

AN ACT

RELATING TO SCHOOL IMPROVEMENT AND THE APPROVAL AND REVOCATION OF CHARTER SCHOOLS, THE ESTABLISHMENT OF INNOVATION ZONE SCHOOLS BY CONSORTIA OF SCHOOL DISTRICTS AND AREA EDUCATION AGENCIES, AND THE IMPLEMENTATION OF INTERVENTIONS FOR PERSISTENTLY LOWEST-ACHIEVING SCHOOLS.

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

Section 1. Section 256.9, Code Supplement 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 60. *a.* Require a school district that has one or more attendance centers identified by the department as a persistently lowest-achieving school to implement one or more of the interventions mandated by the United States department of education for a persistently lowest-achieving school pursuant to the federal No Child Left Behind Act of 2001, Pub. L. No. 107-110 § 1003(g), 20 U.S.C. § 6303(g), and any federal regulations adopted pursuant to the federal Act.

*b.* A school district required to implement one or more interventions pursuant to paragraph "a" and the employee organization representing the school district's teachers shall meet at reasonable times to negotiate a memorandum of understanding that contains an agreement on the specific intervention to be implemented and a provision stating that the terms of any collective bargaining agreement between the parties shall remain in effect and unaltered except as specifically agreed to in the memorandum of understanding. If the parties are unable to reach an agreement on the memorandum of understanding within forty-five days of the date the school district is notified that it has a persistently lowest-achieving school, the school district and the employee organization representing the school district's teachers shall, within five days, select an impartial and disinterested person to serve as a mediator. The mediator shall attempt to bring the parties together to effectuate a settlement of the dispute,

but the mediator shall not compel the parties to agree. If mediation fails to result in a mutually agreed to memorandum of understanding, not later than thirty days after selecting the mediator the school district shall not receive any school improvement funds under Tit. I of the federal Elementary and Secondary Education Act of 1965 for the attendance center identified as a persistently lowest-achieving school. The memorandum of understanding remains in effect for the period of time that an attendance center is identified as a persistently lowest-achieving school unless a duration period is included in the memorandum of understanding or the parties mutually agree to amend the memorandum of understanding.

Sec. 2. Section 256F.1, subsection 1, Code 2009, is amended to read as follows:

1. Charter schools and innovation zone schools shall be part of the state's program of public education.

Sec. 3. Section 256F.1, subsection 3, unnumbered paragraph 1, Code 2009, is amended to read as follows:

The purpose of a charter school or an innovation zone school established pursuant to this chapter shall be to accomplish the following:

Sec. 4. Section 256F.1, subsection 3, Code 2009, is amended by adding the following new paragraphs:

NEW PARAGRAPH. *g.* Create different organizational structures for continuous learner progress.

NEW PARAGRAPH. *h.* Allow greater flexibility to meet the education needs of a diverse and constantly changing student population.

NEW PARAGRAPH. *i.* Allow for the allocation of resources in innovative ways through implementation of specialized school budgets for the benefit of the schools served.

Sec. 5. Section 256F.1, Code 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 4. An innovation zone school may be established pursuant to this chapter to encourage diverse approaches to learning and education within individual schools.

Sec. 6. Section 256F.2, subsection 1, Code 2009, is amended to read as follows:

1. *“Advisory council”* means a council appointed by the school board of directors of a charter school or an innovation zone consortium pursuant to section 256F.5, subsection 4.

Sec. 7. Section 256F.2, Code 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. *“Area education agency board”* means the board of directors of an area education agency established pursuant to chapter 273.

Sec. 8. Section 256F.2, subsection 3, Code 2009, is amended to read as follows:

3. *“Charter school”* means a ~~state public~~ charter school ~~operated as a pilot program~~ established in accordance with this chapter.

Sec. 9. Section 256F.2, subsection 4A, Code 2009, is amended by striking the subsection and inserting in lieu thereof the following:

4A. *“Innovation zone consortium”* means a consortium of two or more school districts and an area education agency in which one or more of the school districts is located, that receives approval to establish an innovation zone school pursuant to this chapter. In addition, the innovation zone consortium may receive technical assistance from an accredited higher education institution.

4B. *“Innovation zone school”* means a public school administered by a principal that is, pursuant to an innovation zone school contract entered into by an innovation zone consortium pursuant to section 256F.6, established as an innovation zone school.

Sec. 10. Section 256F.3, Code 2009, is amended to read as follows:

**256F.3 ~~Pilot program — application~~ Application.**

1. The state board of education shall apply for a federal grant under Pub. L. No. 107-110, cited as the federal No Child Left Behind Act of 2001 (~~Title, Tit. V, Part Pt. B, Subpart Subpt. 1~~), for purposes of providing financial assistance for the planning, program design, and initial implementation of public charter schools. The department shall ~~initiate a pilot program to test~~ monitor the effectiveness of

charter schools and shall implement the applicable provisions of this chapter.

2. a. To receive approval to establish a charter school in accordance with this chapter, the principal, teachers, or parents or guardians of students at an existing public school shall submit an application to the school board to convert an existing attendance center to a charter school. An attendance center shall not enter into a charter school contract with a school district under this chapter unless the attendance center is located within the school district. The application shall demonstrate the support of at least fifty percent of the teachers employed at the school on the date of the submission of the application and fifty percent of the parents or guardians voting whose children are enrolled at the school, provided that a majority of the parents or guardians eligible to vote participate in the ballot process, according to procedures established by rules of the state board.

b. To receive approval to establish an innovation zone school in accordance with this chapter, an innovation zone consortium shall submit an application to the state board which demonstrates the support of at least fifty percent of the teachers employed at each proposed innovation zone school on the date of the submission of the application and fifty percent of the parents or guardians voting whose children are enrolled at each proposed innovation zone school, provided that a majority of the parents or guardians eligible to vote participate in the ballot process, according to procedures established by rules of the state board.

c. A parent or guardian voting in accordance with this subsection must be a resident of this state.

3. A school board shall receive and review all applications for converting an existing building or creating a new building for a charter school. Applications received on or before October 1 of a calendar year shall be considered for charter schools to be established at the beginning of the school district's next school year or at a time agreed to by the applicant and the school board. However, a school board may

receive and consider applications after October 1 at its discretion.

4. A school board shall by a majority vote approve or deny an application relating to a charter school no later than sixty calendar days after the application is received. An application approved by a school board and subsequently approved by the state board pursuant to subsection 6 shall constitute, at a minimum, an agreement between the school board and the charter school for the operation of the charter school. A school board that denies an application for a conversion to a charter school shall provide notice of denial to the applicant in writing within thirty days after board action. The notice shall specify the exact reasons for denial and provide documentation supporting those reasons.

5. An applicant may appeal school board denial of the applicant's charter school application to the state board in accordance with the procedures set forth in chapter 290. The state board shall affirm, modify, or reverse the school board's decision on the basis of the information provided in the application indicating the ability and willingness of the proposed charter school to meet the requirements of section 256F.1, subsection 3, and section 256F.4.

6. Upon approval of an application for the proposed establishment of a charter school, the school board shall submit an application for approval to establish the charter school to the state board in accordance with section 256F.5.

7. The An application submitted to the state board pursuant to subsection 2, paragraph "b", or subsection 6 shall set forth the manner in which the charter school or innovation zone school will provide special instruction, in accordance with section 280.4, to students who are limited English proficient. The application shall set forth the manner in which the charter school or innovation zone school will comply with federal and state laws and regulations relating to the federal National School Lunch Act and the federal Child Nutrition Act of 1966, 42 U.S.C. § 1751-1785, and chapter 283A. The state board shall approve only those applications that meet the requirements specified in section 256F.1, subsection 3, and sections 256F.4

and 256F.5. The state board may deny an application if the state board deems that approval of the application is not in the best interest of the affected students. ~~The state board shall approve not more than twenty charter school applications. The state board shall approve not more than one charter school application per school district. The state board shall adopt rules in accordance with chapter 17A for the implementation of this chapter.~~

8. The state board shall approve not more than ten innovation zone consortium applications.

7. 9. The state board shall adopt rules in accordance with chapter 17A for the implementation of this chapter. If federal rules or regulations relating to the distribution or utilization of federal funds allocated to the department pursuant to this section are adopted that are inconsistent with the provisions of this chapter, the state board shall adopt rules to comply with the requirements of the federal rules or regulations. The state board shall identify inconsistencies between federal and state rules and regulations as provided in this subsection and shall submit recommendations for legislative action to the chairpersons and ranking members of the senate and house standing committees on education at the next meeting of the general assembly.

Sec. 11. Section 256F.4, subsection 1, Code 2009, is amended to read as follows:

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 ~~its~~ the charter school or innovation zone school's projected enrollment.

Sec. 12. Section 256F.4, subsection 2, unnumbered paragraph 1, Code 2009, is amended to read as follows:

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:

Sec. 13. Section 256F.4, subsection 2, paragraphs a, g, and j, Code 2009, are amended to read as follows:

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 ~~school's~~ charter school or innovation zone school application is approved.

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 ~~chapter 284~~ 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.

j. Meetings and records of the advisory council are subject to the provisions of chapters 21 and 22.

Sec. 14. Section 256F.4, subsections 3 through 8, Code 2009, are amended to read as follows:

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.

Sec. 15. Section 256F.5, unnumbered paragraph 1, Code 2009, is amended to read as follows:

An application to the state board for the approval of a charter school or innovation zone school shall include, but shall not be limited to, a description of the following:

Sec. 16. Section 256F.5, subsections 1, 2, 4, 6, 7, 10, 12, 13, 14, 15, 16, and 17, Code 2009, are amended to read as follows:

1. The method for admission to the charter school or innovation zone school.

2. The mission, purpose, innovation, and specialized focus of the charter school or innovation zone school.

4. The method for appointing or forming an advisory council for the charter school or innovation zone school.

The membership of an advisory council appointed or formed in accordance with this chapter shall not include more than one member of ~~the~~ a participating school board.

6. The charter school or innovation zone school governance and bylaws.

7. The financial plan for the operation of the charter school or innovation zone school including, at a minimum, a listing of the support services the school district or innovation zone consortium will provide, and the charter ~~school's~~ school or innovation zone school's revenues, budgets, and expenditures.

10. The organization of the school or innovation zone school in terms of ages of students or grades to be taught along with an estimate of the total enrollment of the charter school or innovation zone school.

12. A statement indicating how the charter school or innovation zone school will meet the requirements of section 256F.1, ~~subsection 3~~ as applicable; section 256F.4, subsection 2, paragraph "a"; and section 256F.4, subsection 3.

13. Assurance of the assumption of liability by the charter school or the innovation zone consortium for the innovation zone school.

14. The types and amounts of insurance coverage to be obtained by the charter school or innovation zone consortium for the innovation zone school.

15. A plan of operation to be implemented if the charter school or innovation zone consortium revokes or fails to renew its contract.

16. The means, costs, and plan for providing transportation for students attending enrolled in the charter school or innovation zone school.

17. The specific statutes, administrative rules, and school board policies with which the charter school or innovation zone school does not intend to comply.

Sec. 17. Section 256F.6, subsection 1, Code 2009, is amended to read as follows:

1. a. An approved charter school or innovation zone school application shall constitute an agreement, the terms of which shall, at a minimum, be the terms of a four-year enforceable, renewable contract between the a school board, or the boards participating in an innovation zone consortium, and the state board. The contract shall include an operating agreement for the operation of the charter school or innovation zone school. The terms of the contract may be revised at any time with the approval of both the state board and the school board or the boards participating in the innovation zone consortium, whether or not the stated provisions of the contract are being fulfilled.

b. A contract may be renewed by agreement of the school board or the boards participating in an innovation zone consortium, as applicable, and the state board.

c. The charter school or innovation zone consortium shall provide parents and guardians of students enrolled in the charter school or innovation zone school with a copy of the charter school or innovation zone school application approved pursuant to section 256F.5.

Sec. 18. Section 256F.7, Code 2009, is amended to read as follows:

**256F.7 Employment and related matters.**

1. A charter school or the boards participating in an innovation zone consortium shall employ or contract with necessary teachers and administrators, as defined in section 272.1, who hold a valid license with an endorsement for the type of service for which the teacher or administrator is employed.

2. The school board or innovation zone consortium, as specified in the application, in consultation with the advisory

council, shall decide matters related to the operation of the charter school or innovation zone school, including budgeting, curriculum, and operating procedures.

3. a. Employees of a charter school shall be considered employees of the school district.

b. Employees of an innovation zone school shall be considered employees of a board participating in the innovation zone consortium.

Sec. 19. Section 256F.8, subsections 1, 2, 3, 4, and 6, Code 2009, are amended to read as follows:

1. A contract for the establishment of a charter school or innovation zone school may be revoked by the state board, ~~or~~ the school board that established the charter school, or the innovation zone consortium that established the innovation zone school if the appropriate board or consortium determines that one or more of the following occurred:

a. Failure of the charter school or innovation zone school to abide by and meet the provisions set forth in the contract, including educational goals.

b. Failure of the charter school or innovation zone school to comply with all applicable law.

c. Failure of the charter school or innovation zone school to meet generally accepted public sector accounting principles.

d. The existence of one or more other grounds for revocation as specified in the contract.

e. Assessment of student progress, which is administered in accordance with state and locally determined indicators established pursuant to rules adopted by the state board, does not show improvement in student progress over that which existed in the same student population prior to the establishment of the charter school or the innovation zone school.

2. The decision by a school board or an innovation zone consortium to revoke or to fail to take action to renew a charter school or innovation zone school contract is subject to appeal under procedures set forth in chapter 290.

3. A school board or a board participating in an innovation zone consortium that is considering revocation or nonrenewal of

a charter school or innovation zone school contract shall notify the advisory council, the parents or guardians of the students enrolled in the charter school or innovation zone school, and the teachers and administrators employed by the charter school or innovation zone school, sixty days prior to revoking or the date by which the contract must be renewed, but not later than the last day of classes in the school year.

4. If the state board determines that a charter school or innovation zone school is in substantial violation of the terms of the contract, the state board shall notify the school board or innovation zone consortium and the advisory council of its intention to revoke the contract at least sixty days prior to revoking a contract and the school board or the school boards participating in the innovation zone consortium shall assume oversight authority, operational authority, or both oversight and operational authority. The notice shall state the grounds for the proposed action in writing and in reasonable detail. The school board or innovation zone consortium may request in writing an informal hearing before the state board within fourteen days of receiving notice of revocation of the contract. Upon receiving a timely written request for a hearing, the state board shall give reasonable notice to the school board or innovation zone consortium of the hearing date. The state board shall conduct an informal hearing before taking final action. Final action to revoke a contract shall be taken in a manner least disruptive to students enrolled in the charter school or innovation zone school. The state board shall take final action to revoke or approve continuation of a contract by the last day of classes in the school year. If the final action to revoke a contract under this section occurs prior to the last day of classes in the school year, a charter school or innovation zone school student may enroll in the resident district.

6. A school board revoking a contract or a school board, innovation zone consortium, or advisory council that fails to renew a contract under this chapter is not liable for that action to the charter school or innovation zone school, a student enrolled in the charter school or innovation zone school or the student's parent or guardian, or any other person.

Sec. 20. Section 256F.8, subsection 7, Code 2009, is amended by striking the subsection.

Sec. 21. Section 256F.9, Code Supplement 2009, is amended to read as follows:

**256F.9 Procedures after revocation — student enrollment.**

If a charter school or innovation zone school contract is revoked in accordance with this chapter, a nonresident student who attended the school, and any siblings of the student, shall be determined to have shown "good cause" as provided in section 282.18, subsection 4, paragraph "b", and may submit an application to another school district according to section 282.18 at any time. Applications and notices required by section 282.18 shall be processed and provided in a prompt manner. The application and notice deadlines in section 282.18 do not apply to a nonresident student application under these circumstances.

Sec. 22. Section 256F.10, subsections 1 and 2, Code 2009, are amended to read as follows:

1. 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.

2. Not later than December 1, ~~2003~~, and annually thereafter, the state board shall submit a comprehensive report, with findings and recommendations, to the ~~senate and house standing committees on education~~ general assembly. The report shall evaluate the state's charter school and innovation zone school programs generally, including but not limited to, an evaluation of whether the ~~pilot programs~~ charter schools and innovation zone schools are fulfilling the purposes set forth in section 256F.4, subsection 2. The report also shall contain, for each charter school or innovation zone school, a copy of the charter ~~school's~~ school or innovation zone school's mission statement, attendance statistics and dropout rate, aggregate assessment test scores, projections of financial stability, the number and qualifications of teachers and administrators, and

number of and comments on supervisory visits by the department of education.

Sec. 23. REPEAL. Section 256F.11, Code 2009, is repealed.

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JOHN P. KIBBIE  
President of the Senate

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PATRICK J. MURPHY  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2033, Eighty-third General Assembly.

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MICHAEL E. MARSHALL  
Secretary of the Senate

Approved \_\_\_\_\_, 2010

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CHESTER J. CULVER  
Governor