was mailed if the sender establishes by competent evidence that the report, claim, tax return, statement, or payment was deposited in the United States mail on or before the date for filing or paying. In the event of nonreceipt of any such report, tax return, statement, or payment, the sender shall file a duplicate within 30 days of receiving written notification of nonreceipt of such report, tax return, statement, or payment. Filing of a duplicate within 30 days of receiving written notification shall be considered to be a filing made on the date of the original filing. For the purposes of this section "competent evidence" means evidence, in addition to the testimony of the sender, sufficient or adequate to prove that the document was mailed on a specified date which evidence is credible and of such a nature to reasonably support the determination that the letter was mailed on a specified date **(622.105).**

If any report, claim, tax return, statement, or payment is sent by United States mail and either registered or certified, a record authenticated by the United States post office shall be considered competent evidence that the report, claim, tax return, statement, or payment was delivered to the state or political subdivision to which addressed, and the date of registration or certification shall be deemed the postmarked date **(622.106).**

Copyright Law (U.S. Code, Title 17)

Title 17 of the U.S. Code regulates the reproduction of copyrighted materials.

Electronic Transactions

"Electronic record" means a record created, generated, sent, communicated, received, or stored by electronic means **(554D.103(7)).** *"Information"* means data, text, images, sounds, codes, computer programs, software, databases, or the like **(554D.103(10)).** *"Record"* means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form **(554D.103(13)).** *"Transaction"* means an action or set of actions occurring between two or more persons relating to the conduct of business, commercial, or governmental affairs **(554D.103(16)).**

Chapter554D applies to electronic records and electronic signatures relating to a transaction, but does not apply to a transaction to the extent it is governed by any of the following:

a. A law governing the creation or execution of wills, codicils, or testamentary trusts.

b. Chapter 554 other than articles 2 and 13 and section 554.1306.

A transaction subject to chapter 554D is also subject to other applicable substantive law **(554D.104).**

Chapter 554D does not require a record or signature to be created, generated, sent, communicated, received, stored, or otherwise processed or used by electronic means or in electronic form **(554D.106(1)).** Chapter 554D applies only to transactions between parties each of which has agreed to conduct transactions by electronic means **(554D.106(2)).**

Chapter 554D shall be construed and applied as follows:

1. To facilitate electronic transactions consistent with other applicable law.
2. To be consistent with reasonable practices concerning electronic transactions and with the continued expansion of those practices.
3. To effectuate its general purpose to make uniform the law with respect to the subject of chapter 554D among states enacting the uniform law **(554D.107).**

Legal recognition of electronic records, signatures, and contracts:

1. A record or signature shall not be denied legal effect or enforceability solely because it is in electronic form.
2. A contract shall not be denied legal effect or enforceability solely because an electronic record was used in its formation.
3. If a law requires a record to be in writing, an electronic record satisfies the law.
4. If a law requires a signature, an electronic signature satisfies the law **(554D.108).**

An electronic record or electronic signature is attributable to a person if it was the act of the person. The act of the person may be shown in any manner, including a showing of the efficacy of any security procedure applied to determine the person to which the electronic record or electronic signature was attributable **(554D.111(1)).**

If a law requires a signature or record to be notarized, acknowledged, verified, or made under oath, the requirement is satisfied if the electronic signature of the person authorized to perform those acts, together with all other information required to be included by other applicable law, is attached to or logically associated with the signature or record **(554D.113).**

If parties have agreed to conduct a transaction by electronic means and a law requires a person to provide, send, or deliver information in writing to another person, the requirement is satisfied if the information is provided, sent, or delivered in an electronic record capable of retention by the recipient at the time of receipt. An electronic record is not capable of retention by the recipient if the sender or its information processing system inhibits the ability of the recipient to print or store the electronic record **(554D.110(1)).**

If a law other than chapter 554D requires a record to be posted or displayed in a certain manner; to be sent, communicated, or transmitted by a specified method; or to contain information that is formatted in a certain manner, all of the following apply:

a. The record must be posted or displayed in the manner specified in the other law.
b. Except as otherwise provided in subsection 554D.110(4)"b", the record must be sent, communicated, or transmitted by the method specified in the other law.
c. The record must contain the information formatted in the manner specified in the other law **(554D.110(2)).**

If a sender inhibits the ability of a recipient to store or print an electronic record, the electronic record is not enforceable against the recipient **(554D.110(3)).**

The requirements of section 554D.110 shall not be varied by agreement, except as follows:

a. To the extent a law other than chapter 554 requires information to be provided, sent, or delivered in writing but permits that requirement to be varied by agreement, the requirement under subsection 554D.110(1) that the information be in the form of an electronic record capable of retention may also be varied by agreement.
b. A requirement under a law other than chapter 554D.110 to send, communicate, or transmit a record by first-class mail postage prepaid may be varied by agreement to the extent permitted by the other law **(554D.110(4)).**

Time and Place for receipt and sent:

1. Unless otherwise agreed between the sender and the recipient, an electronic record is sent when all of the following occur:

a. The electronic record is addressed properly or otherwise directed properly to an information processing system that the recipient has designated or uses for the purpose of receiving electronic records or information of the type sent and from which the recipient is able to retrieve the electronic record.
b. The electronic record is in a form capable of being processed by that information processing system.
c. The electronic record enters an information processing system outside the control of the sender or of a person who sent the electronic record on behalf of the sender or enters a region of the information processing system designated or used by the recipient which is under the control of the recipient.

2. Unless otherwise agreed between a sender and the recipient, an electronic record is received when both of the follow occur:
   a. The electronic record enters an information processing system that the recipient has designated or uses for the purpose of receiving electronic records or information of the type sent and from which the recipient is able to retrieve the electronic record.
   b. The electronic record is in a form capable of being processed by that information processing system.
3. Subsection 2 applies even if the place the information processing system is located is different from the place the electronic record is deemed to be received under subsection 4.
4. Unless otherwise expressly provided in the electronic record or agreed between the sender and the recipient an electronic record is deemed to be sent from the sender's place of business and to be received at the recipient's place of business For purposes of this subsection, both of the following apply:
   a. If the sender or recipient has more than one place of business, the place of business of such person is the place having the closest relationship to the underlying transaction.
   b. If the sender or the recipient does not have a place of business, the place of business is the sender's or recipient's residence, as the case may be.
5. An electronic record is received under subsection 2 even if no individual is aware of its receipt.
6. Receipt of an electronic acknowledgment from an information processing system described in subsection 2 establishes that a record was received but, by itself, does not establish that the content sent corresponds to the content received.
7. If a person is aware that an electronic record purportedly sent under subsection 1, or purportedly received under subsection 2, was not actually sent or received, the legal effect of the sending or receipt is determined by other applicable law. Except to the extent permitted or required by the other law, the requirements of this subsection shall not be varied by agreement **(554D.117).**

Electronic record retention requirements:

1. If a law requires that a record be retained, the requirement is satisfied by retaining an electronic record of the information in the record which does both of the following:
   a. Accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise.
   b. Remains accessible for later reference.
2. A requirement to retain a record in accordance with subsection 1 does not apply to any information the sole purpose of which is to enable the record to be sent, communicated, or received.
3. A person may satisfy subsection 1 by using the services of another person if the requirements of that subsection are satisfied.
4. If a law requires a record to be presented or retained in its original form, or provides consequences if the record is not presented or retained in its original form, that law is satisfied by an electronic record retained in accordance with subsection 1.
5. If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection 1.
6. A record retained as an electronic record in accordance with subsection 1 satisfies a law requiring a person to retain a record for evidentiary, audit, or like purposes, unless a law enacted after July 1, 2000, specifically prohibits the use of an electronic record for the specified purpose.
7. This section does not preclude a governmental agency of this state from specifying additional requirements for the retention of a record subject to the agency's jurisdiction **(554D.114).**

A governmental agency of this state shall determine whether, and the extent to which, the governmental agency will create and retain electronic records and convert written records to electronic records **(554D.119).**

The standards adopted pursuant to section 554D.120 should encourage and promote consistency and interoperability with similar requirements adopted by another governmental agency and nongovernmental persons interacting with governmental agencies of this state. If appropriate, such standards may specify differing levels of standards from which

a governmental agency of this state may choose in implementing the most appropriate standard for a particular application **(554D.121).**

A choice of law provision in a computer information agreement which provides that the contract is to be interpreted pursuant to the laws of a state that has enacted the uniform computer information transactions Act, as proposed by the national conference of commissioners on uniform state laws, or any substantially similar law, is voidable and the agreement shall be interpreted pursuant to the laws of this state if the party against whom enforcement of the choice of law provision is sought is a resident of this state or has its principal place of business located in this state. For purposes of this section, a *"computer information agreement"* means an agreement that would be governed by the uniform computer information transactions Act or substantially similar law as enacted in the state specified in the choice of laws provision if that state's law were applied to the agreement **(554D.125).**

Board Records

Each board shall adopt by written policy a system for maintaining accurate records. The system shall provide for recording and maintaining the minutes of all board meetings, coding all receipts and expenditures, and recording and filing all reports required by the Iowa Code or requested by the director of the department of education. Financial records of school districts shall be maintained in a manner as to be easily audited according to accepted accounting procedures **(IAC 281—12.3(1)).**

The board shall develop and maintain a policy manual which provides a codification of its policies, including the adoption date, the review date, and any revision date for each policy. Policies shall be reviewed at least every 5 years to ensure relevance to current practices and compliance with the Iowa Code, administrative rules and decisions, and court decisions **(IAC 281--12.3(2)).**

Each agency shall maintain sufficient records and reports for audit by the department. Records and reports shall include at a minimum: licensure (certification) and endorsements or recognition requirements for all special education personnel under rules 281—41.401(256B,34CFR300) to 281—41.403(256B); all IEP and IFSP meetings and three-year reevaluations for each eligible individual; and data required for federal and state reporting **(IAC 281—41.901).**

The department reserves the right to audit the records of any agency providing special education for eligible individuals and utilizing funds generated under Iowa Code chapters 256B, 273 and 282 **(IAC 281—41.902).**

"Public records" includes all records, documents, tape, or other information stored or preserved in any medium, of or belonging to the school corporation. *"Public records"* also includes all records relating to the investment of public funds including but not limited to investment policies, instructions, trading orders, or contracts, whether in the custody of the public body responsible for the public funds or a fiduciary or other third party **(22.1(3)).**

"Lawful custodian" means the government body currently in physical possession of the public record. The custodian of a public record in the physical possession of persons outside a government body is the government body owning that record. The records relating to the investment of public funds are the property of the public body responsible for the public funds. Each government body shall delegate to particular officials or employees of that government body the responsibility for implementing the requirements of chapter 22 and shall publicly announce the particular officials or employees to whom responsibility for implementing the requirements has been delegated. *"Lawful custodian"* does not mean an automated data processing unit of a public body if the data processing unit holds the records solely as the agent of another public body, nor does it mean a unit which holds the records of other public bodies solely for storage **(22.1(2)).**

In school corporations, the secretary shall file and preserve copies of all reports made and all papers transmitted pertaining to the business of the corporation **(291.6(1)).**

When a government body reaches a final, binding, written settlement agreement that resolves a legal dispute claiming monetary damages, equitable relief, or a violation of a rule or statute, the government body shall, upon request and to the extent allowed under applicable law, prepare a brief summary of the resolution of the dispute indicating the identity of the parties involved, the nature of the dispute, and the terms of the settlement, including any payments made by or on behalf of the government body and any actions to be taken by the government body. A government body is not required to prepare a summary if the settlement agreement includes the information required to be included in the summary. The settlement agreement and any required summary shall be a public record **(22.13).**

A person who, having no right or authority to do so, makes or alters any public document, or any instrument which purports to be a public document, or who possesses a seal or any counterfeit seal of the school corporation, or of any officer or employee of the school district, commits a class "D" felony **(718.5).**

Any public officer or employee, who knowingly does any of the following, commits a class "D" felony:

1. Makes or gives any false entry, false return, false certificate, or false receipt, where such entries, returns, certificates, or receipts are authorized by law.
2. Falsifies any public record, or issues any document falsely purporting to be a public document.
3. Falsifies a writing, or knowingly delivers a falsified writing, with the knowledge that the writing is falsified and that the writing will become a public record of a government body **(721.1).**

A public officer or employee who, by reason of the officer's or employee's employment, has access to any public record, or to any file, dossier, or accumulation of information of any kind, and who gives or transfers to any person, in exchange for anything of value other than fees authorized by law, any such record, file, dossier, or accumulation of information, or any part thereof, or who imparts to any person any information contained therein, in exchange for anything of value other than fees authorized by law, commits a serious misdemeanor **(721.10).**

Any person who represents any document or paper to be any public record or any civil or criminal process, when the person knows such representation to be false, commits a simple misdemeanor **(720.5).**

Public Access

Every officer having the custody of a public record or writing shall furnish any person, upon demand and payment of the legal fees therefor, a certified copy thereof **(622.46).**

Every person shall have the right to examine and copy a public record and to publish or otherwise disseminate a public record or the information contained in a public record. Unless otherwise provided for by law, the right to examine a public record shall include the right to examine a public record without charge while the public record is in the physical possession of the custodian of the public record. The right to copy a public record shall include the right to make photographs or photographic copies while the public record is in the possession of the custodian of the public record. All rights under this section are in addition to the right to obtain a certified copy of a public record under section 622.46. A government body shall not prevent the examination or copying of a public record by contracting with a nongovernment body to perform any of its duties and functions. However, a government body is not required to permit access to or use of

a. a geographic computer database by any person except upon terms and conditions acceptable to the governing body. The governing body shall establish reasonable rates and procedures for the retrieval of specified records, which are not confidential records, stored in the database upon the request of any person.
b. data processing software developed by the governmental body, as provided in section 22.3A **(22.2).**

The examination and copying of public records shall be done under the supervision of the lawful custodian of the records or the custodian's authorized designee. The lawful custodian shall not require the physical presence of a person requesting or receiving a copy of a public record and shall fulfill requests for a copy of a public record received in writing, by telephone, or by electronic means. Fulfillment of a request for a copy of a public record may be contingent upon receipt of payment of expenses to be incurred in fulfilling the request and such estimated expenses shall be communicated to the requester upon receipt of the request. The lawful custodian may adopt and enforce reasonable rules regarding the examination and copying of the records and the protection of the records against damage or disorganization. The lawful custodian shall provide a suitable place for the examination and copying of the records, but if it is impracticable to do the examination and copying of the records in the office of the lawful custodian, the person desiring to examine or copy shall pay any necessary expenses of providing a place for the examination and copying. All expenses of the examination and copying shall be paid by the person desiring to examine or copy. The lawful custodian may charge a reasonable fee for the services of the lawful custodian or the custodian's authorized designee in supervising the examination and copying of the records. If copy equipment is available at the office of the lawful custodian of any public records, the lawful custodian shall provide any person a reasonable number of copies of any public record in the custody of the office upon the payment of a fee. The fee for the copying service as determined by the lawful custodian shall not exceed the actual cost of providing the service. Actual costs shall include only those expenses directly attributable to supervising the examination of and making and providing copies of public records. Actual costs shall not include charges for ordinary expenses or costs such as employment benefits, depreciation, maintenance, electricity, or insurance associated with the administration of the office of the lawful custodian **(22.3).**

A government body may provide, restrict, or prohibit access to data processing software developed by the government body, regardless of whether the data processing software is separated or combined with a public record. A government body shall establish policies and procedures to provide access to public records which are combined with its data processing software. A public record shall not be withheld from the public because it is combined with data processing software. A government body shall not acquire any electronic data processing system for the storage, manipulation, or retrieval of public records that would impair the government body's ability to permit the examination of a public record

and the copying of a public record in either written or electronic form. If it is necessary to separate a public record from data processing software in order to permit the examination or copying of the public record, the government body shall bear the cost of separation of the public record from the data processing software. The electronic public record shall be made available in a format useable with commonly available data processing or database management software. The cost chargeable to a person receiving a public record separated from data processing software under this subsection shall not be in excess of the charge under this chapter unless the person receiving the public record requests that the public record be specially processed. A government body may establish payment rates and procedures required to provide access to data processing software, regardless of whether the data processing software is separated from or combined with a public record. Proceeds from payments may be considered repayment receipts, as defined in section 8.2. The payment amount shall be calculated as follows:

a. The amount charged for access to a public record shall be not more than that required to recover direct publication costs, including but not limited to editing, compilation, and media production costs, incurred by the government body in developing the data processing software and preparing the data processing software for transfer to the person. The amount shall be in addition to any other fee required to be paid under this chapter for the examination and copying of a public record. If a person accesses a public record stored in an electronic format that does not require formatting, editing, or compiling to access the public record, the charge for providing the accessed public record shall not exceed the reasonable cost of accessing that public record. The government body shall, if requested, provide documentation which explains and justifies the amount charged. This paragraph shall not apply to any publication for which a price has been established pursuant to another section, including section 2A.5.
b. If access to the data processing software is provided to a person for a purpose other than provided in paragraph *"a"*, the amount may be established according to the discretion of the government body, and may be based upon competitive market considerations as determined by the government body **(22.3A(2)).**

A government body is granted and may apply for and receive any legal protection necessary to secure a right to or an interest in data processing software developed by the government body **(22.3A(3)).**

The rights of persons to examine or copy may be exercised at any time during the customary office hours of the lawful custodian of the records. However, if the lawful custodian does not have customary office hours of at least 30 hours per week, such right may be exercised at any time from 9:00 a.m. to noon and from 1:00 p.m. to 4:00 p.m. Monday through Friday, excluding legal holidays, unless the person exercising such right and the lawful custodian agree on a different time **(22.4).**

A written report of an audit or examination shall be provided to the governmental subdivision and filed with the auditor of state. All reports shall be open to public inspection, including copies on file in the office of the state auditor, and refusal on the part of any public official to permit such inspection when such reports have been filed with the state auditor shall constitute a simple misdemeanor **(11.14(1)).**

The rights and remedies provided by this section 22.10 are in addition to any rights and remedies provided by section 17A.19. Any aggrieved person, any taxpayer to or citizen of the state of Iowa, or the attorney general or any county attorney, may seek judicial enforcement of the requirements of this chapter in an action brought against the lawful custodian and any other persons who would be appropriate defendants under the circumstances. Suits to enforce this chapter shall be brought in the district court for the county in which the lawful custodian has its principal place of business **(22.10(1)).**

Once a party seeking judicial enforcement of this chapter [open records] demonstrates to the court that the defendant is subject to the requirements of this chapter, that the records in question are government records, and that the defendant refused to make those government records available for examination and copying by the plaintiff, the burden of going forward shall be on the defendant to demonstrate compliance with the requirements of this chapter **(22.10(2)).**

Upon a finding by a preponderance of the evidence that a lawful custodian has violated any provision of chapter 22, a court:

a. Shall issue an injunction punishable by civil contempt ordering the offending lawful custodian and other appropriate persons to comply with the requirements of this chapter in the case before it and, if appropriate, may order the lawful custodian and other appropriate persons to refrain for one [1] year from any future violations of this chapter.
b. Shall assess the persons who participated in its violation damages in the amount of not more than five hundred dollars [$500] nor less than one hundred dollars [$100]. However, if a person knowingly participated in such a violation, damages shall be in the amount of not more than two thousand five hundred dollars [$2,500] and not less than one thousand dollars [$1.000]. These damages shall be paid by the court imposing them to the state of Iowa if the body in question is a state government body, or to the local

government involved if the body in question is a local government body. A person found to have violated this chapter shall not be assessed such damages if that person proves that the person did any of the following:

(1) Voted against the action violating this chapter, refused to participate in the action violating this chapter, or engaged in reasonable efforts under the circumstances to resist or prevent the action in violation of this chapter.

(2) Had good reason to believe and in good faith believed facts which, if true, would have indicated compliance with the requirements of this chapter.

(3) Reasonably relied upon a decision of a court, a formal opinion of the Iowa public information board, the attorney general, or the attorney for the government body, given in writing, or as memorialized in the minutes of the meeting at which a formal oral opinion was given, or an advisory opinion of the Iowa public information board, the attorney general, or the attorney for the government body, given in writing.

c. Shall order the payment of all costs and reasonable attorney fees, including appellate attorney fees, to any plaintiff successfully establishing a violation of this chapter in the action brought under this section. The costs and fees shall be paid by the particular persons who were assessed damages under paragraph *"b"* of this subsection. If no such persons exist because they have a lawful defense under that paragraph to the imposition of such damages, the costs and fees shall be paid to the successful plaintiff from the budget of the offending government body or its parent.
d. Shall issue an order removing a person from office if that person has engaged in a prior violation of this chapter for which damages were assessed against the person during the person's term **(22.10(3))**.

Ignorance of the legal requirements of this chapter is not a defense to an enforcement proceeding brought under this section. A lawful custodian or its designee in doubt about the legality of allowing the examination or copying or refusing to allow the examination or copying of a government record is authorized to bring suit at the expense of that government body in the district court of the county of the lawful custodian's principal place of business, or to seek an opinion of the attorney general or the attorney for the lawful custodian, to ascertain the legality of any such action **(22.10(4)).**

According to the Iowa Attorney General in the, if a second violation occurs while the injunction is in place, the official could be held in civil contempt. This can mean additional damages, or even time in jail **(AG Sunshine Advisory, June 2005).** The punishment for contempt, where not otherwise specifically provided, shall be:

1. In the supreme court or the court of appeals, by a fine not exceeding one thousand dollars [$1000] or by imprisonment in a county jail not exceeding six [6] months, or by both such fine and imprisonment.
2. Before district judges, district associate judges, and associate juvenile judges by a fine not exceeding five hundred dollars [$500] or imprisonment in a county jail not exceeding six [6] months or by both such fine and imprisonment.
3. Before judicial magistrates, by a fine not exceeding one hundred dollars [$100] or imprisonment in a county jail not exceeding thirty [30] days **(665.4).**

Except as expressly provided otherwise by another statute referring to this chapter 17A by name, the judicial review provisions of this chapter shall be the exclusive means by which a person or party who is aggrieved or adversely affected by agency action may seek judicial review of such agency action. However, nothing in this chapter shall abridge or deny to any person or party who is aggrieved or adversely affected by any agency action the right to seek relief from such action in the courts **(17A.19).**

The records of investment transactions made by or on behalf of a public body are public records and are the property of the public body whether in the custody of the public body or in the custody of a fiduciary or other third party **(22.14(1)).**

A person who knowingly and without authorization accesses a computer, computer system, or computer network commits the following:

a. An aggravated misdemeanor if computer data is accessed that contains a confidential record, as defined in section 22.7, operational or support data of a public utility, as defined in section 476.1, operational or support data of a rural water district incorporated pursuant to chapter 357A or 504, operational or support data of a municipal utility organized pursuant to chapter 388 or 389, operational or support data of a public airport, or a trade secret, as defined in section 550.2.
b. A serious misdemeanor if computer data is copied, altered, or deleted.
c. A simple misdemeanor for any access which is not an aggravated or serious misdemeanor **(716.6B(1)).**

The prosecuting attorney or an aggrieved person may institute civil proceedings against any person in district court seeking relief from conduct constituting a violation of this section or to prevent, restrain, or remedy such a violation **(716.6B(2)).**

Charges by the custodian of public records for copies made are not subject to Iowa sales tax **(OAG #86-12-17).**

An agency may not charge a fee simply as a precondition to allowing examination of a public record **(OAG #81-8-18).**

Records should be copied in the agency offices unless it is impractical to do so. If it is necessary to perform the copying at a separate location, the copying is still to be performed under the supervision of the custodian or the custodian's deputy. The custodian is not to relinquish control of the records to the requestor. Any charges assessed for such copying service should be uniformly applied to all requestors **(OAG #81-4-4).**

A government body has no authority to impose a charge for a computer system's depreciation, maintenance, electricity, and insurance associated with retrieving the computerized public record and either printing it out or producing it onto a disk **(OAG #96-2-1).**

The district court may grant an injunction restraining the examination, including copying, of a specific public record or a narrowly drawn class of public records. A hearing shall be held on a request for injunction upon reasonable notice as determined by the court to persons requesting access to the record which is the subject of the request for injunction. It shall be the duty of the lawful custodian and any other person seeking an injunction to ensure compliance with the notice requirement. Such an injunction may be issued only if the petition supported by affidavit shows and if the court finds both of the following:

a. That the examination would clearly not be in the public interest.
b. That the examination would substantially and irreparably injure any person or persons **(22.8(1)).**

Good-faith, reasonable delay by a lawful custodian in permitting the examination and copying of a government record is not a violation of chapter 22 if the purpose of the delay is any of the following:

a. To seek an injunction under this section.
b. To determine whether the lawful custodian is entitled to seek such an injunction or should seek such an injunction.
c. To determine whether the government record in question is a public record, or confidential record.
d. To determine whether a confidential record should be available for inspection and copying to the person requesting the right to do so. A reasonable delay for this purpose shall not exceed 20 calendar days and ordinarily should not exceed 10 business days.
e. Actions for injunctions under this section may be brought by the lawful custodian of a government record, or by another government body or person who would be aggrieved or adversely affected by the examination or copying of such a record.
f. The rights and remedies provided by this section are in addition to any rights and remedies provided by section 17A.19 **(22.8(4)).**

Confidential Records

The following public records shall be kept confidential, unless otherwise ordered by a court, by the lawful custodian of the records, or by another person duly authorized to release such information:

- Personal information in records regarding a student, prospective student, or former student maintained, created, collected or assembled by or for a school corporation or educational institution maintaining such records. This subsection shall not be construed to prohibit a postsecondary education institution from disclosing to a parent or guardian information regarding a violation of a federal, state, or local law, or institutional rule or policy governing the use or possession of alcohol or a controlled substance if the child is under the age of twenty-one years and the institution determines that the student committed a disciplinary violation with respect to the use or possession of alcohol or a controlled substance regardless of whether that information is contained in the student's education records. This subsection shall not be construed to prohibit a school corporation or educational institution from transferring student records electronically to the department of education, an accredited nonpublic school, an attendance center, a school district, or an accredited postsecondary institution in accordance with section 256.9, subsection 48.
- Records which represent and constitute the work product of an attorney, which are related to litigation or claim made by or against a public body.
- Reports to governmental agencies which, if released, would give advantage to competitors and serve no public purpose.
- Appraisals or appraisal information concerning the sale or purchase of real or personal property for public purposes, prior to the execution of any contract for such sale or the submission of the appraisal to the property owner or other interest holders as provided in section 6B.45.

Personal information in confidential personnel records of governmental bodies, including school districts, relating to identified or identifiable individuals who are officials, officers, or employees of the governmental bodies. However, the following information relating to such individuals contained in personnel records shall be public records:

(1) The name and compensation of the individual including any written agreement establishing compensation or any other terms of employment excluding any information otherwise excludable from public information pursuant to this section or any other applicable provision of law. For purposes of this paragraph, *"compensation"* means payment of, or agreement to pay, any money, thing of value, or financial benefit conferred in return for labor or services rendered by an official, officer, or employee plus the value of benefits conferred including but not limited to casualty, disability, life, or health insurance, other health or wellness benefits, vacation, holiday, and sick leave, severance payments, retirement benefits, and deferred compensation.

(2) The dates the individual was employed by the government body.

(3) The positions the individual holds or has held with the government body.

(4) The educational institutions attended by the individual, including any diplomas and degrees earned, and the names of the individual's previous employers, positions previously held, and dates of previous employment.

(5) The fact that the individual was discharged as the result of a final disciplinary action upon the exhaustion of all applicable contractual, legal, and statutory remedies.

- The records of a library which, by themselves or when examined with other public records, would reveal the identity of the library patron checking out or requesting an item or information from the library. The records shall be released to a criminal or juvenile justice agency only pursuant to an investigation of a particular person or organization suspected of committing a known crime. The records shall be released only upon a judicial determination that a rational connection exists between the requested release of information and a legitimate end and that the need for the information is cogent and compelling.
- Records of identity of owners of public bonds or obligations maintained as provided in section 76.10 or by the issuer of the public bonds or obligations. However, the issuer of the public bonds or obligations and a state or federal agency shall have the right of access to the records.
- Communications not required by law, rule, procedure, or contract that are made to a government body or to any of its employees by identified persons outside of government, to the extent that the government body receiving those communications from such persons outside of government could reasonably believe that those persons would be discouraged from making them to that government body if they were available for general public examination. Notwithstanding this provision:
  a. The communication is a public record to the extent that the person outside of government making that communication consents to its treatment as a public record.
  b. Information contained in the communication is a public record to the extent that it can be disclosed without directly or indirectly indicating the identity of the person outside of government making it or enabling others to ascertain the identity of that person.
  c. Information contained in the communication is a public record to the extent that it indicates the date, time, specific location, and immediate facts and circumstances surrounding the occurrence of a crime or other illegal act, except to the extent that its disclosure would plainly and seriously jeopardize a continuing investigation or pose a clear and present danger to the safety of any person.
- Data processing software which is developed by a government body.
- Mediation documents as defined in Iowa Code section 679C.102, except written mediation agreements that resulted from a mediation which are signed on behalf of a governing body. However, confidentiality of mediation communications resulting from mediation conducted pursuant to chapter 216 shall be governed by chapter 216.
- Records containing information that would disclose, or might lead to the disclosure of, private keys used in an electronic signature or other similar technologies or records which if disclosed might jeopardize the security of an electronic transaction pursuant to chapter 554D.
- The portion of a record request that contains an internet protocol number which identifies the computer from which a person requests a record, whether the person using such computer makes the request through the IowAccess network or directly to a lawful custodian. However, such record may be released with the express written consent of the person requesting the record.
- Information concerning security procedures or emergency preparedness information developed and maintained by a government body for the protection of governmental employees, visitors to the government body, persons in the care, custody, or under the control of the government body, or property under the jurisdiction of the government body, if disclosure could reasonably be expected to jeopardize such employees, visitors, persons, or property.
  a. Such information includes but is not limited to information directly related to vulnerability assessments; information contained in records relating to security measures such as security and response plans, security codes and combinations, passwords, restricted area passes, keys, and security or response procedures; emergency response protocols; and information contained in records that if disclosed would

significantly increase the vulnerability of critical physical systems or infrastructures of a government body to attack.

b. This subsection shall only apply to information held by a government body that has adopted a rule or policy identifying the specific records or class of records to which this subsection applies and which is contained in such a record.

- Information in a record that would permit a governmental body subject to chapter 21 to hold a closed session pursuant to section 21.5 in order to avoid public disclosure of that information, until such time as final action is taken on the subject matter of that information. Any portion of such a record not subject to this subsection, or not otherwise confidential, shall be made available to the public. After the governmental body has taken final action on the subject matter pertaining to the information in that record, this subsection shall no longer apply. This subsection shall not apply more than 90 days after a record is known to exist by the governmental body, unless it is not possible for the governmental body to take final action within 90 days. The burden shall be on the governmental body to prove that final action was not possible within the 90-day period **(22.7).**

The board of directors of each public school shall adopt a policy and the superintendent of each public school shall adopt rules which provide that the school district may share information contained within a student's permanent record pursuant to an interagency agreement with state and local agencies that are part of the juvenile justice system. The interagency agreement shall provide, and each signatory agency to the agreement shall certify in the agreement, that confidential information shared among the parties to the agreement shall remain confidential and shall not be shared with any other person, school, school district, or agency, unless otherwise provided by law. A school district entering into an interagency agreement under this section shall adopt a policy implementing the provision of the interagency agreement. The policy shall include, but not be limited to, the provisions of the interagency agreement and the procedures to be used by the school district to share information from the student's permanent record with participating agencies. The policy shall be published in the student handbook **(280.25).**

The board shall adopt a policy concerning the accessibility and confidentiality of student records that complies with the provisions of the federal Family Educational Rights and Privacy Act of 1974 (FERPA) and Iowa Code chapter 22 **(IAC 281--12.3(4)).** The Family Educational Rights and Privacy Act of 1974 (FERPA, 20 U.S.C. section 1232g) provides students with access to their education records, the opportunity to request amendments to records, and some control over disclosure of information in those records. With several exceptions, school districts shall not disclose education records without the student's prior consent or risk losing federal education funding.

If it is determined that any provision of this chapter would cause the denial of funds, services or essential information from the United States government which would otherwise definitely be available to an agency of this state, such provision shall be suspended as to such agency, but only to the extent necessary to prevent denial of such funds, services, or essential information. An agency within the meaning of section 17A.2, subsection 1, shall adopt as a rule, in each situation where this section is believed applicable, its determination identifying those particular provisions of this chapter that must be waived in the circumstances to prevent the denial of federal funds, services, or information **(22.9).**

For more information on the confidentiality of student education records refer to Iowa Administrative Code, chapter 281—41.

Names and addresses of students contained in public records in the custody of public schools are not confidential and are open to public inspection. However, schools are required to provide parents of students or adult students with an opportunity to inform the school that they do not want this information to be released without their prior consent **(OAG #80-6-8).**

Evaluations of bid proposals are public records which are confidential until the bids are opened and an award made. The possibility of misuse of nonconfidential public records does not justify placing restrictions on access to those records **(OAG #79-3-3).**

Notes of the secretary of the board become public records when transcribed for submission to the board as the minutes of the preceding meeting **(OAG #74-2-9).**

Worksheets and notes prepared by the bureau of labor inspectors are not public records and may be kept confidential **(OAG #72-9-26).**

Formal, official documents by which a school superintendent conveys official information to school board members containing information about the school district are public records. If the information contained in these letters falls within a statutory exemption such as student records, personnel information, or attorney work product, it is a

confidential public record and unavailable for public inspection. Chapter 22 does not require the school district to retain copies of these letters **(OAG #92-6-2(L)).**

Fair Information Practices

State agencies are required to adopt a Fair Information Practices policy. School districts are not required to adopt this policy. However, if a public body chooses to adopt policies to implement section 22.11 the policies must be adopted by the board of directors of the school district. The elected school board must give reasonable notice, make the proposed policy available for public inspection and allow full opportunity for the public to comment before adopting the policy. If the public body is established pursuant to an agreement under chapter 28E, the policy must be adopted by a majority of the public agencies party to the agreement. These policies shall be kept in the office of the chief administrative officer of the board **(22.12).**

It is the intent of this section to require that the information policies of state agencies are clearly defined and subject to public review and comment.

1. Each state agency as defined in chapter 17A shall adopt rules which provide the following:
    a. The nature and extent of the personally identifiable information collected by the agency, the legal authority for the collection of that information, and a description of the means of storage.
    b. A description of which of its records are public records, which are confidential records, and which are partially public and partially confidential records and the legal authority for the confidentiality of the records. The description shall indicate whether the records contain personally identifiable information.
    c. The procedure for providing the public with access to public records.
    d. The procedures for allowing a person to review a government record about that person and have additions, dissents, or objections entered in that record unless the review is prohibited by statute.
    e. The procedures by which the subject of a confidential record may have a copy of that record released to a named third party.
    f. The procedures by which the agency shall notify persons supplying information requested by the agency of the use that will be made of the information, which persons outside of the agency might routinely be provided this information, which parts of the information requested are required and which are optional and the consequences of failing to provide the information requested.
    g. Whether a data processing system matches, collates, or permits the comparison of personally identifiable information in one record system with personally identifiable information in another record system.
2. A state agency shall not use any personally identifiable information after July 1, 1988, unless it is in a record system described by the rules required by this section **(22.11).**

Federal Funding Accountability and Transparency Act (FFATA)

FFATA requires that federal financial assistance recipients must report information about sub-awards and, in some cases, executive compensation at their agencies or the sub-recipients' organizations. FFATA was enacted in September 2006 and resulted in reports about direct federal assistance, which can be seen at USASpending.gov. The Office of Management and Budget (OMB) directed the federal agencies to implement the FFATA requirements for reporting on sub-recipients for new grants awarded on or after October 1, 2010.

General Education Provisions Act (GEPA)

In compliance with Section 427 of the General Education Provisions Act, as amended by Public Law 103-282, all applicants for grant awards made by the U.S. Department of Education are required to describe in their applications the steps they propose to take to ensure equitable access to, and equitable participation in, the proposed grant activities conducted with federal funds. The U.S. Department of Education has developed a single document that provides common guidance for all competitive and formula grant applicants.

Financial and Pupil Accounting Records

Each board shall require its administrative staff to establish and maintain a system of student records. This system shall include for each student a permanent office record and a cumulative record. The permanent office record shall serve as a historical record of official information concerning the student's education. The permanent office record shall be recorded and maintained under the student's legal name. At a minimum, the permanent office record should contain evidence of attendance and educational progress, serve as an official transcript, contain other data for use in planning to

meet student needs, and provide data for official school and school district reports. This record is to be permanently maintained and stored in a fire-resistant safe or vault or can be maintained and stored electronically with a secure backup file. The cumulative record shall provide a continuous and current record of significant information on progress and growth. It should reflect information such as courses taken, scholastic progress, school attendance, physical and health record, experiences, interests, aptitudes, attitudes, abilities, honors, extracurricular activities, part-time employment, and future plans. It is the "working record" used by the instructional professional staff in understanding the student. At the request of a receiving school or school district, a copy of the cumulative record shall be sent to officials of that school when a student transfers. For the sole purpose of implementing an interagency agreement with state and local agencies in accordance with Iowa Code section 280.25, a student's permanent record may include information contained in the cumulative record as defined above. The board shall adopt a policy concerning the accessibility and confidentiality of student records that complies with the provisions of the federal Family Educational Rights and Privacy Act of 1974 and Iowa Code chapter 22 **(IAC 281—12.3(4)).**

Financial forms and procedures shall be prescribed by the department of education as necessary to be used by AEA boards, school district boards, school officials, principals, teachers, and other employees to insure uniformity, accuracy, and efficiency in keeping records in both pupil and cost accounting, the execution of contracts, and the submission of reports. The department has the authority to notify the AEA board, school district board or school authorities when a report has not been filed in the manner or on the dates prescribed that the school will not be accredited until the report has been properly filed **(256.9(18)).** The financial procedure prescribed by the department of education is the current edition of *Uniform Financial Accounting Manual for Iowa LEAs and AEAs*. The UFA manual is available on the department of education web site at https://www.educateiowa.gov/pk-12/school-business-finance/accounting-reporting/uniform-financial-accounting .

The department of education is authorized to prescribe a uniform system of accounting. This is the Uniform Financial Accounting Manual **(OAG #83-12-1(L)).**

Each board shall adopt by written policy a system for maintaining accurate records. The system shall provide for recording and maintaining the minutes of all board meetings, coding all receipts and expenditures, and recording and filing all reports required by the Iowa Code or requested by the director of the department of education. Financial records of school districts shall be maintained in a manner as to be easily audited according to accepted accounting procedures **(IAC 281--12.3(1)).**

Accurate and complete accounting records must be kept so that the cost of transportation to and from school may be ascertained **(IAC 281--43.9).**

Each agency shall maintain sufficient records and reports for audit by the department. Records and reports shall include at a minimum: licensure (certification) and endorsements or recognition requirements for all special education personnel under rules 281—41.401(256B,34CFR300) to 281—41.403(256B); all IEP and IFSP meetings and three-year reevaluations for each eligible individual; and data required for federal and state reporting **(IAC 281—41.901).**

School districts and AEAs are required to conform to generally accepted accounting principles (GAAP) commencing with the school year beginning July 1, 1996 **(257.31(4)).**

All school districts [and AEAs] shall budget on the generally accepted accounting principles (GAAP) basis of budgeting beginning with fiscal year 2006-2007 **(IAC 289—6.5(1)).**

Legal provisions may conflict with GAAP. Statement 1 of GAAFR says, "Where financial statements prepared in conformity with GAAP do not demonstrate finance-related legal and contractual compliance, the governmental unit should present such additional schedules and narrative explanations in the comprehensive annual financial report as may be necessary to report its legal compliance responsibilities and accountabilities. In extreme cases, preparation of a separate legal-basis special report may be necessary....Conflicts between legal provisions and GAAP do not require maintaining two accounting systems. Rather, the accounting system may be maintained on a legal compliance basis, but should include sufficient additional records to permit GAAP-based reporting."

When GAAP provides more than one method for accounting for a financial transaction, the department of education may determine which method will be used for school districts and AEAs to ensure consistency in reporting as required by Iowa Code **(256.9(18)).**

Records Retention

"Electronic record" means a record created, generated, sent, communicated, received, or stored by electronic means **(554D.103(7)).** *"Information"* means data, text, images, sounds, codes, computer programs, software, databases, or the like **(554D.103(10)).** *"Record"* means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form **(554D.103(13)).** *"Transaction"* means an action or set of actions occurring between two or more persons relating to the conduct of business, commercial, or governmental affairs **(554D.103(16)).**

"Public records" includes all records, documents, tape, or other information stored or preserved in any medium, of or belonging to the school corporation. *"Public records"* also includes all records relating to the investment of public funds including but not limited to investment policies, instructions, trading orders, or contracts, whether in the custody of the public body responsible for the public funds or a fiduciary or other third party **(22.1(3)).**

"Record" means a document, book, paper, electronic record, photograph, sound recording, or other material, regardless of physical form or characteristics, made, produced, executed, or received pursuant to law in connection with the transaction of official business of state government. *"Record"* does not include library and museum material made or acquired and preserved solely for reference or exhibition purposes or stocks of publications and unprocessed forms **(305.2(9)).** A preservation duplicate record shall have the same force and effect for all purposes as the original record whether or not the original record is in existence. A certified transcript, exemplification, or copy of a preservation duplicate record shall be deemed for all purposes to be a certified transcript, exemplification, or copy of the original record **(305.12).** All records made or received by or under the authority of or coming into the custody, control, or possession of public officials of this state in the course of their public duties are the property of the state and shall not be mutilated, destroyed, transferred, removed, or otherwise damaged or disposed of, in whole or in part, except as provided by law or by rule **(305.13).**

Iowa law makes no particular reference to the retention of school district records beyond electronic records except that the school board is authorized to make rules and regulations for the care of school property **(279.8).** Some records have administrative value, legal value, or historical value and the district or AEA would consider this in decisions on retention. The Statute of Limitations (Chapter 614), state guidelines, and the *Record Retention Manual for Iowa Cities*, are the basis for the following suggested best practices for government entities.

Electronic record retention requirements:

8. If a law requires that a record be retained, the requirement is satisfied by retaining an electronic record of the information in the record which does both of the following:
   c. Accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise.
   d. Remains accessible for later reference.
9. A requirement to retain a record in accordance with subsection 1 does not apply to any information the sole purpose of which is to enable the record to be sent, communicated, or received.
10. A person may satisfy subsection 1 by using the services of another person if the requirements of that subsection are satisfied.
11. If a law requires a record to be presented or retained in its original form, or provides consequences if the record is not presented or retained in its original form, that law is satisfied by an electronic record retained in accordance with subsection 1.
12. If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection 1.
13. A record retained as an electronic record in accordance with subsection 1 satisfies a law requiring a person to retain a record for evidentiary, audit, or like purposes, unless a law enacted after July 1, 2000, specifically prohibits the use of an electronic record for the specified purpose.
14. This section does not preclude a governmental agency of this state from specifying additional requirements for the retention of a record subject to the agency's jurisdiction **(554D.114).**

A governmental agency of this state shall determine whether, and the extent to which, the governmental agency will create and retain electronic records and convert written records to electronic records **(554D.119).**

Board Records

- The official minutes of open meetings of the school board, including resolutions, retained permanently **(OAG #79-4-19).**
- Board meeting agendas, retained 5 years or until administrative value ends.
- Packets of informational materials prepared for use by members for an open meeting are public records **(OAG #81-8-24)**, retained permanently.
- Detailed minutes and audio tapes of closed sessions, retained at least 1 year beyond the date of the meeting **(21.5(4)).**

- A copy of the board policies, retained until superseded.
- Oaths of Office, retained permanently with the minutes.
- Fidelity bonds of officials, retained 5 years after expiration.
- Required bids accepted, retained 10 years after completion of contract (or life of fixed asset if equipment).
- Required bids rejected, retained 10 years or after completion of contract.
- Required bid solicitations/requests for proposals/quotations, retained 10 years after completion of contract.
- Other bids accepted, retained 5 years.
- Other bids rejected, retained 5 years or 1 year beyond audit, whichever is later.
- Petitions by patrons, retained 5 years after issue closed.
- Articles of Incorporation, retained permanently.
- Records of patents, copyrights, trademarks, etc., retained permanently.
- Studies and surveys, retained until administrative value ends.

Legal Documents

- Written contracts, retained for 10 years beyond the end of the contract.
- Leases, retained for 5 years after expiration.
- Purchase or service agreements for equipment or supplies, retained 5 years after expiration.
- Record of payment of judgments against the district, retained 20 years.
- Accidents on school property, settled out of court, retained 10 years after settlement.
- Accidents on school property, court decisions, retained permanently.
- Fire damage reports, retained 5 years.
- Insurance policies, retained 5 years after expiration.
- Written settlement agreements that resolve a legal dispute (including insurance claim settlements), retained as public records **(22.13).**
- Fidelity bonds of officials, retained 5 years after expiration.
- Special events permits and licenses, retained 5 years.
- Civil lawsuits and administrative law proceedings, retained 5 years after closure.
- Criminal lawsuits, retained permanently.
- Informal legal opinions, retained 5 years.
- Formal legal opinions, retained permanently.

Correspondence

- Financial correspondence, retained 5 years.
- Personnel correspondence, retained 7 years after termination.
- Credit and collection correspondence, retained 7 years.
- General correspondence, retained 5 years or as long as of administrative or of historic value.
- Newsletters, retained permanently if of historic value.
- Letters or emails from patrons, retained 6 months or until issue resolved, whichever is later.
- Executive correspondence dealing with significant aspects of administration (i.e. agency policy, programs, fiscal or personnel matters), retained permanently.
- Emails messages that do no set policy, establish guidelines or procedures, certify a transaction, or become a receipt, retain until administrative value ends.

Budget

- Budget estimate worksheets, retained 5 years.
- Final budget and certification summary, retained permanently.
- Budget amendments, retained permanently.
- Certified enrollment official summaries, retained permanently.
- Affidavit of publication, retained 5 years or until audited.
- Notice of property tax allocation from county, retained 5 years.

Financial Reports and Records

- The secretary's annual report (CAR-COA), retained permanently.
- The secretary's and the treasurer's financial reports, monthly and annually, retained with minutes permanently.
- Interim financial reports not required by law, retained 5 years.
- Audits, retained permanently.
- Accounts Payable Records:
    - Invoices, statements, bills, claims, retained 5 years.
    - Purchase orders, change orders, and requisitions, retained 5 years after purchase order date.

    - Vendor information, retained 5 years.
    - Check/warrant copies, canceled or stubs, retained 5 years.
    - Petty cash vouchers, retained 5 years.
    - Cost accounting computations for indirect cost recovery, retained 5 years.
    - Sales tax or use tax reports, retained 5 years.
- Accounts Receivable Records:
    - Receipts or receipt books, retained 5 years.
    - Daily cash receipt tabulations (cash register tapes, validation tallies, etc.), retained 5 years.
    - Invoices, statements, bills, claims, retained 5 years.
    - Records and reports regarding uncollectible accounts, bad debt write-offs, retained 10 years.
    - Claims for sales tax or fuel tax refunds, retained 5 years. Also licensed distributors, dealers and users must retain for 3 years copies of bills of lading or manifests, purchase invoices, copies of sales invoices, exemption certificates, purchase records, sales records, copies of reports filed with the Department of Revenue, Iowa export schedules, copies of credit memos, and cancelled checks and cash register.
- Ledgers:
    - General ledger, retained permanently.
    - Subsidiary ledgers, revenue or expenditures, retained 10 years.
- Books of Original Entry:
    - Receipt journals and registers, retained 10 years.
    - Disbursement journals and registers, retained 10 years.
    - General journal, retained 10 years.
- Payroll:
    - Payroll journals, retained 60 years.
    - Supporting payroll documentation (time sheets, leave reports, etc), retained 5 years.
    - W-2s, W-3s, W-4s, 941s, deposits, 1099s, 1096s, retained 5 years.
    - Iowa withholding reports, job service reports, IPERS, deposits/transfers, retained 5 years.
- Banking and Investments:
    - Notices of interest or dividends earned, reports of growth, purchase or sale, retained 5 years.
    - Bank or investment statements, retained 5 years.
    - Reconciliation worksheets, retained 5 years.
    - Check/warrant register (same as disbursement journal), retained 10 years.

Fixed Asset Records

- Documents relating to fixed asset, retained 5 years beyond disposal of fixed asset.
- Fixed asset maintenance and repair records, retained for the life of the fixed asset.
- Inventories of capital assets, retained for the life of the capital asset.
- Other inventories, retained 5 years after audit completed.
- Documents relating to real property transactions, retained permanently. (Includes such things as deeds, title opinions, abstracts, appraisals, certificate of title, title insurance, condemnation proceedings, demolitions, easement and right of way agreements, plats and vacations or alterations of plats, blueprints and other structural plans or specifications, and annexation files.)
- Appraisals, retained 5 years after project completed; if no project initiated, retained as long as has administrative value.
- Environmental impact surveys, retained 5 years.
- Constructions records (work orders, change orders, payroll, purchase records, inspections and testing, progress reports, etc.), retained 5 years after project completion.
- Certificates of completion and acceptance, retain permanently.
- Profiles and grade books, retained permanently.
- Comprehensive facility plans (5 to 10 year projections), retained as long as have administrative value.
- Inspections, violations, remediation, retained for the life of the asset.
- Material Safety Data Sheets (MSDS), retained 30 years after last use (OSHA requirement).
- Disposal record of hazardous materials, retained permanently.
- Odometer readings, retained for life of vehicle.
- Depreciation records for equipment in proprietary funds, retained for life of asset.

Bond Issues

- Bond certificates, retained 11 years after final recall (or possibly permanently).
- Redeemed coupons, stamped "paid" and retained 11 years.
- Bond register, retained permanently.

- Affidavit of publication, retained permanently.
- Records and documents pertaining to cancellation, transfer, redemption, or replacement of public bonds or obligations shall be preserved by the issuer or its agent for a period of not less than 11 years **(76.10(7)"a").**

Federal or State Programs or Grants

- Grant reports (quarterly, monthly, close-out documents, etc.), retained for grant terms if stated, if not stated then 5 years after audit or 7 years if not audited.
- Child nutrition records pertaining to participation, financial information, and free and reduced-price meal applications, retained 3 years beyond the current fiscal year. This is the federal fiscal year, so it really is retained 4 years. Records of an unresolved audit issue, retained until that audit is resolved.
- Records of federally funded public improvement projects (applications, contracts, accounting and banking records, payroll, EEO compliance records), retained 5 years after final payment if audited or 7 years after final payment if not audited.
- Records related to federal aid, retained 5 years if audited and no issues; if there is a non-compliance issue/questioned cost, the records are retained 3 years after settlement; if not audited, retained 7 years.
- CETA/JTPA contracts and claims, retained 5 years (CETA & JTPA program repealed by Workforce Investment Act of 1998; Job Corps continued).
- Asbestos medical records or records of licensure, retained for a minimum of 30 years.

Personnel Records

- Job descriptions and history, retained permanently.
- Applications and resumes of those hired, retained 60 years.
- Applications and resumes of those not hired, retained 5 years from the date the position is filled **(29 CFR sec. 1602.31)** or until issue resolved in the event of allegations of discrimination.
- Results of tests/placements of those hired, retained 60 years.
- Employment contracts, retained for 10 years after termination.
- Evaluations, discipline, demotion, promotion, awards, continuing education records, retained 60 years.
- Resignations and reasons for termination, retained 60 years.
- Employee medical exams, retained 60 years in separate file.
- Personnel policies and pay plans, retain permanently.
- IPERS claims, retained 60 years.
- Unemployment claims, retained 5 years.
- Garnishment records, retained 3 years beyond closure.
- Enrollments for direct deposit, insurance, savings bonds, TSAs, etc., retained as long as current.
- Health insurance payments and claims, retained 5 years.
- Internal investigations (harassment, etc.), retained 10 years.
- EEO-4 reports, retained 5 years.
- EEO Plans, retained 5 years or as long as of administrative value, whichever is later.

Employee Accidents

- Employer reports, retained 5 years.
- OSHA reports, retained 5 years.
- Worker compensation reports, retained 5 years after final payment, however if the case may result in future claims, the reports are retained 60 years.

Union/Association Records

- Negotiation records, retained as long as of administrative value.
- Master contracts, retained permanently.
- Fact finding and arbitration, retained 5 years minimum.
- Case files (actions, appeals, decisions), retained 10 years or until legal value ends, whichever is later.

Student Records

- Permanent record (evidence of attendance and educational progress, serves as an official transcript, contains other data for use in planning to meet student needs, and provides data for official school and school district reports, etc.), retained permanently in a fire-resistant safe or vault or electronically with a secure backup file, except as listed next.
    - **34 CFR 300.573** requires that a school inform parents when personally identifiable information collected, maintained, or used for special education purposes is no longer needed to provide educational services to the child. At the request of the parents, that information must be destroyed. This does not include the permanent record information of name, address, grades, attendance record, etc., which still may be maintained without

time limit. The district may want to caution parents that there are many good reasons why they might not want their child's special education record destroyed such as the potential future need to prove disability for SSI or SS-disability purposes.

- The board shall adopt a policy concerning the accessibility and confidentiality of student records that complies with the provisions of the federal Family Educational Rights and Privacy Act of 1974 and Iowa Code chapter 22.

- Cumulative record (courses taken, scholastic progress, school attendance, physical and health record, experiences, interests, aptitudes, attitudes, abilities, honors, extracurricular activities, part-time employment, and future plans, etc.), retained 2 years beyond graduation. Guidance is to cull unnecessary information from the record when a student advances to another attendance center, such as elementary to middle school.

Legal Publications

The proceedings of each regular, adjourned, or special meeting of the board, including the schedule of bills allowed, shall be published after the adjournment of the meeting in the manner provided in this section and section 279.36, and the publication of the schedule of the bills allowed shall include a list of claims allowed, including salary claims for services performed. The schedule of bills allowed may be published on a once monthly basis in lieu of publication with the proceedings of each meeting of the board. The list of claims allowed shall include the name of the person or firm making the claim, the purpose of the claim, and the amount of the claim. If the purpose for the claims is the same, two or more claims made by the same vendor, supplier, or claimant may be consolidated if the number of claims consolidated and the total consolidated claim amount are listed in the statement. However, the board shall provide at its office upon request an unconsolidated list of all claims allowed. Salaries paid to individuals regularly employed by the district shall only be published annually and the publication shall include the total amount of the annual salary of each employee. The secretary shall furnish a copy of the proceedings to be published within two weeks following the adjournment of the meeting **(279.35).** The requirements of section 279.35 are satisfied by publication in at least one newspaper published in the district or, if there is none, in at least one newspaper having general circulation within the district. For the fiscal year beginning July 1, 1989, and each fiscal year thereafter, the fee for the publications shall be the legal publication fee provided by statute **(279.36).**

The compensation, when not otherwise fixed, for the publication in a newspaper of any notice, order, citation, or other publication required or allowed by law shall be at a rate of thirty-four cents for one insertion and twenty-three cents for each subsequent insertion for each line of eight point type two inches in length, or its equivalent. Beginning June 1, 2001, and each June 1 thereafter, the director of the department of administrative services shall calculate a new rate for the following fiscal year as prescribed in this section, and shall publish this rate as a notice in the Iowa administrative bulletin prior to the first day of the following calendar month. The new rate shall be effective on the first day of the calendar month following its publication. The rate shall be calculated by applying the percentage change in the consumer price index for all urban consumers for the last available 12-month period published in the federal register by the federal department of labor, bureau of labor statistics, to the existing rate as an increase or decrease in the rate rounded to the nearest one-tenth of a cent. The calculation and publication of the rate by the director of the department of administrative services shall be exempt from the provisions of chapters 17A and 25B **(618.11).**

A school board in its publication of proceedings is required to include as part of the list of claims allowed the purpose of the claim. If the school district fails to identify the purpose of the claim, it is not in compliance with the publication requirement set forth by Code **(OAG #96-8-2(L)).**

The monthly salaries of each employee need not be published with the minutes if the yearly salaries are otherwise published **(OAG #78-4-12).**

Gross salaries of employees must be published **(OAG #64-4-15).** Details of benefits are a public record, and while not required to be published, must be made available on request. This includes information such as vacation time, accrued and used; sick leave, accrued and used; retirement benefits, etc. **(Clymer v. City of Cedar Rapids, 601 N.W.2d 42 (Iowa 1999)).**

All notices, proceedings, and other matter whatsoever, required by law or ordinance to be published in a newspaper, shall be published only in the English language and in newspapers published primarily in the English language **(618.1).**

Any public official who violates the provisions of section 618.1 or who willfully fails to make publication as now required of the public official by law of any notice, report of proceedings or other matter whatsoever, shall be guilty of a simple misdemeanor **(618.2).**

In all cases where an officer in the discharge of the officer's duty is required to post an advertisement or notice, the officer shall, when not otherwise provided, be allowed $0.25, and the same mileage as a sheriff **(618.12).**

Publications may be made in a newspaper published at least once a week **(618.5).** When the publication is in a newspaper which is published more than once a week, the succeeding publications of such notice shall be on the same day of the week as the first publication. This section shall not apply to any notice for the publication of which provision inconsistent herewith is specially made **(618.9).**

Publication requirements for districts and AEAs shall be deemed satisfied when publication is made in editions or zoned editions which are delivered to an area within the jurisdiction of the district or AEA making the publication even though publication is not made in other editions of the same newspaper **(618.16).**

A publication required by law shall be printed in type no smaller than 6-point **(618.17).** When a publication required by law is not published within one month of submission to the newspaper, the maximum compensation established by law shall be reduced by twenty-five percent [25%] **(618.18).**

The school board or AEA board may publish, as straight matter or display, any matter of general public importance, in one or more newspapers, as defined in section 618.3 published in and having general circulation in the district or AEA, at the legal or appropriate commercial rate, according to the character of the matter published. In the event there is no such newspaper published in the district or AEA or in the event publication in more than one such newspaper is desired, publication may be made in any such newspaper having general circulation in the district or AEA **(618.14).**

If publication be refused when copy therefor, with the cost or security for payment of the cost, is tendered, such publication may be made in some other newspaper of general circulation at or nearest to the county seat, with the same effect as if made in the newspaper so refusing **(618.8).**

Publishers are entitled to charge extra prices for complicated and difficult work, above the rate designated by the law for the production of straight matter **(Brown and Company v. Lucas County, Iowa Report, Vol. 94, p. 70**).

A newspaper that has been published within the area for more than 2 years, but has changed its post office of entry to a different post office of entry within its subscription area during that same time period, remains eligible for publishing official matters **(OAG #97-4-24).** A change of name or ownership of a newspaper thus designated that does not affect its general circulation as required in section 618.3 shall in no way disqualify such newspaper for selection in making such publication of legal notices **(618.4).**

For the purpose of establishing and giving assured circulation to all notices and reports of proceedings required by statute to be published within the state, if newspapers are required to be used, only a newspaper which meets all of the following requirements shall be designated for official publication purposes:

1. Is a newspaper of general circulation that has been published at least once a week for at least 50 weeks per year within the area and regularly mailed through the post office of entry for at least 2 years.
2. Has a list of subscribers who have paid, or promised to pay, at more than a nominal rate, for copies to be received during a stated period.
3. Devotes at least 25% of its total column space in more than one-half of its issues during any 12-month period to information of a public character other than advertising.
4. Is paid for by at least 50% of the persons or subscribers to whom it is distributed **(618.3).**

Recommended or Required Notices

This may not be a complete listing.

PUBLICATION	REQUIREMENTS	TIMES RUN
Meeting Proceedings **(279.35)**	One newspaper, in district, Provided within 2 weeks of meeting adjournment	One
Bills Allowed **(279.35)**	With publication above or in one newspaper, in district, on a monthly basis	One
Salaries **(279.35)**	One newspaper, in district, annually	One
Official Meeting notice **(21.4)**	Posting, at least 24 hours prior to meeting	One
Intent to sign a whole grade sharing agreement, Public notice **(282.11)**	At least 90 days before signing the agreement; also hold a public hearing not less than 30 days prior to signing	One
School Elections, and Public Measures **(49.53, 298.18(3))**	One newspaper, in district, not less than 4 nor more than 20 days prior to election	One
Instructional Support Program Public hearing **(257.18)**	One newspaper, in district, not less than 10 nor more than 20 days prior to the public hearing	One
Budget Estimates, and annual levies	One newspaper, in district, not less than 10 nor more	One

previously authorized; time and date of public hearing **(24.9)**	than 20 days before the hearing	
Bids for School Construction, Erection, Demolition, Alteration, Repair, or Improvement, estimated to cost more than competitive bid threshold **(73A.18)**	One newspaper, in county, first publication not less than 15 days prior to date set to receive bids	Two
Notice of public hearing on resolution to sell, lease or dispose of school property **(297.22)**	One newspaper, in district, not less than 10 days but not more than 20 days prior to the date of the hearing	One
Sale of school property, other than real property, having a value of not more than $5,000 **(297.22)**	One newspaper, in district, each week for two consecutive weeks	Two
Bids for Rental or Lease-Purchase Option Contracts up to 20 years **(278.1(2)"b")**	One newspaper, in county, two consecutive weeks	Two
Bids and proposals for materials, products, supplies, provisions, and other needed articles to be purchased at public expense **(73.2)**	The statement "By virtue of statutory authority, a preference will be given to products and provisions grown and coal produced within the state of Iowa" shall be printed on all requests for bids and proposals	As printed
Sale of Public Bonds **(75.2)**	One newspaper, in county, not less than 4 nor more than 20 days prior to sale	One
Sale of Anticipatory Warrants **(74A.7)**	One newspaper, in district, two consecutive weeks, not less than 10 days prior to sale	Two
Policy implementing the provisions of an interagency information sharing agreement **(280.25(8))**	Student handbook	As published
Notice of school audit report being filed **(11.14(2))**	Written notice that report has been filed sent to each newspaper and radio or television station in the district	One
Student responsibility and discipline policies including but not limited to: attendance; use of tobacco; use or possession of alcoholic beverages or any controlled substances; harassment of or by students and staff; violent, destructive, and seriously disruptive behavior; suspension, expulsion, emergency removal, weapons, and physical restraint; out-of-school behavior; participation in extracurricular activities; academic progress; and citizenship **(IAC 281--12.3(6)).**	Student and Employee handbooks	As published
Written publication code regarding student exercise of free expression available to students and their parents **(280.22(4)).**	Student handbook	As published
Names or positions and phone numbers or other contact information of designated investigator and alternate for abuse investigation **(IAC 281--102.5(3)).**	Annually published in the student handbook, newspaper, in district, and posting in all buildings operated by the district	One
Information on human growth and development curriculum used in each grade level and procedures for inspection of instructional materials prior to their use in classroom; Procedures for parent or guardian to request in writing that a pupil be excused from the instruction **(279.50; DoE Dec. Order 11).**	Annual notice to parents or guardians of enrolled students	One

Information about the educational rights of homeless children and you and encouraging homeless children and youth of school age to enroll in the public school **(IAC 281--33.3).**	Post at community shelters and other locations in the district where services or assistance is provided to the homeless	One
Procedures for dispute resolution of a homeless child or youth denied access to a free, appropriate public education (written notice of right to appeal and manner of appeal; name, address and telephone number of the Legal Services office in area) **(IAC 281--33.9(3)).**	Hand delivery or U.S. mail if address available	One
Availability and requirements of postsecondary enrollment options (PSEO) for high school students **(IAC 281--22.15).**	Student handbook	One
Nondiscrimination policy, grievance policy and procedures, educational equity coordinator's name, address, and phone number, and grievance procedures for person who feels discriminated against **(Title VI; Title IX; Section 504 of Rehabilitation Act; IC 601A).**	All major annual or general publications	As published
Parent's or eligible student's right to (1) inspect and review educational records, (2) request an amendment of the educational records, (3) consent to disclosure of personally identifiable information in educational records; (4) file a complaint with the U.S. Department of Education regarding alleged noncompliance with the law; **(FERPA (20 USC 1232g; 34 CFR 99.7).**	Annual notice to parents of students and students currently in attendance by any means reasonably likely to inform	One
Special education policies; suspension/expulsion procedures and student's due process **right (34 CFR 300.503).**	Written notice required to parents a reasonable time before school takes action	One
Free or low-cost legal and other relevant services available **(34 CFR 300.507).**	Hand delivery or U.S. mail if parent requests information or initiates hearing	One
Availability of asbestos management plan and any asbestos abatement actions taken or planned in the school **(40 CFR 763E, AHERA).**	Annual notice to parents, teachers, and employee organizations; any method; beginning of school year	One
Public release of the availability of SFSP Free and reduced price meals **(7 CFR 225.15(3)(e)).**	Annually provided to any media serving the area from which the school draws attendance; beginning of each school year and before September 30 which is the beginning of the federal fiscal year	One
Public release regarding availability of Summer Food Service Program Meals **(The Healthy, Hunger-Free Kids Act of 2010 (the Act), Public Law 111-296, amendment to 42 USC 1761(a).13(a)) and (Memos SFSP 04-2011, SP 15-2011).**	Annually provide printed or electronic materials to families of school children prior to the end of the school year, which provides information on the availability and location of SFSP meals during the summer; may distribute the information through means normally used to communicate with the households of enrolled children [regarding SFSP meals]	One
Public release of eligibility of children for SFSP free and reduced price meals and for free milk **(7 CFR**	Letter or notice and application distributed to parents of children enrolled in school announcing criteria at the beginning of each school year or, if notification of	One, repeated if changed

245.5).	approval from the state is provided later, within 10 days after notification received; also provided to the informational media, the local unemployment office, and to any major employers contemplating large layoffs in the area from which the school draws attendance; Any subsequent changes in a school's eligibility criteria during the school year shall be publicly announced in the same manner as the original criteria were announced. Any communication with households for eligibility determination purposes must be in an understandable and uniform format and to the maximum extent practicable, in a language that parents and guardians can understand.	
Notify parents of open enrollment deadlines, transportation assistance, rights and procedures to appeal, and possible loss of athletic eligibility **(IAC 281—17.3(2))**	By September 30 of each school year, notification in school newsletter, a newspaper of general circulation, or a parent handbook provided to all patrons of the district. This information shall also be provided to any parent/guardian of a pupil who enrolls in the district during the school year.	One
Procedures on charging fees, written notice of fees charged, waiver and reduction policy and procedures including income guidelines, and application for waivers **(IAC 281—18.3(1)"e")**	Distributed to all students at the time of registration or enrollment. For students or families whose primary language is other than English, the school shall provide a copy in the student's native language or arrange for translation within a reasonable time.	One
General notice to parents about the provisions of general education interventions that occur as part of the district's general program and that may occur at any time throughout the school year **(IAC 281—41.312(1))**	Annual notice to parents	One
Notification to parents of a child with a disability of an IEP team meeting and affording them the opportunity to participate **(IAC 281—41.322(2))**	In sufficient time to ensure parents have the opportunity to attend	One
Written notice to parents of a child with a disability that the district proposes to initiate or change the identification, evaluation, or educational placement of a child or the provision of FAPE to the child **(IAC 281—41.503(1)).**	Within a reasonable time before the agency proposes or refuses change; must be written in language understandable to the general public, and must be provided in the native language of the parent or other mode of communication used by the parent	One
Copy of the procedural safeguards available to the parents of a child with a disability **(IAC 281—41.504(1))**	Given to parents each school year; May place a copy of procedural safeguards notice on district website; must be written in language understandable to the general public, and must be provided in the native language of the parent or other mode of communication used by the parent	One
Annual Progress Report **(IAC 281—12.8(3)"b")**	Sent to DE by 9/15 and "submit" to public by same date.	Once
4th grade reading proficiency **(256D.3)**	Sent to DE annually.	Once

Financial and Budgetary Analysis

Ratio Analysis
Ratio analysis examines the relationship of one variable to another. For ratios to be truly useful the variables should be directly related such as cause and effect and should measure only a single relationship.

Variance Analysis
Variance analysis compares in detail a financial position or operating result against a benchmark. An example would be comparing the financial report against the budget or against a forecast for the same period and identifying and analyzing differences.

Times-Series Analysis
Times-series analysis is a mathematic technique to estimate future values or performances for which a series of past values or performances are known. For example, looking at the history of enrollments and projecting what future enrollments will be. This is also called trend analysis.

Modeling
Modeling is a mathematic technique to estimate the future effect of a series of events. Generally modeling is done on computer using formulas. An example would be determining the impact on future district costs per pupil if the district were to merge or enrollments were to change substantially.

Regression Analysis
Regression analysis is a statistical technique which estimates the relationship between two or more variables. Once this relationship can be determined, future changes to one variable can be estimated from changes to the other(s).

Cost-Effective Analysis
Cost-effective analysis is the process used to determine the least-cost approach to meeting objectives (outcomes) measured in educational terms. One alternative is cost-effective when compared to another if it achieves the desired outcomes for the same cost or provides the same desired outcomes for a lower cost.

Cash flow Forecasting
Cash flow forecasting is a times-series analysis. The purposes of cash flow forecasting are to schedule payment of bills, to plan major purchases, to detect cash shortages which may arise, to plan for temporary investment of idle cash, to plan for seasonal needs for cash over the yearly cycle, and to plan for program growth by estimating how long cash outflow will exceed cash inflow. Cash flow forecasts provide management with time to find additional resources or to modify plans. Cash flow forecasts are also necessary to obtain a credit rating on tax-exempt note issues and to ensure compliance with federal laws on arbitrage. Cash managers can estimate future cash position by examining historic cash flow patterns and analyzing the budgeted revenues and expenditures.

Benchmarking
Benchmarking establishes standards against which performance in a specific area can be compared to determine how well the entity performs and where improvements are needed. Those standards are determined from past performance measurers, performance in other districts or AEAs, or industry standards of best practices. Benchmarks are most effective if they reflect a coherent mission and clearly defined strategies, goals, and objectives.

Performance Measurement
Performance measurement is a variance analysis. Performance measurement compares performance is a specific area to benchmarks to determine how well the entity performs and where improvements are needed. Improvements are generally in the areas of doing things better, faster, or cheaper and ensuring that performance and processes have a measurable, positive impact in achieving the entity's mission, goals and objective.

CHAPTER 16

HUMAN RESOURCE MANAGEMENT

Employee Status

Employee versus Contracted Service

Anyone who performs services is an employee if the employer can control what will be done and how it will be done. This is so even when the employee has considerable freedom of action. It only matters that the employer has the legal right to control the method, result, or other key elements of the services. The employer will be liable for income tax and employee social security and Medicare taxes if these taxes are not deducted and withheld because the employer considered an employee to be a nonemployee **(IRS Publication 15).** Athletic Officials are employees **(Revenue Ruling 57-119, CB 1957-1,331).** Even though athletic officials are not controlled as to their officiating, the employer determines which games, the pay per game, the scheduling of the games, and even the pairing of officials if they want, etc.

When some services performed by an employee would be employment while other services would not, use the guidance of the following regulation:

a. If a portion of the services performed by an employee for the employer during a pay period constitutes employment, and the remainder does not constitute employment, all the services of the employee during the period shall for purposes of the tax be treated alike, that is, either all as included or all as excluded. The time during which the employee performs services which constitute employment, and the time during which the employee performs services which do not constitute employment, within the pay period, determine whether all the services during the pay period shall be deemed to be included or excluded.

b. If one-half or more of the employee's time in the employ of a particular entity in a pay period is spent in performing services which constitute employment, then <u>all</u> the services of that employee for that entity in that pay period shall be deemed to be employment **(IRS Regulation section 31.3306(d)).** This regulation has been used by the IRS to allow districts to treat athletic officials <u>who are not otherwise school employees</u> as if they were contracted services, even though technically they are not.

STAFF

Administrators

"Administrator" means a person who is licensed to coordinate, supervise, or direct an educational program or the activities of other practitioners **(272.1(1)).**

The board of directors of a school district may employ a superintendent of schools for a term of not to exceed 3 years. However, the board's initial contract with a superintendent shall not exceed one year if the board is obligated to pay a former superintendent under an unexpired contract. The superintendent shall be the executive officer of the board and have such powers and duties as may be prescribed by rules adopted by the board or by law. Boards of directors may jointly exercise the powers conferred by this section **(279.20(1)).**

"Superintendent" means an administrator who promotes, demotes, transfers, assigns, or evaluates practitioners or other personnel, and carries out the policies of a governing board in a manner consistent with professional practice and ethics **(272.1(15)).**

The board of directors of a school district may employ principals, under the provisions of section 279.23. A principal shall hold a current valid principal's certificate. Notwithstanding the provisions of section 279.23, after serving at least 9 months, a principal may be employed for a term of not to exceed 2 years. The principal, under the supervision of the superintendent of the school district and pursuant to rules and policies of the board of directors of the school district, shall be responsible for administration and operation of the attendance center to which the principal is assigned. The principal shall, pursuant to the policies adopted by the board of directors of the school district, be responsible for the planning, management, operation, and evaluation of the educational program offered at the attendance center to which the principal is assigned and shall submit recommendations to the superintendent regarding the appointment, assignment, promotion, transfer and dismissal of all personnel assigned to the attendance center. The principal shall perform such other duties as may be assigned by the superintendent. For purposes of this section and sections 279.23,

279.23A, 279.24, and 279.25, the term *"principal"* includes school principals, associate principals, and assistant principals **(279.21).**

"Principal" means a licensed member of a school's instructional staff who serves as an instructional leader, coordinates the process and substance of educational and instructional programs, coordinates the budget of the school, provides formative evaluation for all practitioners and other persons in the school, recommends or has effective authority to appoint, assign, promote, or transfer personnel in a school building, implements the local school board's policy in a manner consistent with professional practice and ethics, and assists in the development and supervision of a school's student activities program **(272.1(9)).**

Each board that operates both an elementary school and a secondary school shall employ as its executive officer and chief administrator a person who holds a license/certificate endorsed for service as a superintendent. The board of a school district may meet this requirement by contracting with its area education agency for "superintendency services" as provided by Iowa Code section 273.7A. The individual employed or contracted for as superintendent may serve as an elementary principal or as a high school principal in that school or school district provided that the superintendent holds the proper licensure/certification. For purposes of this subrule, high school means a school which commences with either grade 9 or grade 10, as determined by the board of directors of the school district, or by the governing authority of the nonpublic school in the case of nonpublic schools. Boards of school districts may jointly employ a superintendent, provided such arrangements comply with the provisions of Iowa Code subsection 279.23(4) **(IAC 281—12.4(4)).**

The board operating an elementary school shall develop and adopt staffing policies designed to attract, retain, and effectively utilize competent personnel. Each board operating an elementary school shall employ at least one elementary principal. This position may be combined with that of secondary principal or with a teaching assignment at the elementary or secondary level, provided the individual holds the proper licenses/certificates and endorsements. When grades seven and eight are part of an organized and administered junior high school, the staffing policies adopted by the board for secondary schools shall apply. When grades seven and eight are part of an organized and administered middle school, the staffing policies adopted by the board for elementary schools shall apply **(IAC 281—12.4(5)).**

The board operating a secondary school shall develop and adopt staffing policies designed to attract, retain, and effectively utilize competent personnel. Each board operating a secondary school shall employ at least one secondary principal. This position may be combined with that of elementary principal or with a teaching assignment at the elementary or secondary level, provided the individual holds the proper licenses/certificates and endorsements. This position cannot be combined with that of superintendent **(IAC 281—12.4(6)).**

"Principal" means a licensed/certificated member of a school's instructional staff who serves as an instructional leader, coordinates the process and substance of educational and instructional programs, coordinates the budget of the school, provides formative evaluation for all practitioners and other persons in the school, recommends or has effective authority to appoint, assign, promote, or transfer personnel in a school building, implements the local school board's policy in a manner consistent with professional practice and ethics, and assists in the development and supervision of a school's student activities program **(IAC 281—12.4(7)).**

Teacher

"Teacher" means a licensed member of a school's instructional staff who diagnoses, prescribes, evaluates, and directs student learning in a manner which is consistent with professional practice and school objectives, shares responsibility for the development of an instructional program and any coordinating activities, evaluates or assesses student progress before and after instruction, and who uses the student evaluation or assessment information to promote additional student learning **(272.1(16)).**

A teacher shall be defined as a member of the instructional professional staff who holds a license/certificate endorsed for the type of position in which employed. A teacher diagnoses, prescribes, evaluates, and directs student learnings in terms of the school's objectives, either singly or in concert with other professional staff members; shares responsibility with the total professional staff for developing educational procedures and student activities to be used in achieving the school's objectives; supervises educational aides who assist in serving students for whom the teacher is responsible; and evaluates or assesses student progress during and following instruction in terms of the objectives sought, and uses this information to develop further educational procedures **(IAC 281—12.4(8)).**

Educational Assistant / Paraeducator

An educational assistant shall be defined as an employee who, in the presence or absence of an instructional professional staff member but under the direction, supervision, and control of the instructional professional staff,

supervises students or assists in providing instructional and other direct educational services to students and their families. An educational assistant shall not substitute for or replace the functions and duties of a teacher as established in subrule 12.4(8). During the initial year of employment, an educational assistant shall complete staff development approved by the board as provided in subrule 12.7(1) **(IAC 281—12.4(9)).**

"Para-educator" means a person who is certified to assist a teacher in the performance of instructional tasks to support and assist classroom instruction and related school activities **(272.1(6)).**

A person holding a para-educator certificate shall not perform the duties of a licensed practitioner. A certificate issued pursuant to this chapter shall not be considered a teacher or administrator license for any purpose specified by law, including the purposes specified under this chapter or chapter 279 **(272.12).**

Probationary Teachers

The first 3 consecutive years of employment of a teacher in the same school district are a probationary period. However, if the teacher has successfully completed a probationary period of employment for another school district located in Iowa, the probationary period in the current district of employment shall not exceed one year. A board of directors may waive the probationary period for any teacher who previously has served a probationary period in another school district and the board may extend the probationary period for an additional year with the consent of the teacher **(279.19).**

Uncertificated Teachers

An employee licensed by the board of educational examiners and holding a contract as described in section 279.13 shall disclose any occurrence of a teaching assignment for which that employee is not properly licensed to the school official responsible for determining teaching assignments. Failure of the employee to disclose this occurrence or failure of the school official responsible for determining teaching assignments to make appropriate adjustments to the employee's teaching assignment once the employee discloses the occurrence shall constitute an incident of misconduct as provided in section 272.2, subsection 14, and is actionable by the board. If the school official fails to make appropriate adjustments to the teaching assignment once disclosure by the employee is made, the employee shall report this occurrence to the department or to the board for further action **(279.43).**

No person shall be employed as a teacher in a common school without having a certificate issued by some officer duly authorized by law. No compensation shall be recovered by a teacher for services rendered while without such certificate **(294.1).** School officials shall not employ an uncertificated person for teaching **(OAG #44-6-2).** A teacher without a certificate cannot be paid out of public funds **(OAG #50-8-23).**

Student Teachers

If the rules adopted by the board of educational examiners for issuance of any type or class of license require an applicant to complete work in student teaching, pre-student teaching experiences, field experiences, practicums, clinicals, or internships, an institution with a practitioner preparation program approved by the state board of education under section 256.7, subsection 3, shall enter into a written contract with any school district, accredited nonpublic school, preschool registered or licensed by the department of human services, or AEA in Iowa under terms and conditions as agreed upon by the contracting parties. The terms and conditions of a written contract entered into with a preschool pursuant to this section shall provide that a student teacher be under the direct supervision of an appropriately licensed cooperating teacher who is employed to teach at the preschool. Students actually teaching or engaged in preservice licensure activities in a school district under the terms of such a contract are entitled to the same protection, under section 670.8, as is afforded by that section to officers and employees of the school district, during the time they are so assigned **(272.27).**

Health Professionals

The AEA board or the school board of any school district may employ public health nurses at periods each year and in numbers as deemed advisable. The council of any city, or the school board of any school district, or any of them acting in cooperation, may contract with any nonprofit nurses' association for public health nursing service. The compensation and expenses shall be paid out of the general fund of the political subdivision employing nurses **(143.1).**

Boards of directors in all public school districts may establish and maintain dental clinics for children and offer courses of instruction on mouth hygiene. The boards may employ such legally qualified dentists and dental hygienists as may be necessary to accomplish the purpose of this section. The cost of the dental clinic shall be paid from the general fund **(280.7).**

The board of each school district shall employ a school nurse and shall require a current license to be filed with the superintendent or other designated administrator as specified in subrule 12.4(10) **(IAC 281—12.4(12)).**

Beginning July 1, 2007, each school district shall have a school nurse to provide health services to its students. Each school district shall work toward the goal of having one school nurse for every 750 students enrolled in the school district. For purposes of this subsection, *"school nurse"* means a person who holds an endorsement or a statement of professional recognition for school nurses issued by the board of educational examiners under chapter 272 **(256.11(9)"b").**

Teacher Librarians

Beginning July 1, 2006, each school district shall have a qualified teacher librarian who shall be licensed by the board of educational examiners under chapter 272. The state board shall establish in rule a definition of and standards for an articulated sequential kindergarten through grade twelve media program. A school district that entered into a contract with an individual for employment as a media specialist or librarian prior to June 1, 2006, shall be considered to be in compliance with this subsection until June 30, 2011, if the individual is making annual progress toward meeting the requirements for a teacher librarian endorsement issued by the board of educational examiners under chapter 272. A school district that entered into a contract with an individual for employment as a media specialist or librarian who holds at least a master's degree in library and information studies shall be considered to be in compliance with this subsection until the individual leaves the employ of the school district **(256.11(9)).**

"Library program" means an articulated sequential kindergarten through grade 12 library or media program that enhances student achievement and is integral to the school district's curricula and instructional program. The library program is planned and implemented by a qualified teacher librarian working collaboratively with the district's administration and instructional staff. The library program services provided to students and staff shall include the following:
1. Support of the overall school curricula;
2. Collaborative planning and teaching;
3. Promotion of reading and literacy;
4. Information literacy instruction;
5. Access to a diverse and appropriate school library collection; and
6. Learning enhancement through technologies **(IAC 281—12.2).**

The board of directors of each school district shall establish a K-12 library program to support the student achievement goals of the total school curriculum.

a. A qualified teacher librarian, licensed by the board of educational examiners, who works with students, teachers, support staff and administrators shall direct the library program and provide services and instruction in support of the curricular goals of each attendance center. The teacher librarian shall be a member of the attendance center instructional team with special expertise in identifying resources and technologies to support teaching and learning. The teacher librarian and classroom teachers shall collaborate to develop, teach, and evaluate attendance center curricular goals with emphasis on promoting inquiry and critical thinking; providing information literacy learning experiences to help students access, evaluate, use, create, and communicate information; enhancing learning and teaching through technology; and promoting literacy through reader guidance and activities that develop capable and independent readers.
b. The library program shall be regularly reviewed and revised and shall be designed to meet the following goals:
    1) To provide for methods to improve library collections to meet student and staff needs;
    2) To make connections with parents and the community;
    3) To support the district's school improvement plan;
    4) To provide access to or support for professional development for the teacher librarian;
    5) To provide current technology and electronic resources to ensure that students become skillful and discriminating users of information;
    6) To include a current and diverse collection of fiction and nonfiction materials in a variety of formats to support student and curricular needs; and
    7) To include a plan for annually updating and replacing library materials, supports, and equipment.
c. The board of directors of each school district shall adopt policies to address selection and reconsideration of school library materials; confidentiality of student library records; and legal and ethical use of information resources, including plagiarism and intellectual property rights **(IAC 281—12.3(12)).**

Guidance Counselor

Beginning July 1, 2007, each school district shall have a qualified guidance counselor who shall be licensed by the board of educational examiners under chapter 272. Each school district shall work toward the goal of having one qualified guidance counselor for every 350 students enrolled in the school district. The state board shall establish in rule a definition of and standards for an articulated sequential kindergarten through grade twelve guidance and counseling program **(256.11(9)"b").**

"School counseling program" means an articulated sequential kindergarten through grade 12 program that is comprehensive in scope, preventive in design, developmental in nature, driven by data, and integral to the school district's curricula and instructional program. The program is implemented by at least one school counselor, appropriately licensed by the board of educational examiners, who works collaboratively with the district's administration and instructional staff. The program standards are described in subrule 12.3(11). The program's delivery system components shall include the following:

1. School guidance curriculum;
2. Support of the overall school curriculum;
3. Individual student planning;
4. Responsive services; and
5. System support **(IAC 281-12.2).**

The board of directors of each school district shall establish a K-12 comprehensive school counseling program, driven by student data and based on standards in academic, career, personal, and social areas, which supports the student achievement goals of the total school curriculum and to which all students have equitable access.

a. A qualified school counselor, licensed by the board of educational examiners, who works collaboratively with students, teachers, support staff and administrators shall direct the program and provide services and instruction in support of the curricular goals of each attendance center. The school counselor shall be the member of the attendance center instructional team with special expertise in identifying resources and technologies to support teaching and learning. The school counselor and classroom teachers shall collaborate to develop, teach, and evaluate attendance center curricular goals with emphasis on the following:
    1) Sequentially presented curriculum, programs, and responsive services that address growth and development of all students; and
    2) Attainment of student competencies in academic, career, personal, and social areas.
b. The program shall be regularly reviewed and revised and shall be designed to provide all of the following:
    1) Curriculum that is embedded throughout the district's overall curriculum and systemically delivered by the school counselor in collaboration with instructional staff through classroom and group activities and that consists of structured lessons to help students achieve desired competencies and to provide all students with the knowledge and skills appropriate for their developmental levels;
    2) Individual student planning through ongoing systemic activities designed to help students establish educational and career goals to develop future plans;
    3) Responsive services through intervention and curriculum that meet students' immediate and future needs as occasioned by events and conditions in students' lives and that may require any of the following: individual or group counseling; consultation with parents, teachers, and other educators; referrals to other school support services or community resources; peer helping; and information; and
    4) Systemic support through management activities that establish, maintain, and enhance the total school counseling program, including professional development, consultation, collaboration, program management, and operations **(IAC 281—12.2(11)).**

Coaching Personnel

School districts employing individuals to coach interscholastic athletic sports shall issue a separate extracurricular contract for each of these sports. An extracurricular contract offered under section 279.19A shall be separate from the contract issued under section 279.13. Wages for employees who coach these sports shall be paid pursuant to established or negotiated supplemental pay schedules. An extracurricular contract shall be in writing, and shall state the number of contract days for that sport, the annual compensation to be paid, and any other matters as may be mutually agreed upon. The contract shall be for a single school year **(279.19A(1)).**

1. *a.* The board of directors of a school district may employ for head coach of any interscholastic athletic activities or for assistant coach of any interscholastic athletic activity, an individual who possesses a coaching authorization issued by the board of educational examiners or possesses a teaching license with a coaching endorsement issued pursuant to chapter 272. However, a board of directors of a school district shall consider applicants with qualifications described below, in the following order of priority:
    (1) A qualified individual who possesses a valid teaching license with a proper coaching endorsement.
    (2) A qualified individual who possesses a coaching authorization issued by the board of educational examiners.

b. Qualifications are to be determined by the board of directors or their designee on a case-by-case basis.

2. An individual who has been issued a coaching authorization or who possesses a teaching license with a coaching endorsement but is not issued a teaching contract under section 279.13 and who is employed by the board of directors of a school district serves at the pleasure of the board of directors and is not subject to sections 279.13 through 279.19, and 279.27. Subsection 1 of section 279.19A applies to coaching authorizations **(279.19B).**

"Coach" means an individual, with coaching endorsement or authorization as required by Iowa law, employed by a school district under the provisions of an extracurricular athletic contract or employed by a nonpublic school in a position responsible for an extracurricular athletic activity. "Coach" also includes an individual who instructs, diagnoses, prescribes, evaluates, assists, or directs student learning of an interscholastic athletic endeavor on a voluntary basis on behalf of a school or school district **(IAC 281—36.1).**

The minimum requirements for the board to award a coaching authorization to an applicant are:

a. Successful completion of one semester credit hour or ten contact hours in a course relating to knowledge and understanding of the structure and function of the human body in relation to physical activity.
b. Successful completion of one semester credit hour or ten contact hours in a course relating to knowledge and understanding of human growth and development of children and youth in relation to physical activity.
c. Successful completion of two semester credit hours or twenty contact hours in a course relating to knowledge and understanding of the prevention and care of athletic injuries and medical and safety problems relating to physical activity.
d. Successful completion of one semester credit hour or ten contact hours relating to knowledge and understanding of the techniques and theory of coaching interscholastic athletics.
e. Attainment of at least eighteen years of age **(272.31(1)).**

School Business Officials

a. The board shall issue a school business official authorization to an individual who successfully completes a training program that meets the standards set by the state board of education pursuant to section 256.7, subsection 30, and who complies with rules adopted by the board.
b. A person hired on or after July 1, 2012, as a school business official responsible for the financial operations of a school district who is without prior experience as a school business official in Iowa shall either hold the school business official authorization issued pursuant to paragraph *"a"* of this subsection or obtain the authorization within two years of the start date of employment as a school business official.
c. An individual employed as a school business official prior to July 1, 2012, who meets the requirements of the board, other than the training program requirements of paragraph *"a"*, shall be issued, with no fee for issuance, an initial authorization by the board, but shall meet renewal requirements for an authorization within the time period specified by the board **(272.31(2)).**

School business official candidates shall demonstrate the content knowledge and professional knowledge and skills in accordance with the following provisions. Each school business official candidate shall demonstrate through coursework the knowledge, skills, and other attributes necessary to meet the following standards at a level appropriate for a novice school business official. Each school business official candidate shall acquire the content knowledge and demonstrate competencies in the following areas:

a. Accounting (GAAP) concepts: fund accounting, account codes, Uniform Financial Accounting.
b. Accounting cycles: budgets, payroll-benefits, purchasing/inventory, cash, receipts, disbursements, financial reporting, investments.
c. Technology: manage accounting systems, proficient in understanding and use of systems technology and related programs.
d. Regulatory: Uniform Administrative Procedures Manual, school policies and procedures, administrative procedures, public records law, records management, school law, employment law, construction and bidding law.
e. Personal skills: effective communication, interpersonal skills, ethical conduct, information management, ability to analyze and evaluate, ability to recognize and safeguard confidential information and accurate and timely performance.
f. Board of educational examiners ethics program.
g. Mentor program.
h. Promotion of the value of the school business official's fiduciary responsibility to the taxpayer **(IAC 281—81.7(1)).**

For purposes of these requirements, the Uniform Financial Accounting manual is available on the website.
The Uniform Administrative Procedures manual is available on the website .

School Administration Manager

"School administration manager" means a person who is authorized to assist a school principal in performing noninstructional administrative duties **(272.1(12)).**

Trainees

Job Corps is a free education and training program that helps young people learn a career, earn a high school diploma or GED, and find and keep a good job. For eligible young people at least 16 years of age that qualify as low income, Job Corps provides the all-around skills needed to succeed in a career and in life. Job Corps program operators, or other certifying agencies, will screen and refer eligible workers and can arrange for participant classroom training, counseling orientation, and other supportive services. These services are provided without cost to the employer. Employers retain the right to make the final selection from among those referred **(Workforce Investment Act of 1998, Title I-C, P.L. 105-220).**

Volunteers

A volunteer shall be defined as an individual who, without compensation or remuneration, provides a supportive role and performs tasks under the direction, supervision, and control of the school or school district staff. A volunteer shall not work as a substitute for or replace the functions and duties of a teacher as established in subrule 12.4(8) **(IAC 281—12.4(16)).**

Attorneys

A school corporation may employ an attorney to represent the school corporation as necessary for the proper conduct of the legal affairs of the school corporation **(279.37).**

Employment Issues

Living Wage

It is the goal of this state that every employee of a public school corporation be provided with a competitive living wage **(279.67).**

Every employer, as defined in the federal Fair Labor Standards Act of 1938, as amended to January 1, 2007, shall pay to each of the employer's employees, as defined in the federal Fair Labor Standards Act of 1938, as amended to January 1, 2007, the state hourly wage stated in paragraph *"a"*, or the current federal minimum wage, pursuant to 29 U.S.C. § 206, as amended, whichever is greater **(91D.1"b").**

Immigration and Nationality Act (8 U.S.C.)

Employers may hire only persons who may legally work in the United States (i.e., citizens and nationals of the U.S.) and aliens authorized to work in the U.S. The employer must verify the identity and employment eligibility of anyone to be hired, which includes completing the Employment Eligibility Verification Form (I-9). Employers must keep each I-9 on file for at least 3 years, or one year after employment ends, whichever is longer.

Employers are prohibited from hiring illegal entrants or from hiring aliens who legally entered the United States with a visa, such as tourist visas, who are not authorized to work while they are in the United States.

U.S. citizens and aliens authorized to accept employment in the U.S. are protected from discrimination in hiring or discharge on the basis of national origin and citizenship status.

For more information, contact the U.S Government Department of Labor, Wage and Hour Division.

Nepotism

It shall be unlawful for any person elected or appointed to any public office or position under the laws of the state to appoint as deputy, clerk, or helper in said office or position to be paid from the public funds, any person related by consanguinity or affinity, within the third degree, to the person elected, appointed, or making said appointment, unless such appointment shall first be approved by the officer, board, council, or commission whose duty it is to approve the

bond of the principal; provided this provision shall not apply in causes where such person appointed receives compensation at the rate of $600 per year or less, nor shall it apply to persons teaching in public schools **(71.1).**

The spouse of a member of the board of directors of a school district may be employed by or contracted with that school district. A board member whose spouse is so employed or contracted with should abstain from voting on issues where actual or potential conflicts of interest exist **(OAG #89-9-2(L)).**

Conflict of Interest

Any person who serves or is employed by the state or a political subdivision of the state shall not engage in any of the following conduct:

a. Outside employment or an activity that involves the use of the state's or the political subdivision's time, facilities, equipment, and supplies or the use of the state or political subdivision badge, uniform, business card, or other evidences of office or employment to give the person or member of the person's immediate family an advantage or pecuniary benefit that is not available to other similarly situated members or classes of members of the general public. For purposes of this paragraph, a person is not *"similarly situated"* merely by being or being related to a person who serves or is employed by the state or a political subdivision of the state.

b. Outside employment or an activity that involves the receipt of, promise of, or acceptance of money or other consideration by the person, or a member of the person's immediate family, from anyone other than the state or the political subdivision for the performance of any act that the person would be required or expected to perform as a part of the person's regular duties or during the hours during which the person performs service or work for the state or political subdivision of the state.

c. Outside employment or an activity that is subject to the official control, inspection, review, audit, or enforcement authority of the person, during the performance of the person's duties of office or employment **(68B.2A(1)).**

If the outside employment or activity is employment or activity described in subsection 1, paragraph *"a"* or *"b"*, the person shall immediately cease the employment or activity. If the outside employment or activity is employment or activity described in subsection 1, paragraph *"c"*, or constitutes outside employment or an activity prohibited under rules adopted pursuant to subsection 4 or under the senate or house codes of ethics, unless otherwise provided by law, the person shall take one of the following courses of action:

a. Cease the outside employment or activity.

b. Publicly disclose the existence of the conflict and refrain from taking any official action or performing any official duty that would detrimentally affect or create a benefit for the outside employment or activity. For purposes of this paragraph, *"official action"* or *"official duty"* includes but is not limited to participating in any vote, taking affirmative action to influence any vote, granting any license or permit, determining the facts or law in a contested case or rulemaking proceeding, conducting any inspection, or providing any other official service or thing that is not available generally to members of the public in order to further the interests of the outside employment or activity **(68B.2A(2)).**

Unless otherwise specifically provided the requirements of this section shall be in addition to, and shall not supersede, any other rights or remedies provided by law **(68B.2A(3)).**

The board shall adopt rules pursuant to chapter 17A further delineating particular situations where outside employment or activity of officials and state employees of the executive branch will be deemed to create an unacceptable conflict of interest **(68B.2A(4)).**

Any officer or employee of the state or of any subdivision thereof who is directly or indirectly interested in any contract to furnish anything of value to the state or any subdivision thereof where such interest is prohibited by statute commits a serious misdemeanor. This section shall not apply to any contract awarded as a result of open, public and competitive bidding **(721.11).**

A school district director, officer, or teacher shall not act as agent for school textbooks or school supplies, including sports apparel or equipment, in any transaction with a director, officer, or other staff member of the school district during such term of office or employment. An AEA director, officer, or teacher shall not act as an agent for school textbooks or school supplies, including sports apparel or equipment, in any transaction with a director, officer, or other staff member of the AEA or any school district located within the AEA during such time of office or employment. A school district or AEA director, officer, or teacher who acts as agent or dealer in school textbooks or school supplies during the person’s term of office or employment in violation of this section shall be deemed guilty of a serious misdemeanor **(301.28).**

While Iowa Code section 279.7A does not preclude an agent for school textbooks or supplies from serving as a member of a school board of directors, Code section 301.28 does create such a prohibition. Pursuant to Code section 301.28, a school textbook or school supply salesperson is prohibited from serving as a school board member regardless of whether the salesperson sells books or supplies to the district upon whose board he or she serves **(OAG #92-2-4(L)).**

Advertising specialty and novelty items which are not used for instructional purposes are not school supplies to which section 301.28 is applicable **(OAG #90-7-2(L)).**

Commercial salespersons of musical instruments may, in the discretion of the local school board, be permitted access to school facilities for the purpose of displaying and disseminating information regarding sale or rental of musical instruments. The local school board may not, however, select a certain store or salesperson and deny access to others. A public school music instructor may recommend a particular instrument to a student, so long as the recommendation is based on a personal or professional preference and the instructor is not acting as an agent for the seller of the instrument **(OAG #80-2-2).**

Hazardous Materials Risk

An employee in this state has the right to be informed about the hazardous chemicals to which the employee may be exposed in the workplace, the potential health hazards of the hazardous chemicals, and the proper handling techniques for the hazardous chemicals. An employer shall provide or make available to an employee information as required by this chapter. Except as explicitly exempted, this chapter applies to all employers in the state **(89B.8).**

An employer shall not discharge or in any other manner discriminate against an employee because the employee has filed a complaint or brought an action under this section [right to know] or has cooperated in bringing an action against an employer. An employee may file a complaint with the labor commissioner alleging discharge or discrimination within thirty days after an alleged violation occurs. Upon receipt of the complaint, the commissioner shall cause an investigation to be made to the extent the commissioner deems appropriate. If the commissioner determines from the investigation that this section has been violated, the commissioner shall bring an action in the appropriate district court against the person. The district court has jurisdiction, for cause shown, to restrain violations of this section and order appropriate relief including rehiring or reinstatement of the employee to the former position with back pay. This section applies to an employee of a person otherwise exempt from chapter 89B **(89B.9).**

Drug Testing

Pre-employment Testing

(a) Prior to the first time a driver performs safety-sensitive functions for an employer, the driver shall undergo testing for controlled substances as a condition prior to being used, unless the employer uses the exception in paragraph (b) of this section. No employer shall allow a driver, who the employer intends to hire or use, to perform safety-sensitive functions unless the employer has received a controlled substances test result from the MRO or C/TPA indicating a verified negative test result for that driver.
(b) An employer is not required to administer a controlled substances test required by paragraph (a) of this section if:
(1) The driver has participated in a controlled substances testing program that meets the requirements of this part within the previous 30 days; and
(2) While participating in that program, either:
(i) Was tested for controlled substances within the past 6 months (from the date of application with the employer), or
(ii) Participated in the random controlled substances testing program for the previous 12 months (from the date of application with the employer); and
(3) The employer ensures that no prior employer of the driver of whom the employer has knowledge has records of a violation of this part or the controlled substances use rule of another DOT agency within the previous six months **(49 CFR 382.301).**

Reasonable Suspicion Testing

(a) An employer shall require a driver to submit to an alcohol test when the employer has reasonable suspicion to believe that the driver has violated the prohibitions of subpart B of this part concerning alcohol. The employer's determination that reasonable suspicion exists to require the driver to undergo an alcohol test must be based on specific, contemporaneous, articulable observations concerning the appearance, behavior, speech or body odors of the driver **(49 CFR 382.307(a)).**

(b) An employer shall require a driver to submit to a controlled substances test when the employer has reasonable suspicion to believe that the driver has violated the prohibitions of subpart B of this part concerning controlled

substances. The employer's determination that reasonable suspicion exists to require the driver to undergo a controlled substances test must be based on specific, contemporaneous, articulable observations concerning the appearance, behavior, speech or body odors of the driver. The observations may include indications of the chronic and withdrawal effects of controlled substances **(49 CFR 382.307(b)).**

See **49 CFR 382** and **Iowa Code section 730.5** for more detailed information on testing required or permitted for drivers.

Employers may conduct drug or alcohol testing as provided in this subsection:

a. Employers may conduct unannounced drug or alcohol testing of employees who are selected from any of the following pools of employees:
    1) The entire employee population at a particular work site of the employer except for employees not subject to testing pursuant to a collective bargaining agreement, or employees who are not scheduled to be at work at the time the testing is conducted because of the status of the employees or who have been excused from work pursuant to the employer's work policy prior to the time the testing is announced to employees.
    2) The entire full-time active employee population at a particular work site except for employees not subject to testing pursuant to a collective bargaining agreement, or employees who are not scheduled to be at work at the time the testing is to be conducted because of the status of the employee or who have been excused from work pursuant to the employer's working policy.
    3) All employees at a particular work site who are in a pool of employees in a safety-sensitive position and who are scheduled to be at work at the time testing is conducted, other than employees not subject to testing pursuant to a collective bargaining agreement, or employees who are not scheduled to be at work at the time the testing is to be conducted or who have been excused from work pursuant to the employer's work policy prior to the time the testing is announced to employees.
b. Employers may conduct drug or alcohol testing of employees during, and after completion of, drug or alcohol rehabilitation.
c. Employers may conduct reasonable suspicion drug or alcohol testing.
d. Employers may conduct drug or alcohol testing of prospective employees.
e. Employers may conduct drug or alcohol testing as required by federal law or regulation or by law enforcement.
f. Employers may conduct drug or alcohol testing in investigating accidents in the workplace in which the accident resulted in an injury to a person for which injury, if suffered by an employee, a record or report could be required under chapter 88, or resulted in damage to property, including to equipment, in an amount reasonably estimated at the time of the accident to exceed one thousand dollars **(730.5(8)).**

Equal Opportunity and Affirmative Action and Non-discriminatory

It is the policy of this state to provide equal opportunity in school district, AEA, and community college employment to all persons. An individual shall not be denied equal access to school district, AEA, or community college employment opportunities because of race, creed, color, religion, national origin, sex, age, or physical or mental disability. It also is the policy of this state to apply affirmative action measures to correct deficiencies in school district, AEA, and community college employment systems where those remedies are appropriate. This policy shall be construed broadly to effectuate its purposes **(19B.11(1)).**

Each school district, AEA, and community college shall be required to develop affirmative action standards which are based on the population of the community in which it functions, the student population served, or the persons who can be reasonably recruited **(19B.11(2)).**

Each school district, AEA, and community college in the state shall submit to the director of the department of education an annual report of the accomplishments and programs of the district, AEA, or community college carrying out the duties under section 19B.11. The report shall be submitted between December 15 and December 31 of each year. The director shall prescribe the form and content of the report **(19B.11(3)).**

It is an unfair or discriminatory practice for any educational institution to discriminate on the basis of race, creed, color, sex, sexual orientation, gender identity, national origin, religion, or disability in any program or activity. Such discriminatory practices shall include but not be limited to the following practices:

a. Exclusion of a person or persons from participation in, denial of the benefits of, or subjection to discrimination in any academic, extracurricular, research, occupational training, or other program or activity except athletic programs;
b. Denial of comparable opportunity in intramural and interscholastic athletic programs;

c. Discrimination among person in employment and the conditions of employment;
d. On the basis of sex, the application of any rule concerning the actual or potential parental, family or marital status of a person, or the exclusion of any person from any program or activity or employment because of pregnancy or related conditions dependent upon the physician's diagnosis and certification.

"Educational institution" includes any preschool, elementary or secondary school, community college, area education agency, or postsecondary college or university and their governing boards. This section does not prohibit an educational institution from maintaining separate toilet facilities, locker rooms, or living facilities for the different sexes so long as comparable facilities are provided. **(216.9).**

The federal Age Discrimination in Employment Act (ADEA) likely precludes a school district from establishing an early retirement program for its employees that diminishes benefits with advancing age. The ADEA likely permits a school district to take into account years of service in providing early retirement benefits to its employees. The ADEA does not necessarily preclude a school district from limiting participation in an early retirement program to employees younger than age sixty-five **(OAG #96-10-7).**

The Department of Management may impose appropriate sanctions on an AEA or school district in order to ensure compliance with state programs emphasizing equal opportunity through affirmative action, contract compliance policies, and requirements for procurement goals for targeted small businesses **(19B.8).**

Every person in this state is entitled to the opportunity for employment on equal terms with every other person. A person or employer shall not discriminate in the employment of individuals because of race, religion, color, sex, national origin, or ancestry. However, as to employment an individual must be qualified to perform the services or work required **(729.4(1)).**

An employer, employment agency, labor organization, licensing agency, or its employees, agents, or members shall not directly or indirectly do any of the following:

a. Solicit, require, or administer a genetic test to a person as a condition of employment, preemployment application, labor organization membership, or licensure.
b. Affect the terms, conditions, or privileges of employment, preemployment application, labor organization membership, or licensure, or terminate the employment, labor organization membership, or licensure of any person who obtains a genetic test **(729.6(2)).**

It shall be an unlawful employment practice for an employer—

1) to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex, or national origin; or
2) to limit, segregate, or classify his employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color, religion, sex, or national origin **(Civil Rights Act, 29 USC 2000E-2).**

No covered entity shall discriminate against a qualified individual on the basis of disability in regard to job application procedures, the hiring, advancement, or discharge of employees, employee compensation, job training, and other terms, conditions, and privileges of employment **(Americans with Disabilities Act, 42 USC 12112(a)).**

No employer having employees subject to any provisions of this section shall discriminate, within any establishment in which such employees are employed, between employees on the basis of sex by paying wages to employees in such establishment at a rate less than the rate at which he pays wages to employees of the opposite sex in such establishment for equal work on jobs the performance of which requires equal skill, effort, and responsibility, and which are performed under similar working conditions, except where such payment is made pursuant to

i. a seniority system;
ii. a merit system;
iii. a system which measures earnings by quantity or quality of production; or
iv. a differential based on any other factor other than sex: Provided, That an employer who is paying a wage rate differential in violation of this subsection shall not, in order to comply with the provisions of this subsection, reduce the wage rate of any employee **(Equal Pay Act, 29 USC 206D(1)).**

It shall be unlawful for an employer—

1) to fail or refuse to hire or to discharge any individual or otherwise discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's age;

2) to limit, segregate, or classify his employees in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's age; or
3) to reduce the wage rate of any employee in order to comply with this chapter **(Age Discrimination Act, 29 USC 623(a)).**

Fair Labor Standards Act (FLSA)

The Fair Labor Standards Act establishes minimum wages, overtime pay, equal pay, recordkeeping and child labor standards affecting full-time and part-time workers in the private sector and in federal, state, and local governments.

Every employer shall maintain and preserve payroll or other accurate records containing the following information and data with respect to each covered, nonexempt worker/employee to whom FLSA provisions apply:

- Employee's full name, as used for social security purposes, and on the same record, the employee's identifying symbol or number if such is used in place of name on any time, work, or payroll records;
- Address, including zip code;
- Birth date, if younger than 19;
- Sex and occupation;
- Time and day of week when employee's workweek begins. Hours worked each day and total hours worked each workweek;
- Basis on which employee's wages are paid;
- Regular hourly pay rate;
- Total daily or weekly straight-time earnings;
- Total overtime earnings for the workweek;
- All additions to or deductions from the employee's wages;
- Total wages paid each pay period;
- Date of payment and the pay period covered by the payment.

However, Section 13(a)(1) of the FLSA **(29 CFR Part 541)** provides an exemption from both minimum wage and overtime pay for employees employed as bona fide executive, administrative, professional (including academic administrative personnel and teachers in elementary or secondary schools) and outside sales employees. Section 13(a)(1) and Section 13(a)(17) also exempt certain computer employees. To qualify for exemption, employees generally must meet certain tests regarding their job duties and be paid on a salary basis at not less than $455 per week. Job titles do not determine exempt status. In order for an exemption to apply, an employee's specific job duties and salary must meet all the requirements of the Department's regulations. Records required for exempt employees differ from those for nonexempt workers.

Nursing Mothers
The Patient Protection and Affordable Care Act ("PPACA"), signed into law on March 23, 2010 **(P.L. 111-148),** amended Section 7 of the FLSA, to provide a break time requirement for nursing mothers. Employers are required to provide reasonable break time for an employee to express breast milk for her nursing child for one year after the child's birth each time such employee has need to express the milk. Employers are also required to provide a place, other than a bathroom, that is shielded from view and free from intrusion from coworkers and the public, which may be used by an employee to express breast milk. Only employees who are not exempt from the FLSA's overtime pay requirements are entitled to breaks to express milk. While employers are not required under the FLSA to provide breaks to nursing mothers who are exempt from the overtime pay requirements of Section 7, they may be obligated to provide such breaks under State laws.

Equal Pay Provisions
The equal pay provisions of the FLSA prohibit sex-based wage differentials between men and women employed in the same establishment who perform jobs that require equal skill, effort, and responsibility and which are performed under similar working conditions. These provisions, as well as other statutes prohibiting discrimination in employment, are enforced by the Equal Employment Opportunity Commission. More detailed information is available by calling 1-800-669-4000 or visiting www.eeoc.gov.

Veterans Preference

In every public department and upon all public works in the state, and of the counties, cities, and school corporations of the state, veterans who are citizens and resident of the United States are entitled to preference in appointment and

employment over other applicants of no greater qualifications. For purposes of this section, *"veteran"* means as defined in section 35.1 except that the requirement that the person be a resident of this state shall not apply **(35C.1(1)).**

In all jobs of political subdivisions of the state which are to be filled by competitive examination or by appointment, public notice of the application deadline to fill a job shall be posted at least 10 days before the deadline in the same manner as notices of meetings are posted under section 21.4 **(35C.1(3)).**

The provisions of the Iowa Veteran's Preference Law apply to both permanent part-time and temporary or seasonal positions of a public employer **(OAG #87-11-6(L)).**

The persons thus preferred shall not be disqualified from holding any position hereinbefore mentioned on account of age or by reason of any physical disability, provided such age or disability does not render such person incompetent to perform properly the duties of the position applied for **(35C.2).**

When any preferred person applies for appointment or employment under chapter 35C, the officer, board, or person whose duty it is or may be to appoint or employ a person to fill the position or place shall, before appointing or employing a person to fill the position or place, make an investigation as to the qualifications of the applicant for the place or position, and if the applicant is of good moral character and can perform the duties of the position applied for, the officer, board, or person shall appoint the applicant to the position, place, or employment. The appointing officer, board, or person shall set forth in writing and file for public inspection the specific grounds upon which it appointed or refused to appoint the person. At the time of application or at an interview for the position, an applicant may request notification of refusal only or notification of refusal and the specific grounds for refusal. The notification shall be sent within 10 days after the successful applicant is selected **(35C.3).**

"Veteran" means any of the following:

a. A resident of this state who served in the armed forces of the United States at any time during the following dates and who was discharged under honorable conditions:
    1) World War I from April 6, 1917, through November 11, 1918.
    2) Occupation of Germany from November 12, 1918, through July 11, 1923.
    3) American expeditionary forces in Siberia from November 12, 1918, through April 30, 1920.
    4) Second Haitian suppression of insurrections from 1919 through 1920.
    5) Second Nicaragua campaign with marines or navy in Nicaragua or on combatant ships from 1926 through 1933.
    6) Yangtze service with navy and marines in Shanghai or in the Yangtze valley from 1926 through 1927 and 1930 through 1932.
    7) China service with navy and marines from 1937 through 1939.
    8) World War II from December 7, 1941, through December 31, 1946.
    9) Korean Conflict from June 25, 1950, through January 31, 1955.
    10) Vietnam Conflict from February 28, 1961, through May 7, 1975.
    11) Lebanon or Grenada service from August 24, 1982, through July 31, 1984.
    12) Panama service from December 20, 1989, through January 31, 1990.
    13) Persian Gulf Conflict from August 2, 1990, through the date the president or the Congress of the United States declares a cessation of hostilities. However, if the United States Congress enacts a date different from August 2, 1990, as the beginning of the Persian Gulf Conflict for purposes of determining whether a veteran is entitled to receive military benefits as a veteran of the Persian Gulf Conflict, that date shall be substituted for August 2, 1990.

b.
    1) Former members of the reserve forces of the United States who served at least twenty years in the reserve forces and who were discharged under honorable conditions. However, a member of the reserve forces of the United States who completed a minimum aggregate of ninety days of active federal service, other than training, and was discharged under honorable conditions, or was retired under Tit. 10 of the United States Code shall be included as a veteran.
    2) Former members of the Iowa national guard who served at least twenty years in the Iowa national guard and who were discharged under honorable conditions. However, a member of the Iowa national guard who was activated for federal duty, other than training, for a minimum aggregate of ninety days, and was discharged under honorable conditions or was retired under Tit. 10 of the United States Code shall be included as a veteran.
    3) Former members of the active, oceangoing merchant marines who served during World War II at any time between December 7, 1941, and December 31, 1946, both dates inclusive, who were discharged under honorable conditions.

4) Former members of the women's air force service pilots and other persons who have been conferred veterans status based on their civilian duties during World War II in accordance with federal Pub. L. No. 95-202, 38 U.S.C. § 106.
5) Former members of the armed forces of the United States if any portion of their term of enlistment would have occurred during the time period of the Korean Conflict from June 25, 1950, through January 31, 1955, but who instead opted to serve five years in the reserve forces of the United States, as allowed by federal law, and who were discharged under honorable conditions.
6) Members of the reserve forces of the United States who have served at least twenty years in the reserve forces and who continue to serve in the reserve forces.
7) Members of the Iowa national guard who have served at least twenty years in the Iowa national guard and who continue to serve in the Iowa national guard.

c. A resident of this state who served on active federal duty, other than training, in the armed forces of the United States and who was discharged under honorable conditions **(35.1(2)).**

Polygraph Examination

The Employee Polygraph Protection Act (EPPA) is administered by the Wage and Hour Division (WHD). The EPPA applies to most private employers. The law does not cover federal, state, and local government agencies. The EPPA prohibits most private employers from using lie detector tests, either for pre-employment screening or during the course of employment. Employers generally may not require or request any employee or job applicant to take a lie detector test, or discharge, discipline, or discriminate against an employee or job applicant for refusing to take a test or for exercising other rights under the Act. Employers may not use or inquire about the results of a lie detector test or discharge or discriminate against an employee or job applicant on the basis of the results of a test, or for filing a complaint or for participating in a proceeding under the Act **(29 USC §2001 et seq.; 29 CFR Part 801).**

As used in this section, *"polygraph examination"* means any procedure which involves the use of instrumentation or a mechanical or electrical device to enable or assist the detection of deception, the verification of truthfulness, or the rendering of a diagnostic opinion regarding either of these, and includes a lie detector or similar test **(730.4(1)).**

An employer shall not as a condition of employment, promotion, or change in status of employment, or as an express or implied condition of a benefit or privilege of employment, knowingly do any of the following:

a. Request or require that an employee or applicant for employment take or submit to a polygraph examination.
b. Administer, cause to be administered, threaten to administer, or attempt to administer a polygraph examination to an employee or applicant for employment.
c. Request or require that an employee or applicant for employment give an express or implied waiver of a practice prohibited by section 730.4 **(730.4(2)).**

Leaves of Absence

Military Leave

Employees are entitled to take either military leave or compensatory time on days when military duty interferes with scheduled work time. The employee should not return to work after earning a full day's pay from federal sources. Employers may attempt to schedule work days so as to avoid conflicts with military duty **(OAG #89-2-5(L)).**

Veteran's Day

An employer shall provide each employee who is a veteran, as defined in section 35.1, with holiday time off for Veterans Day, November 11, if the employee would otherwise be required to work on that day, as provided in this section. An employer, in complying with this section, shall have the discretion of providing paid or unpaid time off on Veterans Day, unless providing time off would impact public health or safety or would cause the employer to experience significant economic or operational disruption.

a. An employee shall provide the employer with at least one month's prior written notice of the employee's intent to take time off for Veterans Day and shall also provide the employer with a federal certificate of release or discharge from active duty, or such similar federal document, for purposes of determining the employee's eligibility for the benefit provided in this section.
b. The employer shall, at least ten days prior to Veterans Day, notify the employee if the employee shall be provided paid or unpaid time off on Veterans Day. If the employer determines that the employer is unable to provide time off for Veterans Day for all employees who request time off, the employer shall deny time off to the minimum number of employees needed by the employer to protect public health and safety or to maintain minimum operational capacity, as applicable **(91A.5A).**

Elective Office

A person who is elected to a municipal, county, state, or federal office shall, upon written application to the employer of that person, be granted a leave of absence from regular employment to serve in that office except where prohibited by the federal law. The leave of absence may be granted without pay, except that if a salaried employee takes leave without pay from regular employment for a portion of a pay period, the employee's salaried compensation for that pay period shall be reduced by the ratio of the number of days of leave taken to the total number of days in the pay period. The leave of absence shall be granted without loss of net credited service and benefits earned. This section shall not be construed to require an employer to pay pension, health, or other benefits during the leave of absence to an employee taking a leave of absence under this section. An employee shall not be prohibited from returning to regular employment before the period expires for which the leave of absence was granted. This section applies only to employers which employ twenty or more full-time persons. The leave of absence granted by this section does not apply to an elective office held by the employee prior to the election. Temporary substitute teachers and teachers hired on a temporary basis to replace teachers who have been granted leaves of absence pursuant to this section are not subject to the provisions of chapter 279 relating to the termination of continuing contracts **(55.1).**

A person who is appointed to serve on a state board, upon written application to the person's employer, shall be granted leaves of absence from regular employment to attend the meetings of the state board, except if leaves of absence are prohibited by federal law. The leaves of absence may be granted without pay and shall be granted without loss of net credited service and benefits earned. This section does not apply if the employer employs less than twenty full-time employees. For the purpose of this section, *"state board"* includes any board, commission, committee, council, or task force of the state government created by the Constitution of the State of Iowa, or by statute, resolution of the general assembly, motion of the legislative council, executive order of the governor, or supreme court order, but does not include any such state board, commission, committee, council, or task force for which an annual salary is provided for its members **(55.3).**

Any public employee who becomes a candidate for any elective public office shall, upon request of the employee and commencing any time within thirty days prior to a contested primary, special, or general election and continuing until after the day following that election, automatically be given a period of leave. An employee who is a candidate for any elective public office shall not campaign while on duty as an employee. This section does not apply to employees of the federal government or to a public employee whose position is financed by federal funds if the application of this section would be contrary to federal law or result in the loss of the federal fund **(55.4).**

Any person violating chapter 55 is guilty of a simple misdemeanor. Each day in which the violation continues is a separate offense **(55.5).**

Educational Leave

The board may approve a policy for educational leave for licensed school employees and for reimbursement for tuition paid by licensed school employees for courses approved by the board. Educational leave means a leave granted to an employee for the purpose of study including study in areas outside of a teacher's area of specialization, travel, or other reasons deemed by the board to be of value to the school system **(279.12).**

Sick Leave

Public school employees are granted leave of absence for medically related disability with full pay in the following minimum amounts:

1) The first year of employment 10 days.
2) The second year of employment 11 days.
3) The third year of employment 12 days.
4) The fourth year of employment 13 days.
5) The fifth year of employment 14 days.
6) The sixth and subsequent years of employment 15 days.

The above amounts shall apply only to consecutive years of employment in the same school district and unused portions shall be cumulative to at least a total of 90 days. The school board shall, in each instance, require such reasonable evidence as it may desire confirming the necessity for such leave of absence. The school board may grant more time than the days herein specified. Cumulation of sick leave under this section shall not be affected or terminated due to the organization or dissolution of a community school district or districts which include all or the portion of the district which employed the particular public school employee for the school year previous to the organization or dissolution, if the employee is employed by one of the community school districts for the first school

year following its organization or dissolution. Any amounts due an employee under this section shall be reduced by benefits payable under sections 85.33 [temporary disability] and 85.34 [permanent disability], subsection 1 **(279.40).**

Family and Medical Leave Act

The FMLA entitles eligible employees of covered employers to take unpaid, job-protected leave for specified family and medical reasons with continuation of group health insurance coverage under the same terms and conditions as if the employee had not taken leave. Eligible employees are entitled to:

- Twelve workweeks of leave in a 12-month period for:
    - the birth of a child and to care for the newborn child within one year of birth;
    - the placement with the employee of a child for adoption or foster care and to care for the newly placed child within one year of placement;
    - to care for the employee's spouse, child, or parent who has a serious health condition;
    - a serious health condition that makes the employee unable to perform the essential functions of his or her job;
    - any qualifying exigency arising out of the fact that the employee's spouse, son, daughter, or parent is a covered military member on "covered active duty;" or
- Twenty-six workweeks of leave during a single 12-month period to care for a covered service member with a serious injury or illness who is the spouse, son, daughter, parent, or next of kin to the employee (military caregiver leave) **(29 UCS 2601).**

The Wage and Hour Division issued an Administrator Interpretation clarifying the definition of "son and daughter" under the Family and Medical Leave Act to ensure that an employee who assumes the role of caring for a child receives parental rights to family leave regardless of the legal or biological relationship **(FMLA AI 2010-3).**

Opportunity to Vote

Any person entitled to vote at an election in this state who does not have three consecutive hours in the period between the time of the opening and the time of the closing of the polls during which the person is not required to be present at work for an employer, is entitled to such time off from work time to vote as will in addition to the person's nonworking time total three consecutive hours during the time the polls are open. Application by any employee for such absence shall be made individually and in writing prior to the date of the election, and the employer shall designate the period of time to be taken. The employee is not liable to any penalty nor shall any deduction be made from the person's regular salary or wages on account of such absence **(49.109).** A person commits the crime of election misconduct in the first degree if the person willfully intimidates, threatens, or coerces, or attempts to intimidate, threaten, or coerce, a person to do or to refrain from registering to vote, voting, or attempting to register to vote. **(39A.2(1)"c"(1)).** A person commits the crime of election misconduct in the fourth degree if, as an employer, the person, on election day, willfully denies an employee the privilege conferred by section 49.109, or subjects an employee to a penalty or reduction of wages because of the exercise of that privilege **(39A.5(1)"a"(1)).**

Deductions and Withholding from Wages

Garnishment

Title III of the Consumer Credit Protection Act (CCPA) is administered by the Wage and Hour Division (WHD). The CCPA protects employees from discharge by their employers because their wages have been garnished for any one debt, and it limits the amount of an employee's earnings that may be garnished in any one week. Title III applies to all employers and individuals who receive earnings for personal services (including wages, salaries, commissions, bonuses, and periodic payments from a pension or retirement program, but ordinarily does not include tips) **(15 USC §1671 et seq. (PDF); 29 CFR Part 870).**

The right of any person to any future payment under a pension and annuity retirement system established in chapter 294 shall not be transferable or assignable, at law or in equity, and shall not be subject to execution, levy, attachment, garnishment, or other legal process, or to the operation of any bankruptcy or insolvency law, except for the purposes of enforcing child, spousal, or medical support obligations, or marital property orders. For the purposes of enforcing child, spousal, or medical support obligations, the garnishment or attachment of or the execution against benefits due a person under such a retirement system shall not exceed the amount specified in 15 U.S.C. § 1673(b) **(294.10B).**

Charitable Giving

An applicable public employer may authorize deductions from the salaries or wages of its employees of an amount specified by an employee for payment to an eligible charitable organization. The authorization by an employee for deductions from the employee's salary or wages shall be evidenced by a written request signed by the employee directed to and filed with the treasurer, or official in charge of the payroll system, of the applicable public employer and the treasurer or responsible official shall deduct from the salary or wages of the employee the amount specified for payment to the eligible charitable organization. The request for the deduction may be withdrawn by the employee at any time by filing a written notification of withdrawal with the applicable treasurer or responsible official in charge of the payroll system. If an applicable public employer authorizes deductions from the salaries or wages of its employees for payment to any eligible charitable organization, the applicable public employer shall ensure that an employee shall be permitted to authorize a deduction to any eligible charitable organization. *"Applicable public employer"* means a board of directors of a school district, a community college, a county board of supervisors, or a governing body of a city. *"Eligible charitable organization"* means a not-for-profit federation of health and human services, social welfare, or environmental agencies or associations that meets all of the following conditions:
(1) The federation is tax exempt under section 501(c)(3) of the Internal Revenue Code and contributions to the federation are deductible under section 170 of the Internal Revenue Code.
(2) The federation has had an office in this state for the last five years.
(3) The federation represents at least ten health and human services, social welfare, or environmental agencies or associations that are located in this state.
(4) The federation is governed by an active, voluntary board, which exercises administrative control over the federation.
(5) The federation is not a charitable foundation.
(6) The federation is registered with the secretary of state's office. **(70A.15A).**

Payroll Deductions

An agency may not assess a service charge for processing employee payroll deductions for items such as health insurance and deferred compensation plans **(OAG #81-5-7(L)).**

IPERS Paid on Behalf

Notwithstanding section 97B.11 or other provisions of this chapter, beginning January 1, 1995, for federal income tax purposes, and beginning January 1, 1999, for state income tax purposes, member contributions required under section 97B.11 which are picked up by the employer shall be considered employer contributions for federal and state income tax purposes, and each employer shall pick up the member contributions to be made under section 97B.11 by its employees. Each employer shall pick up these contributions by reducing the salary of each of its employees covered by this chapter by the amount which each employee is required to contribute under section 97B.11 and shall pay the amount picked up in lieu of the member contributions as provided in section 97B.14. Member contributions picked up by each employer under subsection 1 shall be treated as employer contributions for federal and state income tax purposes only and for all other purposes of this chapter shall be treated as employee contributions and deemed part of the employee's wages or salary **(97B.11A).**

Employee Benefits

Annuities

The school district may establish a plan, in accordance with section 403(b) of the Internal Revenue Code, as defined in section 422.3, for employees, which plan shall consist of one or more investment contracts, on a group or individual basis, acquired from a company, or a salesperson for that company, that is authorized to do business in this state. The selection of investment contracts to be included within the plan established by the school district shall be made either pursuant to a competitive bidding process conducted by the school district, in coordination with employee organizations representing employees eligible to participate in the plan, or pursuant to an agreement with the department of administrative services to make available investment contracts included in a deferred compensation or similar plan established by the department pursuant to section 8A.438, which plan meets the requirements of this section. The determination of whether to select investment contracts for the plan pursuant to a competitive bidding process or by agreement with the department of administrative services shall be made by agreement between the school district and the employee organizations representing employees eligible to participate in the plan. The school district may make elective deferrals in accordance with the plan as authorized by an eligible employee for the purpose of making contributions to the investment contract on behalf of the employee. The deferrals shall be made in the manner which will qualify contributions to the investment contract for the benefits under section 403(b) of the Internal Revenue Code, as defined in section 422.3. In addition, the school district may make nonelective employer contributions to the plan. As used in this section, unless the context otherwise requires, *"investment contract"* shall mean a custodial

account utilizing mutual funds or an annuity contract which meets the requirements of section 403(b) of the Internal Revenue Code, as defined in section 422.3. **(294.16).**

An employee of a school district has a statutory right to select the provider of an annuity contract made available by the school district for his/her benefit [if more than one choice is available pursuant to 294.16] even if the annuity is funded solely with school district money **(OAG #90-1-5).**

A school district may purchase an annuity for its employees which is invested in mutual funds so long as the annuity is purchased from an authorized insurance company and an Iowa-licensed agent **(OAG #87-6-2(L)).**

The governing body may not encourage or discourage employee participation in annuity programs. Lists of employees—but not list of employees participating in annuity programs—must be made available to the public **(OAG #91-6-7(L)).**

Medical Insurance Programs

The AEA board is authorized to establish and pay all or any part of the cost of group health insurance plans, nonprofit group medical service plans and group life insurance plans adopted by the board for the benefit of employees of the AEA, from funds available to the board **(273.3(15)).**

Teachers and administrators are free to contract for provision of a self-funded medical insurance program. The ability of a board to establish group insurance plans does not prohibit contracting for a self-funded plan **(OAG #80-10-11).**

If a retired employee of a publicly funded governing body had family coverage prior to retirement before age 65, continuation of coverage must be offered on that basis, i.e., for the employee's dependents, after retirement, at the employee's expense **(OAG #91-6-5(L)).**

Food and Entertainment

The Code does not allow school districts to provide school lunches without charge to staff members, except where staff members are on lunch room supervisory duty or pursuant to contract **(OAG #82-2-6(L)).**

Travel and Transportation

Meal reimbursements paid are subject to income tax withholding if they are not paid under an accountable plan which requires the meal expenses be substantiated as deductible under I.R.C. section 162(a), either as business expenses incurred while away from home overnight, or as the rare type of meal expenses which qualifies as an ordinary and necessary business expense **(OAG #98-5-2(L)).**

When a public officer or employee, other than a state officer or employee, is entitled to be paid for expenses in performing a public duty, a charge shall be made, allowed, and paid for the use of an automobile, as determined by the local governing body, in an amount which may be the maximum allowable under federal internal revenue service rules per mile, notwithstanding established mileage requirements or depreciation allowances. A statutory provision stipulating necessary mileage, travel, or actual reimbursement to a local public officer or employee falls within the mileage reimbursement limitation specified in this section unless specifically provided otherwise. A political subdivision may authorize the use of private vehicles for the conduct of official business of the political subdivision at an annual amount in lieu of actual and necessary travel expense reimbursement provided in this section **(70A.9).**

No law shall be construed to give to a public officer or employee both mileage and expenses for the same transaction **(70A.10).** No public officer or employee shall be allowed either mileage or transportation expense when gratuitously transported by another, nor when transported by another public officer or employee who is entitled to mileage or transportation expense **(70A.11).**

Service Club Dues

Public funds may be used to pay for public employees' dues for service clubs only if directly related to an employee's duties. The governing body must determine that a public purpose is met and that the public purpose is not merely incidental to the private benefit to the employee. This test would not likely be met except in an unusual case **(OAG #90-7-3(L)).**

Worker Compensation

Where the school corporation or AEA is the employer, the provisions of chapter 85 on workers' compensation for the payment of compensation and amount thereof for an injury sustained by an employee of such employer shall be exclusive, compulsory, and obligatory upon both employer and employee, except as otherwise provided in section 85.1. For the purposes of chapter 85 elected and appointed officials shall be employees **(85.2).**

No compensation under this chapter shall be allowed for an injury caused:

1. By the employee's willful intent to injure the employee's self or to willfully injure another.
2. By the employee's intoxication, which did not arise out of and in the course of employment but which was due to the effects of alcohol or another narcotic, depressant, stimulant, hallucinogenic, or hypnotic drug not prescribed by an authorized medical practitioner, if the intoxication was a substantial factor in causing the injury.
3. By the willful act of a third party directed against the employee for reasons personal to such employee **(85.16).**

No contract, rule, or device whatsoever shall operate to relieve the employer, in whole or in part, from any liability created by chapter 85 except as herein provided **(85.18).**

A school employee who, in the course of employment, suffers a personal injury causing temporary total disability, or a permanent partial or total disability, resulting from an episode of violence toward that employee, for which workers' compensation under chapter 85 is payable, shall be entitled to receive workers' compensation, which the district shall supplement in order for the employee to receive full salary and benefits for the shortest of the following periods:

1) One year from the date of the disability.
2) The period during which the employee is disabled and incapable of employment.

During this period, the school employee shall not be required to use accumulated sick leave or vacation. For purposes of this section, *"school employee"* means a person employed by a nonpublic school or school district, or any area education agency staff member who provides services to a school or school district **(280.21A).**

Violence and Altercations

An employee of an accredited public school district, accredited nonpublic school, or AEA shall not inflict, or cause to be inflicted, corporal punishment upon a student. For purposes of this section, *"corporal punishment"* means the intentional physical punishment of a student. An employee's physical contact with the body of a student shall not be considered corporal punishment if it is reasonable and necessary under the circumstances and is not designed or intended to cause pain or if the employee uses reasonable force, as defined under section 704.1, for the protection of the employee, the student, or other students; to obtain the possession of a weapon or other dangerous object within a student's control; or for the protection of property **(280.21(1)).**

A school employee who, in the reasonable course of the employee's employment responsibilities, comes into physical contact with a student shall be granted immunity from any civil or criminal liability which might otherwise be incurred or imposed as a result of such physical contact, if the physical contact is reasonable under the circumstances and involves the following:

a. Encouraging, supporting, or disciplining the student.
b. Protecting the employee, the student, or other students.
c. Obtaining possession of a weapon or other dangerous object within a student's control.
d. Protecting employee, student, or school property.
e. Quelling a disturbance or preventing an act threatening physical harm to any person.
f. Removing a disruptive student from class or any area of the school premises, or from school-sponsored activities off school premises.
g. Preventing a student from the self-infliction of harm.
h. Self-defense.
i. Any other legitimate educational activity **(280.21(2)).**

To prevail in a civil action alleging a violation of this section the party bringing the action shall prove the violation by clear and convincing evidence. Any school employee determined in a civil action to have been wrongfully accused under this section shall be awarded reasonable monetary damages, in light of the circumstances involved, against the party bringing the action **(280.21(3)).**

An employee of an accredited public school district or AEA may intervene in a fight or physical struggle occurring among students or between students and nonstudents that takes place in the presence of the school employee in a school building, on school premises, or at any school function or school-sponsored activity regardless of its location. The degree and force of the intervention may be as reasonably necessary, in the opinion of the school employee, to restore

order and protect the safety of the individuals involved in the altercation and others in the vicinity of the altercation **(280.26(1)).**

An employee of an accredited public school district, accredited nonpublic school, or AEA who intervenes in a fight or physical struggle pursuant to subsection 1 shall be awarded reasonable monetary damages against a party bringing a civil action alleging a violation of this section, if it is determined in the action that the employee has been wrongfully accused **(280.26(3)).**

An employee of a school district or an AEA who participates in good faith and acts reasonably in the making of a report to, or investigation by, an appropriate person or agency regarding violence, threats of violence, physical or sexual abuse of a student, or other inappropriate activity against a school employee or student in a school building, on school grounds, or at a school-sponsored function shall be immune from civil or criminal liability relating to such action as well as for participating in any administrative or judicial proceeding resulting from or relating to the report or investigation **(280.27).**

An assault as defined in this section is a general intent crime. A person commits an assault when, without justification, the person does any of the following:

1. Any act which is intended to cause pain or injury to, or which is intended to result in physical contact which will be insulting or offensive to another, coupled with the apparent ability to execute the act.
2. Any act which is intended to place another in fear of immediate physical contact which will be painful, injurious, insulting, or offensive, coupled with the apparent ability to execute the act.
3. Intentionally points any firearm toward another, or displays in a threatening manner any dangerous weapon toward another **(708.1).**

An act described in subsection 2 shall not be an assault under the following circumstances:

a. If the person doing any of the enumerated acts, and such other person, are voluntary participants in a sport, social or other activity, not in itself criminal, and such act is a reasonably foreseeable incident of such sport or activity, and does not create an unreasonable risk of serious injury or breach of the peace.
b. If the person doing any of the enumerated acts is employed by a school district or accredited nonpublic school, or is an area education agency staff member who provides services to a school or school district, and intervenes in a fight or physical struggle, or other disruptive situation, that takes place in the presence of the employee or staff member performing employment duties in a school building, on school grounds, or at an official school function regardless of the location, whether the fight or physical struggle or other disruptive situation is between students or other individuals, if the degree and the force of the intervention is reasonably necessary to restore order and to protect the safety of those assembled. **(708.1).**

A person, who acts alone, or who conspires with another person or persons, to injure, oppress, threaten, or intimidate or interfere with any citizen in the free exercise or enjoyment of any right or privilege secured to that person by the constitution or laws of the state of Iowa or by the constitution or laws of the United States, and assembles with one or more persons for the purpose of teaching or being instructed in any technique or means capable of causing property damage, bodily injury or death when the person or persons intend to employ those techniques or means in furtherance of the conspiracy, is on conviction, guilty of a class "D" felony. A person intimidates or interferes with another person if the act of the person results in any of the following:

a. Physical injury to the other person.
b. Physical damage to or destruction of the other person's property.
c. Communication in a manner, or action in a manner, intended to result in either of the following:
    1) To place the other person in fear of physical contact which will be injurious, insulting, or offensive, coupled with the apparent ability to execute the act.
    2) To place the other person in fear of harm to the other person's property, or harm to the person or property of a third person **(729.5(1)).**

Performance Evaluations

The board shall establish evaluation criteria and shall implement evaluation procedures. If an exclusive bargaining representative has been certified, the board shall negotiate in good faith with respect to evaluation procedures pursuant to chapter 20. The determination of standards of performance expected of school district personnel shall be reserved as an exclusive management right of the school board and shall not be subject to mandatory negotiations under chapter 20. Notwithstanding chapter 20, objections to the procedures, use, or content of an evaluation in a teacher termination proceeding brought before the school board in a hearing held in accordance with section 279.16 or 279.27 shall not be subject to the grievance procedures negotiated in accordance with chapter 20. A school district shall not be obligated to process any evaluation grievance after service of a notice and recommendation to terminate an individual's continuing teaching contract in accordance with this chapter **(279.14).**

The board shall establish written evaluation criteria and shall establish and annually implement evaluation procedures. The board shall also establish written job descriptions for all supervisory positions **(279.23A).**

Each board shall adopt evaluation criteria and procedures for all contracted staff. The evaluation processes shall conform to Iowa Code sections 272.33, 279.14, and 279.23A **(IAC 281--12.3(3)).**

Reductions in Force and Terminations

If any person, agent, company, corporation, after having discharged any employee from service, shall prevent or attempt to prevent, by word or writing of any kind, such discharged employee from obtaining employment with any other person, company or corporation, except by furnishing in writing on request a truthful statement as to the cause of the person's discharge, such person, agent, company, or corporation shall be guilty of a serious misdemeanor and shall be liable for all damages sustained by any such person **(730.1).**

An employee, as defined in section 91A.2, shall have access to and shall be permitted to obtain a copy of the employee's personnel file maintained by the employee's employer, as defined in section 91A.2, including but not limited to performance evaluations, disciplinary records, and other information concerning employer-employee relations. However, an employee's access to a personnel file is subject to all of the following:

a. The employer and employee shall agree on the time the employee may have access to the employee's personnel file, and a representative of the employer may be present.
b. An employee shall not have access to employment references written for the employee.
c. An employer may charge a reasonable fee for each page of a copy made by the employer for an employee of an item in the employee's personnel file. For purposes of this paragraph, *"reasonable fee"* means an amount equivalent to an amount charged per page for copies made by a commercial copying business **(91B.1).**

An employer or an employer's representative who, upon request by or authorization of a current or former employee or upon request made by a person who in good faith is believed to be a representative of a prospective employer of a current or former employee, provides work-related information about a current or former employee, is immune from civil liability unless the employer or the employer's representative acted unreasonably in providing the work-related information **(91B.2(1)).**

An employer acts unreasonably if any of the following are present:

a. The work-related information violates a civil right of the current or former employee.
b. The work-related information knowingly is provided to a person who has no legitimate and common interest in receiving the work-related information.
c. The work-related information is not relevant to the inquiry being made, is provided with malice, or is provided with no good faith belief that it is true **(91B.2(2)).**

A person shall not discharge an employee from or take or fail to take action regarding an employee's appointment or proposed appointment to, promotion or proposed promotion to, or any advantage in, a position in employment by a political subdivision of this state as a reprisal for a disclosure of any information by that employee to a member or employee of the general assembly, or an official of that political subdivision or a state official or for a disclosure of information to any other public official or law enforcement agency if the employee reasonably believes the information evidences a violation of law or rule, mismanagement, a gross abuse of funds, an abuse of authority, or a substantial and specific danger to public health or safety. This section does not apply if the disclosure of the information is prohibited by statute. A person who violates this commits a simple misdemeanor **(70A.29).**

Reporting Misconduct

1. *a.* (1) The board of directors of a school district or AEA, the superintendent of a school district, the chief administrator of an AEA, and the authorities in charge of an accredited nonpublic school shall report to the board any instance of disciplinary action taken against a licensed school employee by the board of directors of the school district or AEA, the superintendent of the school district, the chief administrator of the area education agency, or the authorities in charge of the accredited nonpublic school for conduct constituting any of the following:
(a) Soliciting, encouraging, or consummating a romantic or otherwise inappropriate relationship with a student.
(b) Falsifying student grades, test scores, or other official information or material.
(c) Converting public property or funds to the personal use of the school employee.
(2) The board of directors of a school district or AEA, the superintendent of a school district, the chief administrator of an AEA, and the authorities in charge of an accredited nonpublic school shall report to the board the nonrenewal or termination, for reasons of alleged or actual misconduct, of a person's contract executed under sections 279.12, 279.13,

279.15 through 279.21, 279.23, and 279.24, and the resignation of a person who holds a license, certificate, or authorization issued by the board as a result of or following an incident or allegation of misconduct that, if proven, would constitute a violation of the rules adopted by the board to implement section 272.2, subsection 14, paragraph *"b"*, subparagraph (1); soliciting, encouraging, or consummating a romantic or otherwise inappropriate relationship with a student; falsifying student grades, test scores, or other official information or material; or converting public property or funds to the personal use of the school employee, when the board or reporting official has a good faith belief that the incident occurred or the allegation is true. The board may deny a license or revoke the license of an administrator if the board finds by a preponderance of the evidence that the administrator failed to report the termination or resignation of a school employee holding a license, certificate, statement of professional recognition, or coaching authorization, for reasons of alleged or actual misconduct, as defined by this section.
b. Information reported to the board in accordance with this section is privileged and confidential, and except as provided in section 272.13, is not subject to discovery, subpoena, or other means of legal compulsion for its release to a person other than the respondent and the board and its employees and agents involved in licensee discipline, and is not admissible in evidence in a judicial or administrative proceeding other than the proceeding involving licensee discipline. The board shall review the information reported to determine whether a complaint should be initiated. In making that determination, the board shall consider the factors enumerated in section 272.2, subsection 14, paragraph *"a"*.
c. For purposes of this section, unless the context otherwise requires, *"misconduct"* means an action disqualifying an applicant for a license or causing the license of a person to be revoked or suspended in accordance with the rules adopted by the board to implement section 272.2, subsection 14, paragraph *"b"*, subparagraph (1).
2. If, in the course of performing official duties, an employee of the department becomes aware of any alleged misconduct by an individual licensed under this chapter, the employee shall report the alleged misconduct to the board of educational examiners under rules adopted pursuant to subsection 1.
3. If the executive director of the board verifies through a review of official records that a teacher who holds a practitioner's license under this chapter is assigned instructional duties for which the teacher does not hold the appropriate license or endorsement, either by grade level or subject area, by a school district or accredited nonpublic school, the executive director may initiate a complaint against the teacher and the administrator responsible for the inappropriate assignment of instructional duties **(272.15).**

Safe and Healthy Workplace

It is the policy of this state to assure so far as possible every working person in the state safe and healthful working conditions and to preserve human resources by:

1. Encouraging employers and employees in their efforts to reduce the number of occupational safety and health hazards at their places of employment, and to stimulate employers and employees to institute new and perfect existing programs for providing safe and healthful working conditions.
2. Providing that employers and employees have separate but dependent responsibilities and rights with respect to achieving safe and healthful working conditions.
3. Authorizing the labor commissioner to set mandatory occupational safety and health standards applicable to businesses, and by creating an employment appeal board within the department of inspections and appeals for carrying out adjudicatory functions under the chapter.
4. Building upon advances already made through employer and employee initiative for providing safe and healthful working conditions.
5. Providing for research in the field of occupational safety and health, including the psychological factors involved, and by developing innovative methods, techniques, and approaches for dealing with occupational safety and health problems.
6. Exploring ways to discover latent diseases, establishing causal connections between diseases and work in environmental conditions, and conducting other research relating to health problems, in recognition of the fact that occupational health standards present problems often different from those involved in occupational safety.
7. Providing medical criteria which will assure insofar as practicable that no employee will suffer diminished health, functional capacity or life expectancy as a result of the employee's work experience.
8. Providing for training programs to increase the number and competence of personnel engaged in the field of occupational safety and health.
9. Providing for the development and promulgation of occupational safety and health standards.
10. Providing an effective enforcement program which shall include a prohibition against giving advance notice of any inspection and sanctions for an individual violating this prohibition.
11. Providing for appropriate reporting procedures with respect to occupational safety and health which procedures will help achieve the objectives of this chapter and accurately describe the nature of the occupational safety and health problem.
12. Encouraging joint labor-management efforts to reduce injuries and disease arising out of employment.

13. Devoting adequate funds to the administration and enforcement of occupational safety and health standards and rules promulgated by the labor commissioner **(88.1).**

Each employer shall furnish to each of the employer's employees employment and a place of employment which is free from recognized hazards that are causing or are likely to cause death or serious physical harm to the employer's employees and comply with occupational safety and health standards promulgated under this chapter. Each employee shall comply with occupational safety and health standards and all rules and orders issued pursuant to this chapter which are applicable to the employee's own actions and conduct **(88.4).**

Iowa Code does not require health care facilities to request record checks for nursing and health care students who will perform tasks in health care facilities as part of academically required clinical training requirements. Sections 235A.15(2)"f" and 692.2 limit disclosure to a health care facility or a community college of information relating to crimes and, under some circumstances, child abuse. Section 135C.33(3) does not preclude a health care facility from refusing to employ persons who have "non-abuse criminal convictions"; subject to its arrangement with a community college, a health care facility may refuse to permit students with such convictions from participating in academically required clinical training requirements **(OAG #02-2-1).**

Dress Codes and Personal Conduct Standards

The general assembly finds and declares that the students and the administrative and instructional staffs of Iowa's public schools have the right to be safe and secure at school. Gang-related apparel worn at school draws attention away from the school's learning environment and directs it toward thoughts or expressions of violence, bigotry, hate, and abuse. The board of directors of a school district may adopt, for the district or for an individual school within the district, a dress code policy that prohibits students from wearing gang-related or other specific apparel if the board determines that the policy is necessary for the health, safety, or positive educational environment of students and staff in the school environment or for the appropriate discipline and operation of the school. Adoption and enforcement of a dress code policy is not a violation of section 280.22 [free expression] **(279.58).**

The board of directors of a school district shall review and modify existing policies related to student discipline and student conduct that are designed to promote responsible behavior on school property and at school functions in order that the policy shall govern the conduct of students, teachers and other school personnel, and visitors; provide opportunities for students to exercise self-discipline and practice cooperative classroom behavior; and encourage students and practitioners to model fairness, equity, and respect. The policy shall specify the responsibilities of students, parents and guardians, and practitioners in creating an atmosphere where all individuals feel a sense of respect, safety, and belonging, and shall set forth the consequences for unacceptable behavior. The policy shall be published in the student handbook **(279.66).**

Collective Bargaining

The general assembly declares that it is the public policy of the state to promote harmonious and cooperative relationships between government and its employees by permitting public employees to organize and bargain collectively; to protect the citizens of this state by assuring effective and orderly operations of government in providing for their health, safety, and welfare; to prohibit and prevent all strikes by public employees; and to protect the rights of public employees to join or refuse to join, and to participate in or refuse to participate in, employee organizations **(20.1(1)).**

If any provision of chapter 20 jeopardizes the receipt by the state or any of its political subdivisions of any federal grant-in-aid funds or other federal allotment of money, the provisions of chapter 20 shall, insofar as the fund is jeopardized, be deemed to be inoperative **(20.27).**

A provision of the Code which is inconsistent with any term or condition of a collective bargaining agreement which is made final under chapter 20 shall supersede the term or condition of the collective bargaining agreement unless otherwise provided by the general assembly. A provision of a proposed collective bargaining agreement negotiated according to chapter 20 which conflicts with the Code shall not become a provision of the final collective bargaining agreement until the general assembly has amended the Code to remove the conflict **(20.28).**

Employee Election

Upon the filing of a petition for certification of an employee organization, the board shall submit a question to the public employees at an election in an appropriate bargaining unit found appropriate by the board. The question on the ballot shall permit the public employees to vote for no bargaining representation or for any employee organization

which has petitioned for certification or which has presented proof satisfactory to the board of support of ten percent [10%] or more of the public employees in the appropriate unit **(20.15(1)).**

Public Employer Rights and Responsibilities

Public employers shall have, in addition to all powers, duties, and rights established by constitutional provision, statute, ordinance, charter, or special act, the exclusive power, duty, and the right to:

1. Direct the work of its public employees.
2. Hire, promote, demote, transfer, assign and retain public employees in positions within the public agency.
3. Suspend or discharge public employees for proper cause.
4. Maintain the efficiency of governmental operations.
5. Relieve public employees from duties because of lack of work or for other legitimate reasons.
6. Determine and implement methods, means, assignments and personnel by which the public employer's operations are to be conducted.
7. Take such actions as may be necessary to carry out the mission of the public employer.
8. Initiate, prepare, certify and administer its budget.
9. Exercise all powers and duties granted to the public employer by law **(20.7).**

Upon the receipt by a public employer of a request from an employee organization to bargain on behalf of public employees, the duty to engage in collective bargaining shall arise if the employee organization has been certified by the board as the exclusive bargaining representative for the public employees in that bargaining unit **(20.16).**

It shall be unlawful for any public employer to authorize, consent to, or condone a strike; or to pay or agree to pay any public employee for any day in which the employee participates in a strike; or to pay or agree to pay any increase in compensation or benefits to any public employee in response to or as a result of any strike or any act which violates this subsection. It shall be unlawful for any official, director, or representative of any public employer to authorize, ratify or participate in any violation of this subsection **(20.12(2)).**

Public Employee Rights and Responsibilities

Public employees shall have the right to:

1. Organize, or form, join, or assist any employee organization.
2. Negotiate collectively through representatives of their own choosing.
3. Engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection insofar as any such activity is not prohibited by chapter 20 or any other law of the state.
4. Refuse to join or participate in the activities of employee organizations, including the payment of any dues, fees or assessments or service fees of any type **(20.8).**

It shall be unlawful for any public employee or any employee organization, directly or indirectly, to induce, instigate, encourage, authorize, ratify or participate in a strike against any public employer **(20.12(1)).**

Scope of Negotiations

The public employer and the employee organization shall meet at reasonable times, including meetings reasonably in advance of the public employer's budget-making process, to negotiate in good faith with respect to wages, hours, vacations, insurance, holidays, leaves of absence, shift differentials, overtime compensation, supplemental pay, seniority, transfer procedures, job classifications, health and safety matters, evaluation procedures, procedures for staff reduction, in-service training and other matters mutually agreed upon. Negotiations shall also include terms authorizing dues checkoff for members of the employee organization and grievance procedures for resolving any questions arising under the agreement, which shall be embodied in a written agreement and signed by the parties. If an agreement provides for dues checkoff, a member's dues may be checked off only upon the member's written request and the member may terminate the dues checkoff at any time by giving 30 days' written notice. Such obligation to negotiate in good faith does not compel either party to agree to a proposal or make a concession. All retirement systems shall be excluded from the scope of negotiations **(20.9).**

Prohibited Practices

It shall be a prohibited practice for any public employer, public employee, or employee organization to willfully refuse to negotiate in good faith with respect to the scope of negotiations as defined in section 20.9 **(20.10(1)).**

It shall be a prohibited practice for a public employer or the employer's designated representative to:

a. Interfere with, restrain or coerce public employees in the exercise of rights granted by chapter 20.

b. Dominate or interfere in the administration of any employee organization.
c. Encourage or discourage membership in any employee organization, committee, or association by discrimination in hiring, tenure, or other terms or conditions of employment.
d. Discharge or discriminate against a public employee because the employee has filed an affidavit, petition or complaint or given any information or testimony under chapter 20, or because the employee has formed, joined or chosen to be represented by any employee organization.
e. Refuse to negotiate collectively with representatives of certified employee organizations as required in chapter 20.
f. Deny the rights accompanying certification granted in chapter 20.
g. Refuse to participate in good faith in any agreed upon impasse procedures or those set forth in chapter 20.
h. Engage in a lockout **(20.10(2)).**

It shall be a prohibited practice for public employees or an employee organization or for any person, union or organization, or their agents to:

a. Interfere with, restrain, coerce or harass any public employee with respect to any of the employee's rights under chapter 20 or in order to prevent or discourage the employee's exercise of any such right, including, without limitation, all rights under section 20.8.
b. Interfere, restrain, or coerce a public employer with respect to rights granted in chapter 20 or with respect to selecting a representative for the purposes of negotiating collectively on the adjustment of grievances.
c. Refuse to bargain collectively with a public employer as required in chapter 20
d. Refuse to participate in good faith in any agreed upon impasse procedures or those set forth in chapter 20.
e. Violate section 20.12 [prohibition of strikes].
f. Violate the provisions of sections 732.1 to 732.3, which are hereby made applicable to public employers, public employees, and employee organizations.
g. Picket in a manner which interferes with ingress and egress to the facilities of the public employer.
h. Engage in, initiate, sponsor or support any picketing that is performed in support of a strike, work stoppage, boycott or slowdown against a public employer.
i. Picket for any unlawful purpose **(20.10(3)).**

It shall be unlawful for any labor union, association or organization, or the officers, representatives, agents or members thereof, to enter into any contract, agreement, arrangement, combination or conspiracy for the purpose of, by strikes or threats of strikes, by violence or threats of violence, by coercion, or by concerted refusal to make, manufacture, assemble, or use, handle, transport, deliver or otherwise deal with any articles, products, or materials:

1. To force or require any person, firm or corporation to cease using, selling, handling, transporting or dealing in the goods or products of any other person, firm or corporation, or
2. To force or require any person, firm or corporation to cease selling, transporting, delivering good or products to any other person, firm or corporation, or
3. To force or require any employer other than their own employer to recognize, deal with, comply with the demands of, or employ members of any labor union, association, or organization, or
4. To force or require any employer to break an existing collective bargaining agreement which such employer may have with any labor union, association or organization **(732.1).**

It shall be unlawful for any labor union, association or organization, or the officers, representatives, agents, or a member or members thereof to carry out or attempt to carry out in this state any contract, agreement, arrangement, combination or conspiracy declared unlawful in section 732.**1 (732.2).**

It shall be unlawful for any labor union, group, association or organization, or the officers, representatives, agents or members thereof, to cause a stoppage or slowdown of the work or a part of the work of an employer because of a dispute between labor unions, groups, associations or organizations, or the officers, representatives, agents or members thereof, with respect to jurisdiction over, or the right to do the work or a part of the work of such employer **(732.3).**

The expressing of any views, argument or opinion, or the dissemination thereof, whether orally or in written, printed, graphic, or visual form, shall not constitute or be evidence of any prohibited practice under any of the provisions of chapter 20, if such expression contains no threat of reprisal or force or promise of benefit **(20.10(4)).**

Access to Mailboxes

The board of directors of a school district shall provide not-for-profit, professional education associations that offer membership to teachers or administrators equal access to teacher or administrator mailboxes for distribution of professional literature **(279.59).**

Personnel Files and Privacy

Personnel Files

An employee shall have access to and shall be permitted to obtain a copy of the employee's personnel file maintained by the employee's employer including but not limited to performance evaluations, disciplinary records, and other information concerning employer-employee relations. However, an employee's access to a personnel file is subject to all of the following:

a. The employer and employee shall agree on the time the employee may have access to the employee's personnel file, and a representative of the employer may be present.
b. An employee shall not have access to employment references written for the employee.
c. An employer may charge a reasonable fee for each page of a copy made by the employer for an employee of an item in the employee's personnel file. Reasonable fee means an amount equivalent to an amount charged per page for copies made by a commercial copying business **(91B.1).**

Privacy

In O'Connor v. Ortega **(55 U.S.L.W. 4405)** the U.S. Supreme Court established that the privacy rights of public employees extend to their offices but that employers can search desks and files without warrants under certain circumstances.

Iowa Gift Law

It is the goal of the general assembly that public officials and public employees of the state be extremely cautious and circumspect about accepting a gratuity or favor, especially from persons that have a substantial interest in the legislative, administrative, or political actions of the official or employee. Even where there is a genuine personal friendship, the acceptance of personal benefits from those who could gain advantage by influencing official actions raises suspicions that tend to undermine the public trust. It is therefore the intent of the general assembly that the provisions of chapter 68B, subchapter III, be construed to discourage all gratuities, but to prohibit only those that create unacceptable conflicts of interest or appearances of impropriety **(68B.21).**

A gift means a rendering of anything of value in return for which legal consideration of equal or greater value is not given and received **(68B.2(9)).**

Except as otherwise provided in section 68B.22, a public official, public employee, or candidate, or that person's immediate family member shall not, directly or indirectly, accept or receive any gift or series of gifts from a restricted donor. A public official, public employee, candidate, or the person's immediate family member shall not solicit any gift or series of gifts from a restricted donor at any time **(68B.22(1)).**

Except as otherwise provided in section 68B.22, a restricted donor shall not, directly or indirectly, offer or make a gift or a series of gifts to a public official, public employee, or candidate. Except as otherwise provided in this section, a restricted donor shall not, directly or indirectly, join with one or more other restricted donors to offer or make a gift or a series of gifts to a public official, public employee, or candidate **(68B.22(2)).**

A restricted donor may give, and a public official, public employee, or candidate, or the person's immediate family member, may accept an otherwise prohibited nonmonetary gift or a series of otherwise prohibited nonmonetary gifts and not be in violation of this section if the nonmonetary gift or series of nonmonetary gifts is donated within thirty days to a public body, the department of administrative services, or a bona fide educational or charitable organization, if no part of the net earnings of the educational or charitable organization inures to the benefit of any private stockholder or other individual. All such items donated to the department of administrative services shall be disposed of by assignment to state agencies for official use or by public sale. A person subject to section 8.7 that receives a gift pursuant to this subsection shall file a report pursuant to section 8.7 **(68B.22(3)).**

Notwithstanding subsections 1 and 2, the following gifts may be received by public officials, public employees, candidates, or members of the immediate family of public officials, public employees, or candidates:

a. Contributions to a candidate or a candidate's committee.
b. Informational material relevant to a public official's or public employee's official functions, such as books, pamphlets, reports, documents, periodicals, or other information that is recorded in a written, audio, or visual format.
c. Anything received from anyone related within the fourth degree by kinship or marriage, unless the donor is acting as an agent or intermediary for another person not so related.

d. An inheritance.
e. Anything available or distributed free of charge to members of the general public without regard to the official status of the recipient. This paragraph shall not apply to functions described under paragraph *"s"*.
f. Items received from a bona fide charitable, professional, educational, or business organization to which the donee belongs as a dues-paying member, if the items are given to all members of the organization without regard to individual members' status or positions held outside of the organization and if the dues paid are not inconsequential when compared to the items received.
g. Actual expenses of a donee for food, beverages, registration, travel, and lodging for a meeting, which is given in return for participation in a panel or speaking engagement at the meeting when the expenses relate directly to the day or days on which the donee has participation or presentation responsibilities.
h. Plaques or items of negligible resale value which are given as recognition for the public services of the recipient.
i. Food and beverages provided at a meal that is part of a bona fide event or program at which the recipient is being honored for public service.
j. Nonmonetary items with a value of three dollars or less that are received from any one donor during one calendar day.
k. Items or services solicited by or given to a state, national, or regional government organization in which the state of Iowa or a political subdivision of the state is a member for purposes of a business or educational conference, seminar, or other meeting; or solicited by or given to state, national, or regional government organizations, whose memberships and officers are primarily composed of state or local government officials or employees, for purposes of a business or educational conference, seminar, or other meeting.
l. Items or services received by members or representatives of members at a regularly scheduled event that is part of a business or educational conference, seminar, or other meeting that is sponsored and directed by any state, national, or regional government organization in which the state of Iowa or a political subdivision of the state is a member, or received at such an event by members or representatives of members of state, national, or regional government organizations whose memberships and officers are primarily composed of state or local government officials or employees.
m. Funeral flowers or memorials to a church or nonprofit organization.
n. Gifts which are given to a public official or public employee for the public official's or public employee's wedding or twenty-fifth or fiftieth wedding anniversary.
o. Payment of salary or expenses by a person's employer or the firm in which the person is a member for the cost of attending a meeting of a subunit of an agency when the person whose expenses are being paid serves on a board, commission, committee, council, or other subunit of the agency and the person is not entitled to receive compensation or reimbursement of expenses from the state or a political subdivision of the state for attending the meeting.
p. Gifts of food, beverages, travel, or lodging received by a public official or public employee if all of the following apply:
    1) The public official or public employee is officially representing an agency in a delegation whose sole purpose is to attract a specific new business to locate in the state, encourage expansion or retention of an existing business already established in the state, or to develop markets for Iowa businesses or products.
    2) The donor of the gift is not the business or businesses being contacted. However, food or beverages provided by the business or businesses being contacted which are consumed during the meeting are not a gift under section 68B.2, subsection 9, or this section.
    3) The public official or public employee plays a significant role in the presentation to the business or businesses on behalf of the public official's or public employee's agency.
q. Gifts other than food, beverages, travel, and lodging received by a public official or public employee which are received from a person who is a citizen of a country other than the United States and are given during a ceremonial presentation or as a result of a custom of the other country and are of personal value only to the donee.
r. Actual registration costs for informational meetings or sessions which assist a public official or public employee in the performance of the person's official functions. The costs of food, drink, lodging, and travel are not "registration costs" under this paragraph. Meetings or sessions which a public official or public employee attends for personal or professional licensing purposes are not "informational meetings or sessions which assist a public official or public employee in the performance of the person's official functions" under this paragraph.
s. Gifts of food, beverage, and entertainment received at a function where every member of the general assembly has been invited to attend, when the function takes place during a regular session of the general assembly. A sponsor of a function under this paragraph shall file a registration prior to the function taking place identifying the sponsor and the date, time, and location of the function. The registration shall be filed with the person or persons designated by the secretary of the senate and the chief clerk of the house and with the board. After a function takes place, the sponsor of the function shall file a report disclosing the total

amount expended, including in-kind expenditures, on food, beverage, and entertainment for the function. The report shall be filed with the person or persons designated by the secretary of the senate and the chief clerk of the house and with the board within 28 calendar days following the date of the function **(68B.22(4)).**

An honorarium means anything of value that is accepted or given as consideration for an appearance, speech, or article **(68B.2(10)).**

A public official or public employee shall not seek or accept an honorarium from a restricted donor **(68B.23(1)).**

A public official or public employee may accept an honorarium from any person under the following circumstances:

a. The honorarium consists of payment of actual expenses of a donee for registration, food, beverages, travel, and lodging paid in return for participation in a panel or speaking engagement at a meeting when the expenses relate directly to the day or days on which the recipient has participation or presentation responsibilities.
b. The honorarium consists of a nonmonetary item or series of nonmonetary items that the public official or public employee donates within thirty days to a public body, a bona fide educational or charitable organization, or the department of administrative services as provided in section 68B.22, subsection 3.
c. The honorarium consists of a payment made to a public official or public employee for services rendered as part of a bona fide private business, trade, or profession in which the public official or public employee is engaged if the payment is commensurate with the actual services rendered and is not being made because of the person's status as a public official or public employee, but, rather, because of some special expertise or other qualification **(68B.23(2)).**

An official shall not, directly or indirectly, seek or accept a loan or series of loans from a person who is a lobbyist. A lobbyist shall not, directly or indirectly, offer or make a loan or series of loans to an official. A lobbyist shall also not, directly or indirectly, join with one or more persons to offer or make a loan or series of loans to an official. This section shall not apply to loans made in the ordinary course of business. For purposes of this section, a loan is *"made in the ordinary course of business"* when it is made by a person who is regularly engaged in a business that makes loans to members of the general public and the finance charges and other terms of the loan are the same or substantially similar to the finance charges and loan terms that are available to members of the general public **(68B.24).**

The term expenditure, not otherwise defined, should be given its ordinary meaning as a disbursement for the purpose of lobbying **(OAG #92-9-3).**

A gift is merely something transferred by one person to another without compensation regardless of the form and would include food and drink **(OAG #87-1-13).**

A discount on a computer purchase is not a gift prohibited by the gift law if the purchase price constitutes legal consideration of equal or greater value than the computer products and the discount reflects a list price available to a particular segment of the public. Ultimately, determination of the market value of the computer products is an issue of fact. If the computer retailer is not a "restricted donor" within the scope of the statute, the gift law does not apply and a discount could not violate the gift law **(OAG #93-7-7(L)).**

Employee Exchange Programs and Sharing

Any department, agency, or instrumentality of the state, county, city, municipality, land-grant college, or college or university operated by the state or any local government is authorized to participate in a program of interchange of employees with departments, agencies, or instrumentalities of the federal government, another state or locality, or other agencies, municipalities, or instrumentalities of this state as a sending or receiving agency. The period of individual assignment or detail under an interchange program shall not exceed 24 months, except that an employee may be assigned for an additional 24-month period upon the agreement of the employee and both the sending and receiving agencies. No employee shall be assigned or detailed without the employee's expressed consent or by using undue coercion to obtain said consent. Details relating to any matter covered in chapter 28D may be the subject of an agreement between the sending and receiving agencies. Elected officials shall not be assigned from a sending agency nor detailed to a receiving agency. The period of individual assignment or detail may be terminated if the receiving agency offers a permanent appointment to the employee and both the sending and receiving agencies agree. Persons employed by the department of natural resources, department of administrative services, and the Iowa communications network under chapter 28D are not subject to the 24-month time limitation **(28D.3).**

Two or more public school districts may jointly employ and share the services of any school personnel **(280.15(1)).**

If funds are appropriated by the general assembly, an Iowa teacher exchange program is established to permit school districts to exchange licensed instructional personnel with other districts in order to promote the exchange and enhancement of instructional methods and materials and encourage the educational development of Iowa's teachers. Community colleges may exchange their instructional personnel only with other community colleges under this program **(279.55).** Teachers may be exchanged for one quarter, one semester, or one school year under the program **(279.57).**

AEAs may cooperate and contract between themselves and with other public agencies to provide special education programs and services, media services, and educational services to schools and children residing within their respective areas **(273.3(6)).**

The school budget review committee (SBRC) may recommend that two [2] or more school districts jointly employ and share the services of any school personnel, or acquire and share the use of classrooms, laboratories, equipment, and facilities as specified in section 280.15 **(257.31(13), 280.15(1)).**

The board of an AEA shall not establish programs and services which duplicate programs and services which are or may be provided by the community colleges under the provisions of chapter 260C. An AEA shall contract, whenever practicable, with other school corporations for the use of personnel, buildings, facilities, supplies, equipment, programs and services **(273.2(6)).**

AEA boards are authorized, subject to the approval of the director of the Department of Education, to enter into agreements for the joint use of personnel, buildings, facilities, supplies, and equipment with school corporations as deemed necessary to provide authorized programs and services **(273.3(8)).**

The board of any school district or AEA may employ public health nurses at periods each year and in numbers as deemed advisable. The council of any city, or the board of any school district, [or the board of any AEA], or any of them acting in cooperation, may contract with any nonprofit nurses' association for public health nursing service. The compensation and expenses shall be paid out of the general fund of the political subdivision employing nurses **(143.1).**

The board of directors of a school district may employ a superintendent of schools for a term of not to exceed three years. Boards of directors may jointly exercise the powers conferred **(279.20).**

The board of an AEA or a consortium of two or more AEAs shall contract with one or more licensed dietitians for the support of nutritional provisions in individual education plans (IEPs) developed in accordance with chapter 256B and to provide information to support school nutrition coordinators **(273.2(7)).**

Public funds may not be spent to support voluntary programs provided by nonprofit private agencies. However, the services provided by such agencies may be obtained under Chapter 28E agreements where joint exercise of governmental power is warranted **(OAG #76-9-2).**

The AEA board is authorized, subject to rules of the state board of education, to provide directly or by contractual arrangement with public or private agencies for special education programs and services, media services, and educational programs and services requested by the local boards of education as provided in chapter 273, including but not limited to contracts for the AEA to provide programs or services to the local school districts and contracts for local school districts, other educational agencies, and public and private agencies to provide programs and services to the local school districts in the AEA in lieu of the AEA providing the services. Contracts may be made with public or private agencies located outside the state if the programs and service comply with the rules of the state board. **(273.3(5)).**

AEAs may cooperate and contract between themselves and with other public agencies to provide special education programs and services, media services, and educational services to schools and children residing within their respective areas. The AEA may provide print and nonprint materials to public and private colleges and universities that have teacher education programs approved by the state board of education **(273.3(6)).**

The boards of local school districts may approve cooperation and pooling of funds with other school districts to establish and provide for the general supervision of a community education program to the extent that residents of the districts have provided funding pursuant to the levy in chapter 300 **(276.10(7)).**

Staff Development

The state board shall adopt rules establishing standards for school district and AEA professional development programs and for individual teacher professional development plans in accordance with section 284.6 **(256.7(25)).**

Teacher Staff Development

1. The department shall coordinate a statewide network of professional development for Iowa teachers. A school district or professional development provider that offers a professional development program in accordance with section 256.9, subsection 46, shall demonstrate that the program contains the following:
    a. Support that meets the professional development needs of individual teachers and is aligned with the Iowa teaching standards.
    b. Research-based instructional strategies aligned with the school district's student achievement needs and the long-range improvement goals established by the district.
    c. Instructional improvement components including student achievement data, analysis, theory, classroom demonstration and practice, technology integration, observation, reflection, and peer coaching.
    d. An evaluation component that documents the improvement in instructional practice and the effect on student learning.
2. The department shall identify models of professional development practices that produce evidence of the link between teacher training and improved student learning.
3. A school district shall incorporate a district professional development plan into the district's comprehensive school improvement plan submitted to the department in accordance with section 256.7, subsection 21. The district professional development plan shall include a description of the means by which the school district will provide access to all teachers in the district to professional development programs or offerings that meet the requirements of subsection 1. The plan shall align all professional development with the school district's long-range student learning goals and the Iowa teaching standards. The plan shall indicate the school district's approved professional development provider or providers.
4. In cooperation with the teacher's evaluator, the career teacher employed by a school district shall develop an individual teacher professional development plan. The evaluator shall consult with the teacher's supervisor on the development of the individual teacher professional development plan. The purpose of the plan is to promote individual and group professional development. The individual plan shall be based, at minimum, on the needs of the teacher, the Iowa teaching standards, and the student achievement goals of the attendance center and the school district as outlined in the comprehensive school improvement plan. The individual plan shall include goals for the individual which are beyond those required under the attendance center professional development plan developed pursuant to subsection 7.
5. The teacher's evaluator shall annually meet with the teacher to review progress in meeting the goals in the teacher's individual plan. The teacher shall present to the evaluator evidence of progress. The purpose of the meeting shall be to review the teacher's progress in meeting professional development goals in the plan and to review collaborative work with other staff on student achievement goals and to modify as necessary the teacher's individual plan to reflect the individual teacher's and the school district's needs and the individual's progress in meeting the goals in the plan. The teacher's supervisor and the evaluator shall review, modify, or accept modifications made to the teacher's individual plan.
6. School districts, a consortium of school districts, area education agencies, higher education institutions, and other public or private entities including professional associations may be approved by the state board to provide teacher professional development. The professional development program or offering shall, at minimum, meet the requirements of subsection 1. The state board shall adopt rules for the approval of professional development providers and standards for the district development plan.
7. Each attendance center shall develop an attendance center professional development plan. The purpose of the plan is to promote group professional development. The attendance center plan shall be based, at a minimum, on the needs of the teachers, the Iowa teaching standards, district professional development plans, and the student achievement goals of the attendance center and the school district as set forth in the comprehensive school improvement plan.
8. For each year in which a school district receives funds calculated and paid to school districts for professional development pursuant to section 257.10, subsection 10, or section 257.37A, subsection 2, the school district shall create quality professional development opportunities. The goal for the use of the funds is to provide one additional contract day or the equivalent thereof for professional development and use of the funds is limited to providing professional development to teachers, including additional salaries for time beyond the normal negotiated agreement; pay for substitute teachers, professional development materials, speakers, and professional development content; and costs associated with implementing the individual professional development plans. The use of the funds shall be balanced between school district, attendance center, and individual professional development plans, making every reasonable effort to provide equal access to all teachers.
9. Moneys received pursuant to section 257.10, subsection 10, or section 257.37A, subsection 2, shall be maintained as a separate listing within a school district's or AEA's budget for funds received and expenditures made pursuant to this subsection. A school district shall certify to the department of education how the school district allocated the funds and that moneys received under this subsection were used to

supplement, not supplant, the professional development opportunities the school district would otherwise make available.

10. If funds are allocated for purposes of professional development pursuant to section 284.13, subsection 1, paragraph *"d"*, the department shall, in collaboration with the AEAs, establish teacher development academies for school-based teams of teachers and instructional leaders. Each academy shall include an institute and shall provide follow-up training and coaching **(284.6).**

Each school district shall incorporate into its comprehensive school improvement plan provisions for the professional development of all staff, including the district professional development plan required in 281—paragraph 83.6(2)*"a."* To meet the professional needs of all staff, professional development activities shall align with district goals; shall be based on student and staff information; shall prepare all employees to work effectively with diverse learners and to implement multicultural, gender fair approaches to the educational program; and shall adhere to the professional development standards in 281—paragraph 83.6(2)*"b"* to realize increased student achievement, learning, and performance as set forth in the comprehensive school improvement plan **(IAC 281—12.7(1)"a").**

Each school district shall ensure that every attendance center has an attendance center professional development plan that addresses, at a minimum, the needs of the teachers in that center; the Iowa teaching standards; the district professional development plan; and the student achievement goals of the attendance center and the school district as set forth in the comprehensive school improvement plan **(IAC 281—12.7(1)"b").**

Each school district shall ensure that every teacher as defined in rule 281—83.2(284,284A) has an individual teacher professional development plan that meets the expectations in 281—subrule 83.6(1) **(IAC 281—12.7(1)"c").**

The board shall annually budget specified funds to implement the plan required in paragraph 12.7(1)*"a"* **(IAC 281—12.7(1)"d").**

Each school district and AEA shall support the development and implementation of the individual teacher professional development plan for teachers other than beginning teachers. The purpose of the individual plan is to promote individual and collective professional development. At a minimum, the goals for an individual teacher professional development plan must be based on the relevant Iowa teaching standards that support the student achievement goals of the teacher's classroom or classrooms, attendance center and school district or area education agency, as appropriate, as outlined in the comprehensive school improvement plan, and the needs of the teacher. The goals shall go beyond those required under the attendance center professional development plan described in subrule 83.6(2), paragraph *"c."* The learning opportunities provided to meet the goals of the individual teacher plan include individual study and collaborative study of district-determined or AEA-determined content to the extent possible. The individual plan shall be developed by the teacher in collaboration with the teacher's evaluator. An annual meeting shall be held between the teacher's evaluator and the teacher to review the goals and refine the plan **(IAC 281—83.6(1)).**

The following requirements shall apply to professional development for school districts and AEAs.

a. *District or AEA professional development plan.* Each school district shall incorporate the district professional development plan into its comprehensive school improvement plan pursuant to Iowa Code subsection 284.6(3). Each AEA shall develop a professional development plan for the agency as a whole and shall incorporate the same into its comprehensive improvement plan pursuant to rule 281—72.9(273). The district or AEA professional development plan shall be a long-term plan designed and implemented to increase student achievement and shall include all site and district or AEA personnel responsible for instruction. The district or AEA professional development plan shall contain, but not be limited to, the following:
    1) Documentation that the professional development is based on student data and other needs assessment; aligned with district student achievement goals; and focused on instruction, curriculum, and assessment.
    2) Documentation that professional development learning opportunities are research-based and aligned with the Iowa teaching standards and criteria.
    3) Identification of the approved professional development provider(s).
    4) A description of a process that includes theory, demonstration, practice, observation, collaboration, and the study of implementation.
    5) A description of a program evaluation design for formative and summative evaluation processes.
b. *Professional development standards.* Implementation of a school district's or AEA's professional development plan shall meet the following standards:
    1) Align with the Iowa teaching standards and criteria;
    2) Deliver research-based instructional strategies aligned with the student achievement goals established by the district;
    3) Deliver professional development training and learning opportunities that are targeted at instructional improvement and designed with the following components:

1. Student achievement data and analysis;
2. Theory;
3. Classroom demonstration and practice;
4. Observation and reflection;
5. Teacher collaboration and study of implementation; and
6. Integration of instructional technology, if applicable;

4) Include an evaluation component of professional development that documents the improvement in instructional practice and the effect on student learning; and
5) Support the professional development needs of district licensed staff responsible for instruction.

c. *Attendance center professional development plans.* Each attendance center within a school district shall develop an attendance center professional development plan as a means of promoting group professional development. An attendance center professional development plan shall further the needs of the teachers in the attendance center and shall enhance the student achievement goals of the attendance center and the goals of the district.
d. *Individual professional development plans.* The school district and AEA shall support the development and implementation of the individual teacher professional development plan for each teacher as outlined in subrule 83.6(1). Each individual teacher professional development plan shall align to the fullest extent possible with the district professional development plan.
e. *Beginning teacher mentoring and induction.* The school district shall support the development and implementation of a beginning teacher mentoring and induction plan as outlined in subrule 83.3(3).
f. The district beginning teacher mentoring and induction plan shall be included in the comprehensive school improvement plan submitted pursuant to Iowa Code section 256.7(21), paragraph *"a,"* and shall align with the district professional development plan described in subrule 83.6(2), paragraph *"a."*
g. *Organizational support for professional development.* The school district shall provide resources and support for the district professional development plan, including professional development provider(s), time for collaborative work of staff, budget, policies, and procedures **(IAC 281—83.6(2)).**

Professional development provider requirements.

a. A provider may be a school district, an AEA, a higher education institution, a public or private entity including a professional organization that provides long-term, ongoing support of the district's or area education agency's professional development plan, or a consortium of any of the foregoing. An educational organization or program with specific professional development accreditation or approval from the department is an approved provider.
b. Provider approval procedures must be followed to approve providers identified in the district's or AEA's professional development plan that are not currently accredited or approved through state accreditation procedures. The potential provider must submit to the school district a written application that provides the following documentation:
   1) How the provider will deliver technical assistance that meets the Iowa professional development standards provided in subrule 83.6(2), paragraph *"b."*
   2) How the provider intends to assist the local district in designing, implementing, and evaluating professional development that meets the requirements established in subrule 83.6(2), paragraph *"a."*
   3) A description of the qualifications of the provider.
   4) Evidence of the provider's expertise in professional development.
   5) A budget.
   6) Procedures for evaluating the effectiveness of the technical assistance delivered by the provider **(IAC 281—83.6(3)).**

School Business Official Training and Staff Development

Institutions of public and private higher education, AEAs, and professional organizations engaged in the preparation of school business officials shall meet the standards contained in this chapter in order to obtain and maintain state board approval of their programs. Each institution that seeks state board approval of its programs for school business official preparation shall file evidence of the extent to which each program meets the standards contained in this chapter. Such evidence shall be demonstrated by means of a written self-evaluation report and an evaluation conducted by the department and shall be prepared using a template developed by the department. Only approved programs may recommend candidates for school business official authorization **(IAC 281—81.2).**

Approval by the state board of an institution's school business official preparation program shall be based on the recommendation of the director after study of the factual and evaluative evidence on record about each program in terms of the standards contained in this chapter.

81.3(1) Approval, if granted, shall be for a term of seven years; however, approval for a lesser term may be granted by the state board if it determines conditions so warrant.
81.3(2) If approval is not granted, the applicant institution will be advised concerning the areas in which improvement or changes appear to be essential for approval. In this case, the institution shall be given the opportunity to present factual information concerning its programs at a regularly scheduled meeting of the state board, no later than three months following the board's initial decision.
81.3(3) Programs may be granted conditional approval upon review of appropriate documentation. In such an instance, the program shall receive a full review after one year or, in the case of a new program, at the point at which candidates demonstrate mastery of standards for authorization.
81.3(4) The standards herein apply regardless of delivery mode of instruction **(IAC 281—81.3).**

Instructor qualifications and performance shall facilitate the professional development of school business official candidates in accordance with the following provisions.
81.5(1) Instructors are adequately prepared for assigned responsibilities and have had experiences relative to the curricula the instructors are teaching and in situations similar to those for which the school business official candidates are being prepared. Instructors have experience and adequate preparation in effective methods for any mode of program delivery in which the instructors are assigned responsibilities.
81.5(2) Instructors instruct and model best practices in teaching, including the assessment of the instructors' own effectiveness as it relates to candidate performance.
81.5(3) Instructors are engaged in professional development that relates to school business official preparation.
81.5(4) Instructors collaborate regularly and in significant ways with colleagues in the institution and other institutions, schools, the department, and professional associations as well as with community representatives.
81.5(5) Part-time instructors and graduate assistants are identified as instructors and meet the background and experience requirements appropriate for the instructors' and assistants' assigned responsibilities **(IAC 281—81.5).**

Upon request by the department, programs shall make periodic reports which shall include, but not be limited to, basic information necessary to maintain up-to-date records of each school business official preparation program and to carry out research studies relating to school business official preparation **(IAC 281—81.9).**

Every seven [7] years or at any time deemed necessary by the director, an institution shall file a written self-evaluation of its school business official preparation program. Any action for continued approval or rescission of approval shall be approved by the state board **(IAC 281—81.10).**

Upon application by an institution, the director is authorized to approve minor additions to or changes within the curriculum of an institution's approved school business official preparation program. When an institution proposes a revision that exceeds the primary scope of its programs, the revision shall become operative only after approval by the state board **(IAC 281—81.11).**

Required or recommended staff development includes, but is not limited to, the following:
1. Investigating Incidents of Alleged Abuse of Student by School Employees **(IAC 281--102.5(4)).**
2. Equal Employment Opportunity and Affirmative Action **(IAC 281--95.4(5)).**
3. School Bus Driver's Course **(321.376(2)).**
4. Identification and Reporting of Child Abuse Training **(232.69(3)).**
5. Educational Assistants **(IAC 281--12.4(9)).**
6. All Staff on diverse learners **(IAC 281—12.7(1)"a").**
7. Gifted and Talented **(IAC 281--59.5(8)).**
8. Human Growth and Development **(279.50(7)).**
9. Parenting Skills and Human growth and Development for Parents **(279.50(6)).**
10. Career Pathways Grant for Implementation of High-standard Curriculum **(256.39(2)"c").**
11. Confidentiality of Personally Identifiable Information **(IAC 281—41.623).**
12. Special Education Paraprofessionals **(IAC 281—41.403(1)"a").**
13. Medication Administrative Course **(IAC 281—41.404(3)"d", IAC 657—8.32(1)).**
14. Hazardous Chemicals/Materials **(IAC 347—120.6(2), 29 CFR 1910.1200).**
15. Bloodborne Pathogens **(29 CFR 1910.1030).**
16. Asbestos **(40 CFR 763.92).**

Mentoring

Beginning Teachers

"Beginning teacher" means an individual serving under an initial or intern license, issued by the board of educational examiners under chapter 272, who is assuming a position as a teacher. For purposes of the beginning teacher mentoring

and induction program created pursuant to section 284.5, *"beginning teacher"* also includes preschool teachers who are licensed by the board of educational examiners under chapter 272 and are employed by a school district or AEA. *"Beginning teacher"* does not include a teacher whose employment with a school district or AEA is probationary unless the teacher is serving under an initial or teacher intern license issued by the board of educational examiners under chapter 272 **(284.2(1)).**

Each school district and AEA shall provide a beginning teacher mentoring and induction program for all teachers who are beginning teachers, and notwithstanding section 284.4, subsection 1, a school district and an AEA shall be eligible to receive moneys under section 284.13, subsection 1, paragraph *"b"*, for purposes of implementing a beginning teacher mentoring and induction program in accordance with this section **(284.5(2)).**

Each school district and AEA shall develop an initial beginning teacher mentoring and induction plan. A school district shall include its plan in the school district's comprehensive school improvement plan submitted pursuant to section 256.7, subsection 21. The beginning teacher mentoring and induction plan shall, at a minimum, provide for a two-year sequence of induction program content and activities to support the Iowa teaching standards and beginning teacher professional and personal needs; mentor training that includes, at a minimum, skills of classroom demonstration and coaching, and district expectations for beginning teacher competence on Iowa teaching standards; placement of mentors and beginning teachers; the process for dissolving mentor and beginning teacher partnerships; district organizational support for release time for mentors and beginning teachers to plan, provide demonstration of classroom practices, observe teaching, and provide feedback; structure for mentor selection and assignment of mentors to beginning teachers; a district facilitator; and program evaluation **(284.5(3)).**

Beginning Administrator

"Beginning administrator" means an individual serving under an administrator license, issued by the board of educational examiners under chapter 272, who is assuming a position as a school district principal or superintendent for the first time **(284A.2(2)).** *"Administrator"* means an individual holding a professional administrator license issued under chapter 272 who is employed in a school district administrative position by a school district or AEA pursuant to a contract issued by a board of directors under section 279.23 and is engaged in instructional leadership. An administrator may be employed in both an administrative and a nonadministrative position by a board of directors and shall be considered a part-time administrator for the portion of time that the individual is employed in an administrative position. *"Administrator"* does not include assistant principals or assistant superintendents **(284A.2(1)).**

Each school board shall establish an administrator mentoring program for all beginning administrators. The school board may adopt the model program developed by the department pursuant to subsection 2. Each school board's beginning administrator mentoring and induction program shall, at a minimum, provide for one year of programming to support the Iowa standards for school administrators adopted pursuant to section 256.7, subsection 27, and beginning administrators' professional and personal needs. Each school board shall develop and implement a beginning administrator mentoring and induction plan. The plan shall describe the mentor selection process, describe supports for beginning administrators, describe program organizational and collaborative structures, provide a budget, provide for sustainability of the program, and provide for program evaluation. The school board employing an administrator shall determine the conditions and requirements of an administrator participating in a program established pursuant to this section. A school board shall include its plan in the school district's comprehensive school improvement plan submitted pursuant to section 256.7, subsection **21 (284A.5(3)).**

School Business Official

The one-year mentoring program and its partners shall assist candidates in becoming successful school business officials in accordance with the following provisions. The candidate must be employed as a school business official to be eligible to participate in the mentoring program.

1) Candidates admitted to a school business official preparation program shall participate in the mentoring program. All hours spent in the mentoring program are outside of the nine semester hours required in the program.
2) Each school business official preparation program shall inform all candidates of the following minimum expectations of the candidates as mentees:
    a. Participation in weekly conversations with the mentee's mentor, including a review of work assignments.
    b. Maintenance of a record of contacts with the mentor and submission of the record to the program. A template will be provided by the program.
    c. Completion of surveys to assist with program evaluation.
    d. Communication with the program if the relationship with the mentee's mentor is not meeting the needs or expectations of the mentee.

   e. Full participation in the mentoring program throughout the one-year period.

3) Each school business official preparation program shall inform all program candidate mentors of the following minimum expectations:
   a. Contacting the mentee on a weekly basis.
   b. Completing surveys to assist with program evaluation.
   c. Informing the program if the relationship with the mentee is not meeting expectations.
   d. Maintaining confidentiality of the interactions between mentor and mentee.
   e. Supporting the mentee throughout the one-year period.
4) The institution shall offer one or more workshops annually for all cooperating mentors to define the objectives of the mentoring program, review the responsibilities of the cooperating mentors, and provide the cooperating mentors other information and assistance the institution deems necessary. The workshops shall utilize delivery strategies identified as appropriate for staff development and reflect information gathered through feedback from workshop participants **(IAC 281—81.8).**

Committees and Advisory Councils

All appointive boards, commissions, committees, and councils of a political subdivision of the state that are established by the Code, if not otherwise provided by law, shall be gender balanced as provided by subsection 1 unless the political subdivision has made a good faith effort to appoint a qualified person to fill a vacancy on a board, commission, committee, or council in compliance with subsection 1 for a period of three months but has been unable to make a compliant appointment. In complying with the requirements of this subsection, political subdivisions shall utilize a fair and unbiased method of selecting the best qualified applicants **(69.16A(2)).**

Required or recommended committees and advisory councils include, but are not limited to, the following:

1. Family Support Program Advisory Committee **(256A.5).**
2. Child Development Coordinating Council **(256A.2, 279.51).**
3. School Improvement Advisory Committee **(280.12(2), IAC 281--12.2).**
4. Advisory Council for Vocational Education **(258.9).**
5. Gifted and Talented Children Advisory Council **(257.42).**
6. Teacher Quality Committee **(284.4"c").**
7. Persons with Disabilities Parking Review Committee **(321L.5).**
8. Education Telecommunications Council **(8D.5).**

Required Posters

Required or recommended posters include, but are not limited to, the following:

1. Employee rights and responsibilities under the Family and Medical Leave Act (FMLA).
2. Your Rights Under Iowa's Minimum Wage.
3. Federal Minimum Wage (Fair Labor Standards Act (FLSA)).
4. Equal Employment Opportunity.
5. Safety & Health Protection on the Job.
6. Unemployment Insurance.
7. Summary of Work-Related Injuries and Illnesses.
8. No Smoking Iowa Smoke-free Air Act.
9. The Uniformed Services Employment and Reemployment Act (USERRA).

For more information on Workplace Poster Requirements for Employers, see the poster page of the United States Department of Labor at http://www.dol.gov/oasam/programs/osdbu/sbrefa/poster/matrix.htm.