UNIFORM ADMINISTRATIVE PROCEDURES

FOR IOWA SCHOOL OFFICIALS

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Division of Financial and Information Services
December 2001

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INTRODUCTION

This edition of the *Uniform Administrative Procedures for Iowa School Officials* includes laws, rules, and regulations in effect as of December 2000. 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. If you discover errors in citations, please contact su.mccurdy@ed.state.ia.us

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 "school officials" in the sense that they are concerned with the administration and business management of the school district. These include the school board members, the president of the board of directors, the district secretary, the district treasurer, and the superintendent. Specific duties in key areas are included in later chapters of this manual.

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

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. Interpretation of school law 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. When the word "shall" is used, it generally conveys an imperative or mandatory obligation. The word "may" generally conveys permission or discretion, but could convey an obligation depending on the context in which the word appears. The words "will" and "must" convey a directive and generally are considered synonymous to the word "shall."

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).

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).

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 possible functions of an Iowa school board are far too extensive and varied to be enumerated here. The most important concept of a good school 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. The voters of a district at a regular election may forbid the use of schoolhouses or grounds for other than school purposes. The board shall not thereafter permit such use until the said action of such voters has been rescinded by the voters at a regular election, or at a special election called for that purpose (297.11, 278.1(4)). In addition, the voters at the regular election shall have the power to direct a change of textbooks; direct the sale, lease, or other disposition of any school property; determine additional branches to be taught; direct the transfer of any surplus in the debt service fund, physical plant and equipment levy (PPEL) fund, capital projects funds, or public education and recreation levy (PERL) fund to the general fund; authorize the board to obtain roads for proper access to its schoolhouses; authorize a change to either five or seven directors; 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 change the name of the school district (278.1). Fifty or more eligible electors may also petition for a complete or partial reaudit (11.6(4)(c)). Upon the written request of one hundred eligible electors or a number of electors which equals thirty percent of the number of elector 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(2) shall be construed to prevent the sale, lease, exchange, gift or grant and acceptance of any interest in real or other property by the board of directors without an election to the extent authorized in section 297.22 (278.1(2)). The powers 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 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 eligible electors residing in the school district equal in number to at least ten percent of the registered voters in the school district, to be determined by the school board of any school district, shall be filed with the secretary thirty days or more before the regular election, asking that the question of providing free textbooks for the use of pupils in the public schools thereof 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 days following the action of the board, the secretary of the board receives a petition containing the required number of signatures, asking that an election be called to approve or disapprove the action of the board in adopting the instructional support program. The petition must be signed by eligible electors equal in number to not less than one hundred or thirty percent 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 the next following regular school election or a special 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)).

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 months after the date of the filing of said written description in the office of said county auditor or county auditors. When the said period of limitations shall have passed, it shall be conclusively presumed that all acts and proceedings taken with reference to the said

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 any regular or specia1 election (275.35, 277.23).
2. Five directors
   - (a) in all other school districts (277.23).

A majority of the board of directors of any school corporation shall constitute a quorum for the transaction of business, but a less 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 three 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(7), 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:

- (a) In districts having three directors, one director shall be elected for one year, one for two years, and one for three years.
- (b) In districts having five directors, two shall be elected for one year, two for two years, and one for three years.
- (c) In districts having seven directors, two shall be elected for one year, two for two years, and three for three 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. 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 (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 (279.1).

Such organization shall be effected by the election of a president from the members of the board, 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. (279.6, 69.1A). However, if a member of a school board resigns from the board prior to the time for filing nomination papers for office as a school board member, as provided in section 277.4, and specifies in the resignation that the resignation will be effective on the date the next term of office for elective school officials begins, the president of the board shall declare the office vacant as of that date and nomination papers shall be received for the unexpired term of the resigning member. 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 days after the vacancy occurs, 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 days to call an election, the administrator shall call it. Any appointment of 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 any case of a special election as provided herein 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 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 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 of directors of a school district shall not receive compensation directly from the school 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 shall receive compensation for official services (279.32).

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)).

It shall be unlawful for any school director, officer, area education director or teacher to act as agent for any school textbooks or school supplies during such term of office or employment, and any school director, officer, area education director or teacher who shall act as agent or dealer in school textbooks or school supplies, during the term of such office or employment, 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).

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).

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 school 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).

An official shall not sell, in any one occurrence, any goods or services having a value in excess of two thousand dollars ($2000) to any state agency unless the sale is made pursuant to an award or contract let after public notice and competitive bidding (68B.3).

The board shall fix the compensation to be paid the secretary. The board may pay the treasurer a reasonable compensation (279.32).

Legal Advice

The county attorney shall give advice or a written opinion, without compensation, to the board and other county officer and to school and township officer, when requested by an officer, upon any matters in which the state, county, school, or township is interested, or relating to the duty of the officer in any matters in which the state, county, school, or township may have an interest, but the county attorney shall not appear before the board at a hearing in which the state or county is not interested (331.756(7)).

The county attorney shall cooperate with the auditor of state to secure correction of a financial irregularity (331.756(11)).

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(5).

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 LEAs operate under Dillon's Rule, by state constitution, which states that LEAs 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.

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.

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 co-operate 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 (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).

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).

The school budget review 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)).

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 subsections 1 and 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 not later than February 1 of the school year preceding the school year for which the agreement is to take effect (282.10).

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 area education agency 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 (282.7(1)).

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 district. The Iowa district 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 (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 this subsection. 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 area education agency. Such an agreement is not eligible for supplementary weighting under section 257.11 (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 (256.12(1)).

School districts and area education agency 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. However, services that are made available shall be provided on neutral sites, or in mobile units located off the nonpublic school premises as determined by the boards of the school districts and area education agencies providing the services, and not on nonpublic school property, except for health services, services funded by Title I of the federal Elementary and Secondary Education Act of 1965, diagnostic services for speech, hearing, and psychological purposes, and assistance with physical and communication

needs of students with physical disabilities, and services of an educational interpreter, which may be provided on nonpublic school premises, with the permission of the lawful custodian (256.12(2)).

Any summer school program, for which the teacher's salary is paid or supplemented under a Phase III supplemental pay plan, shall be open to nonpublic school students in the manner provided in section 256.12 (294A.14(2)).

Sharing Personnel and Services

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).

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 relation 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)).

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).

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 by this section (279.20).

The board of directors of any school district in Iowa may enter into contract with the state board of regents for furnishing instruction to pupils of that school district (262.30). The contract shall be in writing and a copy shall be filed in the office of the administrator of the AEA (262.32).

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. It is not necessary that school districts that are parties to an agreement under this section must be engaged in sharing academic programming and receiving supplementary weighting under section 257.11 (280.13A).

Providing Joint Services and Facilities

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).

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 this section 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 project 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)).

A school district in which a local option sales tax for school infrastructure purposes has been imposed shall be authorized to enter into a chapter 28E agreement 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 local option sales and services tax revenues for any valid purpose permitted in chapter 422E or authorized by the governing body of the city. A county entering into a chapter 28E agreement with a school district in which a local option sales tax for school infrastructure purposes has been imposed shall be authorized to expend its designated portion of the local option sales and services tax revenues to provide property tax relief within the boundaries of the school district located in the county. A school district where a local option sales and services tax is imposed is also authorized to enter into a chapter 28E agreement with another school district which is located partially or entirely in or is contiguous to the county where the tax is imposed. The school district shall only expend its designated portion of the local option sales and services tax for infrastructure purposes (422E.4).

The board of directors of a local school district may approve cooperation and pooling of funds with other school districts to operate a community education program authorized under chapter 276 (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).

Revenue Sharing

Although a school district cannot be a direct recipient of a local option sales and services tax under Iowa Code 422B, it could be a secondary recipient. A secondary recipient as defined in section 422B.12(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 local option sales and services tax, the school district would be a secondary recipient for purposes of that section. A school district could use its share of the local option tax proceeds for any lawful purpose which is consistent with both the chapter 28E agreement and with the uses of the local option tax approved by the voters, including retiring school bonds (OAG #97-9-2(L)).

A school district in which a local option sales tax for school infrastructure purposes has been imposed under chapter 422E shall be authorized to enter into a chapter 28E agreement 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 local option sales and services tax revenues for any valid purpose permitted in chapter 422E or authorized by the governing body of the city. A county entering into a chapter 28E agreement with a school district in which a local option sales tax for school infrastructure purposes has been imposed shall be authorized to expend its designated portion of the local options sales and services tax revenues to provide property tax relief within the boundaries of the school district located in the county. A school district where a local option sales and services tax is imposed is also authorized to enter into a chapter 28E agreement with another school district which is located partially or entirely in or is contiguous to the county where the tax is imposed. The school district shall only expend its designated portion of the local option sales and services tax for infrastructure purposes (422E.4).

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 this state as a sending or receiving agency. The period of individual assignment or detail under an interchange program shall not exceed twenty-four 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 said 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 (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.
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" (280.12(2)).

Strategic Planning and Rule-Making

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 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 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).

The board of any school district may establish and maintain public evening schools as a branch of the public schools when deemed advisable for the public convenience and welfare. When ten or more persons over sixteen years of age residing in any school district shall, in writing, express a desire for instruction in the common branches at an evening school, the school board shall establish and maintain an evening school for such instruction for not less than two hours each evening for at least two evenings each week during the period of not less than three months of each school year. Such evening school shall be available to all persons over sixteen years of age who for any cause are unable to attend the public day schools of such school districts (288.1, 288.2, 288.3).

The board of directors in any school district situated in whole or in part in any city having a populations of twelve thousand or over, in which there shall reside or be employed, or both, fifteen or more children over fourteen years of age and under sixteen years of age, who are not in regular attendance in a full-time day school and who have not graduated from a four-year approved high school, shall establish and maintain part-time schools, departments, or classes for such children. In districts situated in whole or in part in cities having less than twelve thousand population, the board may establish and maintain such schools. Such part-time schools, departments, or classes, for the attendance of children over fourteen and under sixteen year of age, shall be organized in accordance with standards established by the state board for vocational education and shall provide for not less than eight hours of instruction per week during the length of term for which public schools are established in the district. Such part-time schools, departments, or classes shall be held between the hours of eight o'clock am. and six o'clock p.m. (289.1, 289.3).

A representative from the board of directors shall served on the regional vocational education planning board (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)).

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 five 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 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 section 287.1 which states that it shall be unlawful for any public school pupil 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 (287.2, 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 public 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. Textbooks 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, or electronic textbooks, including but not limited to computer software, applications using computer-assisted instruction, interactive videodisc, and other computer courseware and magnetic media (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).

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

The board of directors shall cooperate with the emergency management division of the department of public defense to carry out the provisions of chapter 29C. In carrying out the provision of that chapter, the board shall utilize, to the maximum extent practicable, the services, equipment, supplies and facilities of the school district (29C.9, 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 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).

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).

Equal opportunity in programs shall be provided to all students regardless of race, color, national origin, gender, disability, religion, or creed. Each school district shall take affirmative steps to integrate students in attendance centers and courses. Schools and school districts shall collect and annually review district, attendance center, and course enrollment data on the basis of race, color, national origin, gender, disability, religion, or creed (IAC 281--12.1(1)).

The board shall establish a policy to ensure that students are free from discriminatory practices in the educational program. In developing or revising the policy, parents, students, instructional and noninstructional staff, and community members shall be involved. Each school or school district shall incorporate gender fair goals for the education program into its comprehensive school improvement plan (IAC 281--12.5(8).

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 a public school shall prescribe procedures 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 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 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 nonadministrative personnel to perform any special health services or intrusive nonemergency medical services for students unless the nonadministrative personnel are licensed or otherwise qualified and have consented to perform the services (280.23).

Each board of directors of a public school shall adopt rules in the form of a written [student] publications code (280.22(4)).

The district 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 instruction in human growth and development (279.50).

The board of directors 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 shall require as a condition of graduation instruction in American history and the governments of Iowa and the United States (280.9A(1)).

A school district shall operate or provide for the operation of school breakfast and lunch programs at all attendance centers in the district. However, with the approval of the department of education a school district may provide access to a school breakfast program at an alternative site to students who whish 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, for all students in each district who attend

public school four or more hours each school day and wish to participate in a school breakfast or lunch program. School districts may provide school lunch programs for other students (283A.2(2)(a)).

The board of directors 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 of dropping out or have dropped out (280.19A).

Each school or school district shall incorporate into its comprehensive school improvement plan provisions for the professional development of all staff. To meet the professional needs of all staff, staff 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 emphasize the research-based practices to achieve increased student achievement, learning, and performance as stated in the comprehensive school improvement plan (IAC 281--12.7(1)). The board shall annually budget specified funds to implement the plan required (IAC 281--12.7(2)).

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)).

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).

For the budget year beginning July 1, 1989, and each of the following three budget years, the board of directors of a school district in which the [executive] administrative expenditures as a percent of the school district's general fund for a base year exceed five percent, shall reduce its administrative expenditures so that they are one-half percent less as a percent of the school district's general fund than they were for the base year. However, a school district is not required to reduce its administrative expenditures below five percent of its general fund. Thereafter, a school district shall not increase the percent of its administrative expenditures compared to its general fund. 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 (279.45).

School districts and area education agencies shall not charge other school districts or area education agencies for plans or information about innovative Educational Excellence Phase III plans that they have developed (294A.19).

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 (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. 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 related to the functions of the board of directors (279.38A).

A school board has no authority to distribute to the taxpayers on a prorata 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 shall offer the opportunity to register to vote to each student who is at least seventeen and one-half years of age (280.9A(2)).

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).

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 general 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 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).

Each board of directors in school districts where the school grounds adjoin cultivated or improved lands shall build and maintain a lawful fence between said grounds and cultivated or improved lands, and the owner of lands adjoining any such site shall have the right to connect the fence on the owner's land with the fence around the school grounds, but the owner shall not be liable to contribute to the maintenance of such fence (297.13). No fence shall be constructed of barbed wire, nor shall any barbed wire fence be placed within ten (10) feet of any school grounds. 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 gasoline blended with at least ten percent ethanol. 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 gasoline blended with ethanol (279.34).

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. Beginning July 1, 1976, the appraisal shall be updated at least one time every five years (282.24).

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 (279.29). [Allowance of a claim, however, must be done by the board as a whole.]

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 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 sworn statement from each depository showing the balance then on deposit in the depository. If the secretary or treasurer fail to make proper reports for the settlement, the board shall take action to obtain the balance information (279.33).

Between July 1, 1986 and June 30, 1991, and on a staggered annual basis each five years thereafter, the board of directors of each school district shall file with the department of natural resources the results of an energy audit of the buildings owned and [the buildings] leased by the school district. The energy audit shall be conducted under rules adopted by the department of natural resources pursuant to chapter 17A. The department of natural resources 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 for 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).

Public School Officials

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 (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 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:
(a) preside at all of its meetings,
(b) sign all contracts made by the board,
(c) 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).

The president or the president's designee shall sign, using an original or facsimile signature, all school district warrants drawn as provided by law (291.1).

The board of directors may by resolution authorize the secretary, upon approval of the president of the board, to issue warrants when the board of directors is not in session, but only upon verified bills filed with the secretary, and the secretary shall either deliver in person or mail the warrant to the payee (279.30).

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).

Promptly report to the secretary any known violations of the truancy law (299.15).

The School District Secretary

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 for terms of one year beginning with the date of appointment, and the appointment and qualification shall be entered of record in the minutes of the secretary. They shall qualify within ten 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 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 days (291.4). The board shall appoint a temporary 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).

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 district 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 (OAG #56-9-24).

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)).

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, separate account of each fund with the treasurer, charge the treasurer with all warrants and drafts drawn in the treasurer's favor, and credit the treasurer with all orders drawn on each fund (291.6(3)).

Keep an accurate account of all expenses incurred by the corporation, and present the same to the board for audit and payment (291.6(4)).

The secretary of each district shall file monthly with the board of directors, a complete statement of all receipts and disbursements from the various funds during the preceding month, and also the balance remaining on hand in the various funds at the close of the period covered by the statement, which monthly statements shall be open to public inspection (291.7).

At a regular or special meeting held on or after August 31 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 for the year ending on the preceding June 30 (279.33).

The secretary shall draw each order on the treasurer, specify the fund on which it is drawn and the use for which the money is appropriated; countersign using an original or facsimile signature and keep a register of the order, showing the number, date, to whom drawn, the fund upon which it is drawn, the purpose and the amount; and at each regular annual meeting furnish the board with a copy of the register (291.8).

If the board of directors has so authorized by resolution, the secretary may issue warrants when the board of directors is not in session in payment of freight, drayage, express, postage, printing, water, light, and telephone rents, but only upon verified bills filed with the secretary and for the payment of salaries pursuant to the terms of a written contract, and the secretary shall either deliver in person or mail the warrants to the payees. In addition, the board of directors may by resolution authorize the secretary, upon approval of the president, to issue [other] warrants when the board of directors is not in session, but only upon verified bills filed with the secretary, and the secretary shall either deliver in person or mail the warrants to the payees. Each warrant must be made payable only to the person performing the service or presenting the verified bill, and must state the purpose for which the warrant is issued. All bills and salaries for which

warrants 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).

Report to the director of the department of education, the county auditor and the 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 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 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 to fill the vacancy or vacancies (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 area education agency board, notifying the secretary of the district in writing within ten 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 days of the receipt of the papers and decide it within three days of the conclusion of the hearing and shall immediately notify all parties of its decision (285.12).

Any person aggrieved by a decision or order of the board of directors may appeal to the state board of education. The state board of education shall, within five 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 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).

The board may delegate its responsibility for handling investment transactions to the secretary (12C.11).

A school district may be garnisheed 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 shall be made to the secretary of the school district. The garnishee shall be required to answer within thirty 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 except for the purposes of enforcing child, spousal, or medical support obligations (627.13).

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).

Retain and file one copy and forward the other copy to the AEA reports regarding private instruction of pupils of compulsory attendance age. 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 (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 (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 secretary shall furnish a copy of the proceedings of each regular, adjourned, or special meeting of the board to be published within two weeks following the adjournment of the meeting. 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. However, 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 (279.35).

On or before February 15 and June 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 quarterly (282.18(9)).

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

The secretary of the school board shall accept the petition for filing [nomination] 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. If the 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 secretary shall remain open until five p.m. 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 not later than five o'clock p.m. on the day following the last day on which nomination petitions can be filed (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).

Upon termination of term of office, the secretary shall immediately surrender to the successor all books, papers, and moneys pertaining or belonging to the office, taking a receipt therefor (277.31).

Each school officer shall install and use in the office a system of uniform [financial accounting] blanks and forms as prescribed by law (11.23).

The secretary shall file an annual report with the director of the department of education on forms prepared for that purpose (291.10).

The School District Treasurer

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 for terms of one year beginning with the date of appointment, and the appointment and qualification shall be entered of record in the minutes of the secretary. They shall qualify within ten 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 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 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 (OAG #96-10-1(L)).

Upon termination of the term of office, the treasurer shall immediately surrender to the successor all books, papers, and moneys pertaining or belonging to the office, taking a receipt therefor (277.31).

The board may pay a school district treasurer a reasonable compensation (279.32).

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 district (291.12).

Pay only warrants signed by the president and countersigned by the secretary (291.12). No order shall be drawn upon the treasury until the claim therefor has been audited and allowed (279.29) Each warrant must be made payable to the person entitled to receive the money (279.30).

Keep an accurate record of all receipts and expenditures in a book provided for that purpose (291.12).

Register all orders drawn and reported to the treasurer by the secretary, showing the number, date, to whom drawn, fund upon which it is drawn, 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).

Render a statement on the finances of the corporation whenever required by the board; and the treasurer's books 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 and prior to the organizational meeting held after the regular school election, the board shall meet, examine the books of and settle with the treasurer for the year ending on the preceding June 30. The treasurer at the time of settlement shall furnish the board with a sworn statement from each depository showing the balance then on deposit in the depository (279.33).

All funds held by the treasurer shall be deposited in one or more depositories first approved by the board of school directors. The treasurer shall invest all funds not needed for current operating expenses in time certificate 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 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).

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).

At the time of any examination or at the time of any settlement with the treasurer, the treasurer shall produce and count in the presence of the officer or officers making such examination or settlement, all moneys or funds then on deposit in the safe or vault in the treasurer’s office, and shall produce a statement of all money or funds on deposit with any depository wherein the treasurer is authorized to deposit such funds, which statement shall be certified by one or more officers of such depository, 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).

The board of directors may delegate its investment authority to the treasurer for handling investments transactions (12C.11).

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 (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 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 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).

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).

Receive forfeitures imposed on any school officers for willingly violating any law relative to schools, or willfully failing or refusing to perform any duty imposed by law (277.32).

Promptly report to the secretary any known violations of the truancy law (299.15).

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 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).

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).

In addition to licenses required under rules adopted pursuant to chapter 272, an individual employed as an administrator, supervisor, school service person, or teacher by a school district or AEA, who conducts evaluations of the performance of individuals holding licenses under chapter 272, shall possess an evaluator license or an evaluator endorsement appearing on a teaching or administrative licenses (272.33).

The superintendent or designee shall issue work permits upon written request, except for migrant laborers, for resident children employed who are at least fourteen and less than sixteen years of age (92.11) The superintendent shall cooperate in the enforcement of chapter 92 and to furnish the labor commissioner with all known information regarding violations of this chapter (92.22).

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 (282.20).

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 board may confer upon any teacher, principal or superintendent the power temporarily to suspend a pupil and to readmit the pupil (282.4, 282.5).

Promptly report to the secretary any known violations of the truancy law (299.15).

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 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).

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).

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 for any private purpose and for personal gain, to the detriment of the district.
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. Permit persons to use the property owned by the district 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 56 (66.1A).

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).

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 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, 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).

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

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 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 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).

It shall be unlawful for any school director, officer, area education director or teacher to act as agent for any school textbooks or school supplies during such term of office or employment, and any school director, officer, area education director or teacher who shall act as agent or dealer in school textbooks or school supplies, during the term of such office or employment, 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 (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 (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).

No school board shall 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 of officer of such board who authorizes the purchase, construction, or contract for an such bus not complying with these minimum requirements shall be guilty of a misdemeanor (321.379).

No fence shall be constructed of barbed wire, nor shall any barbed wire fence be placed within ten (10) feet of any school grounds. 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) 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)).

The director of the department of education shall prepare forms and procedures as necessary to be used by area education agency 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 executive of contracts, and the submission of reports, and notify the area education agency 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 (331.756(16)).

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 of the Iowa Code (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)).

The commissioner may designate the school district 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 district secretary shall keep a complete record of all the proceedings of all regular or special elections in the corporation (291.6(2)).

The governing body of a political subdivision 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 (56.12A).

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 (OAG #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 who offers, promises, or gives anything of value or any benefit to any elector for the purpose of influencing the elector's vote, in any election authorized by law, or any elector who receives anything of value or any benefit knowing that it was given for such purpose, commits an aggravated misdemeanor (722.4(1)).

A person who offers, promises, or gives anything of value or any benefit to any precinct election official authorized by law, or to any executive officer attending the same, conditioned on some act done or omitted to be done contrary to the person's official duty in relation to such election, commits an aggravated misdemeanor (722.4(2)).

A person who unlawfully and by force, or threats of force, prevents or endeavors to prevent an elector from giving the elector's vote at any public election commits an aggravated misdemeanor. A person who procures, or endeavors to procure, the vote of an elector for or against any candidate or for or against any issue by means of violence, threats of violence, or by any means of duress commits an aggravated misdemeanor (722.8).

Regular Election

Regular elections shall be held annually on the second Tuesday in September 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:
1. Direct a change of textbooks regularly adopted.
2. 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, provided, however, that nothing herein shall be construed to prevent the sale, lease, exchange, gift or grant and acceptance of any interest in real or other property by the board of directors without an election to the extent authorized in section 297.22.
3. Decide what additional branches shall be taught.
4. Instruct the board that school buildings may or may not be used for meetings of public interest.
5. Direct the transfer of any surplus in the debt service fund, PPEL fund, capital project funds, or PERL fund to the general fund.
6. Authorize the board to obtain roads for proper access to its schoolhouses.
7. Authorize a change to either five or seven directors.
8. Authorize a change in the method of conducting elections or in the number of directors.
9. Change the name of a school district, without affecting its corporate existence, rights, or obligations (278.1).

The board may, and upon the written request of one hundred eligible electors or a number of electors which equals thirty percent 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 of the voters, voting in a regular or special election in the school district, make extended time contracts not to exceed twenty 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).

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).

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 (39.2(1)).

The board of directors may call a special election at which the voters shall have the powers exercised at the regular election with reference to:
1. the sale of school property and the application to be made of the proceeds,
2. the authorization of seven members on the board of directors,
3. the authorization to establish or change the boundaries of director districts,
4. and the authorization of a voter-approved physical plant and equipment levy or indebtedness, as provided by law (277.2).
5. The board may, with the approval of sixty percent of the voters, make extended time contracts not to exceed twenty 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).

Possible Elections

Dissolution Election

The board of the school district shall call a special election to be held not later than forty days following the date of the final hearing on the dissolution proposal. The special election may be held at the same time as the regular school election. The proposition submitted to the voters residing in the school district at the special election 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. The proposition shall be adopted if a majority of the electors voting on the proposition approve its adoption (275.55).

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 area education agency administrator with whom the petition is filed shall give written notice of the proposed date of the election to the county commissioner of elections of the county in the proposed school corporation which has the greatest taxable base. Notice for an election shall not be published until the expiration of time for appeal, and if there is an appeal, not until the appeal has been disposed of (275.18). 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 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 at any time the voters of a district at a regular election forbid use of any schoolhouse or grounds for other than school purposes, the board shall not thereafter permit such use until the action of the voters shall have been rescinded by the voters at a regular election, or at a special election called for that purpose (297.11, 278.1(4)).

Free Textbooks

Whenever a petition signed by eligible electors residing in the school district equal in number to at least ten percent of the registered voters in the school district, to be determined by the school board of any school district, shall be filed with the secretary thirty days or more before the regular election, asking that the question of providing free textbooks for the use of pupils in the public schools thereof 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).

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 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. If at the time of filing the petition, it is more than three months until the next regular school election, the board of directors shall submit the question at a special election within sixty days. Otherwise the question shall be submitted at the next regular school election. If a majority of the votes cast upon the proposition is in favor of the proposition, the board shall certify the amount required. 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 (300.2, 300.3).

Local Option Sales and Services Tax for School Infrastructure

A local sales and services tax for school infrastructure purposes may be imposed by a county on behalf of school districts as provided in chapter 422E. The maximum rate of tax shall be one percent. The tax shall be imposed without regard to any other local sales and services tax authorized in chapter 422B, and is repealed at the expiration of a period of ten years of imposition or a shorter period as provided in the ballot proposition (422E.1). A local sales and services tax shall be imposed by a county only after an election at which a majority of those voting on the question favors imposition. The effective date shall be either January 1 or July 1 but not sooner than ninety days following the favorable election. A local sales and

services tax shall be repealed on either June 30 or December 31 but not sooner than ninety days following the favorable election, if one is held (422E.2(1)).

Upon receipt by a county board of supervisors of a petition requesting imposition of a local sales and services tax for infrastructure purposes, signed by eligible electors of the whole county equal in number to five percent of the persons in the whole county who voted at the last preceding state general election, the board shall within thirty days direct the county commissioner of elections to submit the question of imposition of the tax to the registered voters of the whole county. Alternately, the question of imposition of a local sales and services tax for school infrastructure purposes may be proposed by motion or motions, requesting such submission, adopted by the governing body of a school district or school districts located within the county containing a total, or a combined total in the case of more than one school district, of at least one-half of the population of the county, or by the county board of supervisors. Upon adoption of such motion, the governing body of a school district shall notify the board of supervisors of the adoption of the motion. The county board of supervisors shall submit the motion to the county commissioner of elections, who shall publish notice of the ballot proposition concerning the imposition of the local sales and services tax. A motion ceases to be valid at the time of the holding of the regular election for the election of members of the governing body which adopted the motion (422E.2(2)).

The county commissioner of elections shall submit the question of imposition of a local sales and services tax for school infrastructure purposes at a state general election or at a special election held at any time other than the time of a city regular election. The election shall not be held sooner than sixty days after publication of notice of the ballot proposition. The ballot proposition shall specify the rate of tax, the date the tax will be imposed and repealed, and shall contain a statement as to the specific purpose or purposes for which the revenues shall be expended (422E.2(3)).

The Board of Supervisors, can, and in some instances must, paraphrase and supplement the language of the petition prior to having the issue placed on the ballot in a local option tax election (OAG #00-4-2(L)).

Section 422E.1(3) does not prohibit per se a school district from expending school infrastructure local option sales and services tax proceeds for salaries and benefits of school district employees who are engaged in school infrastructure activities authorized under chapter 422E (OAG #00-4-4)L)).

Equal protection guarantees do not prohibit a local option sales and services tax ballot from setting forth two 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).

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 call a special election to submit to the registered voters of the district 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 of the assessed value of the taxable property, a petition signed by a number equal to twenty-five percent 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 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 not less than four nor more than twenty days after the last publication of the notice (298.18). 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 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 months from the date of such regular or special election (75.1).

The amount estimated and certified to apply on principal and interest for any one year may exceed two dollars and seventy cents 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 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 a special election, which may be held at the same time as the regular school election (298.18).

Physical Plant and Equipment Tax Levy and Income Surtax

The board may, and upon the written request of not less than one hundred eligible electors or thirty percent 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 in the notice of election, not to exceed ten years, in the notice of the regular school election. The proposition is adopted if a majority of those voting on the proposition at the election approves it (298.2(4)).

If the voter-approved physical plant and equipment levy, consisting solely of a physical plant and equipment property tax levy, is voted at a special election 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 for a voter-approved physical plant and equipment levy may be included as a provision in a reorganization petition election (257.20).

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 nor more than twenty 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 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 years or to direct the county commissioner of elections to call an election to submit the question of participation in the program for a period not exceeding ten years to the registered voters of the school district at the next regular school election or at a special election. 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 days following the action of the board, the secretary of the board receives a petition containing the required number of signatures, asking that an election be called to approve or disapprove the action of the board in adopting the instructional support program. The petition must be signed by eligible electors equal in number to not less than one hundred or thirty percent 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 the next following regular school election or a special 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)).

At the expiration of the twenty-eight 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)).

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 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 at the next following regular school election or a special election held not later than the following February 1. 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. 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 call an election to vote on the proposition whether to discontinue the program upon the receipt of a petition signed by not less than one hundred eligible electors or thirty percent of the number of electors voting at the last preceding school election, whichever is greater (257.29).

Pension System

Any 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 provided that the retirement system, in cities having a population less than seventy-five thousand (75,000), be ratified by a vote of the people at a general election (294.8).

The fund for such 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 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									
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 in the notice of the regular or special election for the submission of the proposition.	Regular.	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 voters at the last preceding school election shall present a petition to the board to direct the county commissioner of elections.	Regular, unless it is more than 3 months until the next regular election, in which case, a special election is called within 60 days.	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.	Board resolution.					300.3
	2	Voters	25% of the number of voters at the last preceding school election shall present a petition to the board to direct the county commissioner of elections.	Regular, unless it is more than 3 months until the next regular election, in which case, a special election is called within 60 days.	Majority of the voters.				300.3
Establish a 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
	2	Board	Directs the county commissioner of elections to provide in the notice of the regular or special election for the submission of the proposition.	Regular or Special.	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
	3	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 in the notice of the regular election 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 notice in the regular school election 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.	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 regular program foundation base per pupil times the weighted enrollment and the special education support services foundation cost per pupil times the special education support services weighted enrollment.	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 not later than April 15, 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 in the notice of the regular or special election 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 in the notice of the regular or special election for the submission of the proposition.	Regular or Special.	Majority of the voters. If fails, board must wait 120 days to take action to adopt the program or resubmit the proposition.	Up to 10% of regular program district cost.	Up to 10 years.	Property Tax or Combination of Property Tax and Income Surtax.	257.18 257.3
Establish an Educational Improvement Levy when 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.		Board	Directs the county commissioner of elections to provide in the notice of the regular or special election for the submission of the proposition.	Regular or Special election held not later than February 1.	Majority of the voters.	Percentage of regular program district cost set at the Public Hearing and listed in the proposition.	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	By 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 in the notice of the regular or special election for the submission of the proposition.	Regular or Special.	Majority of the voters.				257.29
Establish a Cash Reserve Levy, including funding for the Returning Dropouts and Dropout Prevention Program. 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 25% of the 2nd prior year's general fund expenditures minus the ending fund balance in the general fund.	Certified Annually.	Property Tax.	257.31 257.34 257.41 298.1

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. Use of the fund also requires written approval of the state appeal board.	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 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.	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 in the notice of the regular or special election for the submission of the proposition. Bonds must mature within 20 years.	Regular or 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
	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.	Regular or 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.		Board	Directs the county commissioner of elections to provide in the notice of the special election for the submission of the proposition.	Special, which may be at the same time as the Regular.	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 100 signatures.	Regular	Largest number of votes by voters. If director districts, largest number of votes by voters in that director district.		Normally 3 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. For a director district seat, the petition must be signed by at least 10 eligible electors in that director district.	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 1, 2, and 3 year terms.		275.25 277.4 277.25
Local option sales and services tax for school infrastructure.	1	School Board.	Motion adopted by the school board or boards located within the county containing a total, or combined total in the case of more than one school district, of at least 1/2 of the population of the county. Notify the county board of supervisors. The board of supervisors shall direct the county commissioner of elections to provide in the notice of the state general election or special election for the submission of the proposition.	State general election or special election.	Majority of the voters in the county.	Up to 1%.	Up to 10 years.	Local option sales and services tax.	422E.2
	2	Voters	Petition signed by 5% of the electors in the whole county who voted at the last preceding state general election. The county board of supervisors shall direct the county commissioner of elections to provide in the notice of the state general election or special election for the submission of the proposition.	State general election or special election.	Majority of the voters in the county.	Up to 1%.	Up to 10 years.	Local option sales and services tax.	422E.2
	3	County Board of Supervisors	Direct the county commissioner of elections to provide in the notice of the state general election or special election for the submission of the proposition.	State general election or special election.	Majority of the voters in the county.	Up to 1%.	Up to 10 years.	Local option sales and services tax.	422E.2
PROPOSITIONS:									
Direct a change of textbooks regularly adopted.	1	Board	Directs the county commissioner of elections to provide in the notice of the regular election for the submission of the proposition to the voters.	Regular	Majority of the voters.				278.1(1) 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 to the board to direct the county commissioner of elections.	Regular	Majority of the voters.				278.1(1) 278.2
Direct the board to provide free textbooks for the use of pupils in public schools.		Voters	Number of eligible electors equal to 10% of the registered voters shall file a petition with the secretary 30 days or more before the regular election asking that the question be submitted to the voters.	Regular	Majority of the voters.				301.24 301.25
Direct the board to discontinue the loaning of textbooks to pupils.		Voters	Number of eligible electors equal to 10% of the registered voters shall file a petition with the secretary 30 days or more before the regular election asking that the question be submitted to the voters.	Regular	Majority of the voters.				301.27

Direct the disposition of school property and the application to be made of the proceeds.	1	Board	Directs the county commissioner of elections to provide in the notice of the regular or special election for the submission of the proposition.	Regular or Special.	Majority of the voters.				278.1(2) 277.2 278.2
	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 to the board to direct the county commissioner of elections. Direct the county commissioner of elections.	Regular	Majority of the voters.				278.1(2) 278.2
Decide what additional branches should be taught.	1	Board	Directs the county commissioner of elections to provide in the notice of the regular election for the submission of the proposition.	Regular	Majority of the voters.				278.1(3) 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 to the board to direct the county commissioner of elections.	Regular	Majority of the voters.				278.1(3) 278.2
Instruct the board that school buildings may or may not be used for meetings of public interest.	1	Board	Directs the county commissioner of elections to provide in the notice of the regular election for the submission of the proposition.	Regular	Majority of the voters.				278.1(4) 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 to the board to direct the county commissioner of elections.	Regular	Majority of the voters.				278.1(4) 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 in the notice of the regular or special election for the submission of the proposition.	Regular or 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 to the board to direct the county commission of elections.	Regular or 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.	1	Board	Directs the county commissioner of elections to provide in the notice of the regular election for the submission of the proposition.	Regular	Majority of the voters.				278.1(5) 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 to the board to direct the county commissioner of elections.	Regular	Majority of the voters.				278.1(5) 278.2
Authorize the board to obtain roads for proper access to schoolhouses.	1	Board	Directs the county commissioner of elections to provide in the notice of the regular election for the submission of the proposition.	Regular	Majority of the voters.				278.1(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 to the board to direct the county commissioner of elections.	Regular	Majority of the voters.				278.1(6) 278.2
Authorize a change to either 5 or 7 directors.	1	Board	Directs the county commissioner of elections to provide in the notice of the regular or special election for the submission of the proposition.	Regular or Special.	Majority of the voters.				278.1(7) 275.35 277.2 278.2
	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 to the board to direct the county commissioner of elections.	Regular or Special.	Majority of the voters.				278.1(7) 275.36 278.2
Authorize the establishment or abandonment of director districts or a change of boundaries of director districts/method of election.	1	Board	Directs the county commissioner of elections to provide in the notice of the regular or special election for the submission of the proposition.	Regular or Special.	Majority of the voters.				278.1(8) 278.2 277.2
	2	Voters	100 eligible electors or the 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 to the board to direct the county commissioner of elections.	Regular	Majority of the voters.				278.1(8) 278.2 275.35 275.36
Change the name of the school district.	1	Board	Directs the county commissioner of elections to provide in the notice of the regular election for the submission of the proposition.	Regular	Majority of the voters.				278.1(9) 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 to the board to direct the county commissioner of elections.	Regular	Majority of the voters.				278.1(9) 278.2
Authorize board to make extended time contracts not to exceed 20 years for rental of buildings to supplement existing schoolhouse	1	Board	Directs the county commissioner of elections to provide in the notice of the regular or special election for the submission of the proposition.	Regular or Special.	60% of the total votes cast by voters.				278.1

supplement existing schoolhouse facilities; where buildings are to constructed to place on real estate owned by the district, such contracts may include lease-purchase option agreements.	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 to the board to direct the county commissioner of elections.	Regular	60% of the total votes cast by voters.				278.1
Establish an Evening School.	1	Board	Establishes and maintains evening schools as a branch.	Board resolution.					288.1
	2	Residents	Ten or more residents over 16 years of age shall in writing express a desire for instruction in the common branches at an evening school.						288.2
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 of the proposed date for a special election for the submission of the proposition not later than 40 days after the date of the final hearing on the dissolution proposal.	Special election, which may be at the same times as the regular school election.	Majority of the voters.				275.55
Reorganization.		Voters	Petition signed by registered voters in each existing school district or portion affected equal in number to at least 20% of the registered voters or 400 registered voters, whichever is smaller. AEA administrator directs the county commissioner of elections in the county in the proposed school corporation which has the greatest taxable base to provide notice of a special election for the submission of the proposition.		Majority of the total voters and majority in each of at least 75% of the districts.				275.20 275.18 275.12
Establish a pension and annuity retirement system in any district located in a city having a population of 75,000 or more.		Board	Board resolution.						294.8
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	Board directs the county commissioner of elections to provide in the notice of the general election for the submission of the proposition.	General	Majority of the voters.				294.8
Discontinue a pension and annuity retirement system previously established.		Board	By resolution.						294.11

Election Process

Not less than twenty 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 years. The commissioner may add names of persons who the school board has advised the commissioner at least thirty days before each primary election are willing to serve without pay at elections conducted for that school district (49.15). The membership of each precinct election board shall be appointed by the commissioner, not less than fifteen 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, and also of the counting board authorized by chapter 51 if one is appointed, with authority over the mechanics of the work of both boards (49.13). Ordinarily, the election board will consist of three or five precinct election officials. At the commissioner's discretion, additional precinct election officials may be appointed to work at any election (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 three dollars and fifty cents per hour, 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 for any 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 commissioner shall not less than four nor more than twenty 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 newspaper of substantial circulation in the county or political subdivision (49.53).

Dates for Special Elections

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 five 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 days before the election. Otherwise, the notice shall be given at least thirty-two 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(1)).

Voting Precincts

If there is within a school corporation any territory not within the limits of the county, the county commissioner of elections 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 such contiguous county precincts as will best serve the convenience of the electors of said territory in voting on school matters (277.6).

No person shall vote in any precinct but that of the person’s residence (49.9).

Place to Vote

It is the responsibility of the commissioner to designate a polling place for each precinct in the county. 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. In the selection of polling places, preference shall also be given to the use of buildings accessible to persons who are elderly and persons with disabilities (49.21).

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

Open Polls

At all elections, except as otherwise permitted by section 49.73, the polls shall be open at seven o'clock a.m. However, 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 twelve o'clock 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 days before the election, a petition signed by at least fifty eligible electors of the school district requesting that the polls be opened not later than seven o'clock 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 eight o'clock p.m. (49.73).

Every registered 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 registered voters so designated (49.74).

Voter Qualifications

An eligible elector wishing to vote in elections in Iowa shall register to vote. 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). An eligible elector may register to vote by completing a mail registration form. The 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).

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, thus, "√," placed in the proper target (49.46).

Note: For complete details of the voter's law, refer to chapter 49 of the Iowa Code.

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 days prior to the date of the election, apply in person or make written application to the commissioner for an absentee ballot (53.2).

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 (OAG #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). In precincts using paper ballots all public measures to be voted upon by a voter at a given election shall be printed upon one ballot of some color other than white (49.43). The commissioner may prepare a summary for public measures if the commissioner finds that a summary is needed to clarify the question to the voters (49.44). Ballots shall be substantially in the following form:

"Shall the following public measure be adopted?"

Yes ☐

No ☐

(Here insert the summary and 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).

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 machines. 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. The commissioner shall not charge a rental fee for the use of any voting machines (47.3).

Prohibited Acts on Election Day

The following acts are prohibited on election day:

1. Loitering, congregating, electioneering, posting of signs, treating voters, or soliciting votes, during the receiving of the ballots, either on the premises of any polling place or within three hundred 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 subsection shall not apply to the posting of signs on private property not a polling place, except that the placement of a sign on a motor vehicle, trailer, or semitrailer, or any attachment to a motor vehicle, trailer, or semitrailer parked on public property within three hundred feet of a polling place, which sign is more than ninety square inches in size, is prohibited.
2. Interrupting, hindering, or opposing any voter while in or approaching the polling place for the purpose of voting.
3. A voter allowing any person to see how the voter's ballot is marked.
4. A false statement by a voter as to the voter's ability to mark a ballot.
5. Interfering or attempting to interfere with a voter when inside the enclosed space, or when marking a ballot.
6. Endeavoring to induce a voter to show how the voter marks, or has marked, a ballot.

7. Marking, or causing in any manner to be marked, on any ballot, any character for the purpose of identifying such ballot.
8. Serving as a member of a challenging committee or observer by a precinct election official serving at the polls or by an incumbent officeholder of, or a candidate for, an office being voted for at the election in progress (49.107).

Employees Entitled to Time to Vote

Any person entitled to vote at an election 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). Any employer who shall refuse to an employee this privilege or shall subject such employee to a penalty or reduction of wages because of the exercise of such privilege, or shall in any manner attempt to influence or control such employee as to how the employee shall vote, by offering any reward, or threatening discharge from employment, or otherwise intimidating or attempting to intimidate such employee from exercising the employee's right to vote, shall be guilty of a simple misdemeanor (49.110).

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, in words written at length, 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 (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 (OAG #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 three years, except as otherwise provided by section 275.23A (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 three years (274.7).

A member of a local school 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 days, nor less than forty days before the election. Nomination petitions shall be filed not later than five p.m. on the last day for filing. If the district 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 five 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 at least ten eligible electors, or a number of eligible electors equal in number to not less than one percent of the registered voters of the school district, whichever is more. 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 at least ten eligible electors of the director district or a number of eligible electors equal in number to not less than one percent of the registered voters in the director district, whichever is more. A petition filed under this section shall not be required to have more than one hundred signatures. 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 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 (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 not later than five o'clock p.m. on the day following the last day on which nomination petitions can be filed (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 five o'clock p.m. on the thirty-fifth day before the election (277.4).

Any candidate nominated by a nonparty political organization may withdraw the candidate's nomination by a written request filed in the office of the school board secretary at least thirty-five days before the day of a regularly scheduled school election (44.9(3)). If a candidate nominated by a nonparty political organization 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 of the nonparty political organization has previously provided. The vacancy or vacancies shall be filled not less than thirty-five 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, 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 days after the vacancy occurs, or when the board is reduced below a quorum, the secretary of the board, or if there be no secretary, the area education agency 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 days nor later than forty days after the thirtieth day following the occurrence of the vacancy. If the secretary fails for more than three 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 any case of a special election as provided herein 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 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 days before the date set for the election (279.7).

In any district including all or part of a city of fifteen thousand 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 when a district becomes wholly or in part within a city of fifteen thousand population or more in the following manners: If the term of one director of the five-member board expires at the time of said regular election, three directors shall be elected to serve until the third regular election thereafter; if the terms of two directors expire at the time of the regular election, three directors shall be elected to serve until the third regular election thereafter and one director shall be elected to serve a term the expiration of which coincides with the expiration of the term of the director heretofore singly elected (277.23).

Campaign Finance Disclosure Report

Committees for school elective offices and local ballot issues shall file their first reports five days prior to any election in which the name of the candidate or the local ballot issue which they expressly advocate appears on the printed ballot and shall file their next report on the first day of the month following the final election in a calendar year in which the candidate's name or the ballot issue appears on the ballot. A committee expressly advocating the nomination, election, or defeat of a candidate for a school elective office or the passage or defeat of a local ballot issue shall also file disclosure reports on the nineteenth day of January and October of each year in which the candidate or ballot issues does not appear on the ballot and on the nineteenth day of January, May, and July of each year in which the candidate or ballot issue appears on the ballot, until the committee dissolves. These reports shall be current to five days prior to the filing deadline and are considered timely filed if mailed bearing a United States postal service postmark on or before the due date (56.6(1)(d)).

Every committee as defined in chapter 56 shall file a statement of organization within ten days from the date of its organization (56.6).

All statements and reported required to be filed on campaign finance shall be filed with the commission. Statements and reports on a ballot issue shall be filed with the commission responsible for conducting the election at which the issue is to be voted upon (56.4).

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 (OAG #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 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 district 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 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 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 directors, election of three directors at large by the electors of the entire districts, one at each annual 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 (275.12(2)).

School districts which have directors who represent director districts as provided in paragraphs "b" through "e" 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 area education agency 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, signed by not less than ten eligible electors of the newly formed district, and filed not less than twenty-eight 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 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 districts are named in the reorganization petition, either five or seven directors shall serve on the initial board. If three or more districts are named in the petition, either seven or nine 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. Prior to

the effective date of the reorganization, the initial board shall approve a plan that commences at the second regular school election held after the effective date of the merger and is completed at the fourth 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, one director shall be elected for one year, one for two years, and one for three years.
2. In districts having five directors, two shall be elected for one year, two for two years, and one for three years.
3. In districts having seven directors, two shall be elected for one year, two for two years, and three for three years (277.25).

There is also a further provision whereby any existing district or any district hereafter created or enlarged may change its method of election and number of directors by petition and/or a vote of the electorate (275.35, 277.2, 278.1(7), 278.1(8)).

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).

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. 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 or more of the public employees in the appropriate unit (20.15(1)).

CHAPTER 3

MEETINGS AND MINUTES

A school board is a state agency as well as a local agency. Its members are elected by the voters of the local school district, 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 to develop and make recommendations on public policy issues (21.2(1)).

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

A governmental body shall give notice of the time, date, and place of each meeting, and its tentative agenda, 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 the 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)).

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)).

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, or immediately following that meeting, if the meeting of the subunit is publicly announced 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)).

Closed Session

A governmental body may hold a closed session only by affirmative public vote of either two-thirds 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 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. The minutes and the tape recording of a session closed under this paragraph shall be available for public examination when the transaction discussed is completed (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 tape record all of the closed session. The detailed minutes and tape 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 tape 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 (21.5(4)).

A governmental body shall keep the detailed minutes and tape recording of any closed session for a period of at least one year from the date of that meeting (21.5(4)).

Ignorance of the legal requirements of chapter 21 shall be no defense to an enforcement proceeding. 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 (21.10).

Retreats by a governmental body are subject to all requirements of Iowa Code chapter 21 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).

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).

Any person who willfully disturbs any deliberative body of the 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 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 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)).

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 or employee organizations, mediation and the deliberative process of arbitrators shall be exempt from the provisions of chapter 21. 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 weeks following the first bargaining session. Both sessions shall be open to the public and subject to the provisions of chapter 21. 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)).

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 (279.35). All bills and salaries for which warrants are issued prior to audit and allowance by the board as provided in section 279.30 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 with roll call by secretary.
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 nay 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

PUPIL ATTENDANCE ACCOUNTING

Attendance Requirement

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, an accredited nonpublic school, or competent 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.
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 as been excused under section 299.22 [deaf and blind].
6. Who is exempted under section 299.24 [religious exemption] (299.2).

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 (299.1A).

Under certain circumstances, religious groups may be exempted from compulsory education law and educational standards law (299.24).

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).

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).

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 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 Pupils

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 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 years on the fifteenth 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 years of age on or before the fifteenth of September of the current school year.
- No child shall be admitted to the first grade unless the child is six years of age on or before the fifteenth of September of the current school year; except that a child under six 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).

A kindergarten program complying with the educational program description in Iowa Administrative Code (IAC) subrule 281--12.5(2) shall be operated by a school district. A nonpublic school is not required to offer kindergarten in order to be accredited. The number of instructional days within the school calendar and the length of the school day for kindergarten shall be defined by the board (IAC 281--12.1(11)).

In Dean v. Armstrong the legality of closing school and designating children to a consolidated school district was upheld by the Supreme Court.

Definitions

Minimum School Calendar and Day of Instruction

Each board shall adopt a school calendar that identifies specific days for student instruction, staff development and in-service time, and time for parent-teacher conferences. The length of the school calendar does not dictate the length of contract or days of employment for instructional and noninstructional staff. 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. A minimum of 180 days of the school calendar, for school districts beginning no sooner than a day during the calendar week in which the first day of September falls, shall be used for student instruction. These 180 days shall meet the definitions of "day of school" in IAC subrule 281--12.1(8), "minimum school day" in IAC subrule 281--12.1(9), and "day of attendance" in IAC subrule 281--12.1(10). (Exception: A school or school district may, by board policy, excuse graduating seniors up to five days of instruction after district requirements for graduation have been met.) (279.10(1), IAC 281--12.1(7)).

Day 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 of instruction for all grade levels 1 through 12. If a classroom or attendance center is closed for emergency health or safety reasons but the remainder of the school or school district is in operation, the day may be counted as a day of school (IAC 281--12.1(8)).

Minimum School Day

A school day shall consist of a minimum of 5 ½ hours of instructional time for all grades 1 through 12. The minimum hours shall be exclusive of the lunch period. Passing time between classes as well as time spent on parent-teacher conferences may be counted as a part of the 5 ½ requirement. The school or school district may record a day of school with less than the minimum instructional hours if emergency health or safety factors require the late arrival or early dismissal of students on a specific day; or if the total hours of instructional time for all grades 1 through 12 in any five consecutive school days equals a minimum of 27 ½ hours, even though any one day of school is less than the minimum instructional hours because of staff development provided for the instructional professional staff or because parent-teacher conferences have been scheduled beyond the regular school day. Furthermore if the total hours of instructional time for the first four consecutive days equal at last 27 ½ hours because parent-teacher conferences are held beyond the regular school day, a school or school district may record zero hours of instructional time on the fifth consecutive school day as a minimum school day (256.7(19), IAC 281--12.1(9)).

Day of Attendance

A day of attendance shall be a day 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. Note exceptions in subrules 12.1(8) and 12.1(9) (IAC 281--12.1(10)).

As another exception to subrule 12.1(9) above and for calculation of average daily attendance and average daily membership for federal funding purposes [such as on the CAR], 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.

Enrolled Pupil

A pupil shall be considered enrolled after officially registering with the school or school district and taking part in the educational program (IAC 281--12.2).

Reports

It is a duty of the director of the department of education to prepare forms and procedures necessary to be used by 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 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)).

Each board shall require its administrative staff to establish and maintain a system of student records. This system shall include for each pupil 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)).

Daily Registers

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 superintendent and the director of the department of education such reports and in such manner as may be required (294.5).

Note that all enrolled pupils taking part in the educational program of the district are counted for attendance purposes by that district whether or not they are residents of that district.

Certified Annual Report (CAR)

The school district shall file an annual report with the director of the department of education on forms prepared for that purpose (291.10).

Reports from Accredited Nonpublic Schools

Within ten 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).

Between September 1 and October 1 of each year, the secretary of each public school district board shall secure from each accredited nonpublic school located within its boundaries information about enrolled students as required by Iowa Code section 299.3. Each accredited nonpublic school shall submit the required report in duplicate. The secretary of each public school board shall send one copy to the secretary of the board of the AEA within which the public school district is located (IAC 281--12.3(10).

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 (299.1A).

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 either section 299A.2 [competent private instruction by licensed practitioners] or 299A.3 [private instruction by nonlicensed person], not in an accredited school or home school assistance program operated by a public 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 subsection 279.10(1). The secretary shall retain and file one copy and forward the other copy to the district's 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 the 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 139.8. The term "outline of course of study" shall include subjects covered, lesson plans, and time spent on the areas of study (299.4).

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).

CHAPTER 5

RESIDENT ENROLLMENT, TUITION, AND TUITION/PROGRAM ASSISTANCE

Definitions

Resident

"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).

Enrolled Pupil

A pupil shall be considered enrolled after officially registering with the school or school district and taking part in the educational program (IAC 281--12.2).

Note that enrollment for budget purposes includes all pupils enrolled and taking part in the educational program on the third Friday in September 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 pupils under other sections of the Code, no pupil may be counted as enrolled more than 1.0 (FTE) under section 257.6.

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)).

Residence

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).

Actual Enrollment for Budget Purposes

Actual enrollment is determined on the third Friday of September in each year and includes all of the following:

a. 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.

b. Full-time equivalent resident pupils of high school age for which the district pays tuition to attend an Iowa community college.

c. 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.]

d. 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 resident where the student is continuing his/her education under this junior-senior rule (OAG #88-8-3(L)).]

e. Resident pupils receiving competent private instruction from a licensed practitioner provided through a public school district pursuant to chapter 299A shall be counted as six-tenths of one pupil [called home school assistance program or HSAP].

f. Resident pupils receiving competent private instruction under dual enrollment pursuant to chapter 299A shall be counted as one-tenth of one pupil (257.6(1)).

No student in paragraphs “a” through “f” shall be counted in any other paragraph “a” through “f” except that a student who is enrolled and served in the HSAP and is also dual enrolled and served in classes in the public school district may be counted once under paragraph “e” and once under paragraph “f.”

Competent private instruction means private instruction provided on a daily basis for at least one hundred forty-eight days during a school year, to be met by attendance for at least thirty-seven days each school quarter, by or under the supervision of a licensed practitioner in the manner provided under section 299A.2, or other person under section 299A.3, which results in the student making adequate progress (299A.1).

Competent private instruction may include, but is not limited to, a home school assistance program 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 supervise 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).

A parent, guardian, or legal custodian of a child of compulsory attendance age provided competent private instruction to the child shall provide proof of adequate educational program (299A.3).

If a parent, guardian, or legal custodian of a child who is receiving competent private instruction under chapter 299A or a child over compulsory age who is receiving private instruction 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 child’s grade or group and the parent, guardian, or legal custodian shall not be required to pay the costs of any annual evaluation under chapter 29A. 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, subsection 1, paragraph “f.” A pupil enrolled in grades nine through twelve under this section shall be counted in the same manner as a shared-time pupil under section 257.6(1)(c) (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 public school district may not make monetary payments directly or indirectly to the parent, guardian, or legal custodian or to a child receiving competent private instruction (IAC 281—31.4(4)).

Actual enrollment includes prekindergarten special education program students (OAG #80-4-6).

An eligible pupil attending an accredited nonpublic school who is participating in postsecondary enrollment options provided under chapter 261C 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 (261C.3(2)).

Pupils attending a university laboratory school are not counted in the actual enrollment of a school district, but the laboratory school shall report them directly to the department of education (257.6(1)).

Resident students attending a laboratory school as described in chapter 265 under open enrollment shall not be included in the basic enrollment of the student's district of residence, and the laboratory school shall report the enrollment of the student directly to the department of education, unless the number of students from the district attending the laboratory school during the current school year, as a result of open enrollment, exceeds the number of students enrolled in the laboratory school from that district during the 1988-1990 school year (282.18(15)).

Each school district shall report all of the students included in its certified enrollment count taken pursuant to Iowa Code section 257.6 by that student's county of residence. The county of residence shall be the county of residency of the student's parent or guardian. The county of residence 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 residence, the county of residence shall be the county in which the school district certifies its budget (IAC 2--96.2).

Tuition

Persons between five and twenty-one years of age are of school age. A board may establish and maintain evening schools or an educational program under section 282.1A for residents of the corporation regardless of age and for which no tuition need be charged. 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, and boards discontinuing grades under section 282.7, subsection 1 or subsections 1 and 3, shall be charged tuition as provided in subsection 282.24(2) (282.1).

A board of directors of a public school district may, subject to the approval of the department of education, provide an extended school program for residents of the district who are over the maximum school age [age twenty-one] established in section 282.1, who do not possess a high school diploma or a high school equivalency diploma under chapter 259A, and who are currently enrolled in an education program in the district. The educational program may be separate from or integrated into the regular school program. Residents attending the program shall be included in the district's basic enrollment and shall attend on a tuition-free basis. A district may also provide services to nonresidents under this section, and those persons shall be charged a sufficient tuition fee to cover the cost of the instruction received by the person as provided in section 282.6 (282.1A(1)).

A district which wishes to provide an extended school program, in addition to meeting any requirements set by the department, shall establish all of the following prior to obtaining approval for the program:

a. There is an identified presence of resident persons who are over the maximum established school age [age twenty-one], who do not possess a high school diploma or a high school equivalency diploma under chapter 259A.
b. The provision of services to these additional persons will not substantially interfere with the educational programming provided to students of school age.
c. The provision of services will not require additional or new facilities to meet the needs of the identified populations (282.1A.(2)).

The board of any school district may establish and maintain public evening schools as a branch of the public schools when deemed advisable for the public convenience and welfare. When ten or more persons over sixteen years of age residing in any school district shall, in writing, express a desire for instruction in the common branches at an evening school, the school board shall establish and maintain an evening school for such instruction for not less than two hours each evening for at least two evenings each week during the period of not less than three months of each school year.

Such evening school shall be available to all persons over sixteen years of age who for any cause are unable to attend the public day schools of such school districts (288.1, 288.2, 288.3).

The board of directors in any school district situated in whole or in part in any city having a populations of twelve thousand or over, in which there shall reside or be employed, or both, fifteen or more children over fourteen years of age and under sixteen years of age, who are not in regular attendance in a full-time day school and who have not graduated from a four-year approved high school, shall establish and maintain part-time schools, departments, or classes for such children. In districts situated in whole or in part in cities having less than twelve thousand population, the board may establish and maintain such schools. Such part-time schools, departments, or classes, for the attendance of children over fourteen and under sixteen year of age, shall be organized in accordance with standards established by the state board for vocational education and shall provide for not less than eight hours of instruction per week during the length of term for which public schools are established in the district. Such part-time schools, departments, or classes shall be held between the hours of eight o'clock am. and six o'clock p.m. (298.1, 298.3).

Every school shall be free of tuition to all actual residents between the ages of five and twenty-one years and to resident veterans, as many months after becoming twenty-one years of age as they have spent in the armed forces of the United States before they became twenty-one, provided, however, fees may be charged covering instructional costs for a summer school or drivers 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 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:

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).

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). 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)).

The maximum tuition fee that may be charged for elementary and high school students residing within another school district or corporation except students attending school in another district under section 282.7, subsection 1, or subsections 1 and 3, 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, OAG #53-9-8).

Unless specifically authorized by Code, 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 June 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 (Nishna Valley Community School District v. Malvern Community School District, 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 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” in our opinion 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.

Federal law mandates that foreign students on F-1 visas must pay tuition. 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 281.1 (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

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 must 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--41.128).

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)).

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—41.132(1)).

An AEA or school district may make provisions for a resident eligible individual through contracts with public or private agencies which 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--41.132(2)).

The resident district shall be liable only for instructional costs incurred by an agency for those individuals certified as entitled in accord with these rules unless required by 34 C.F.R. section 300.302, July 1, 1999 (IAC 281--41.132(3)).

For eligible individuals living in a licensed child foster care facility as defined in Iowa Code 237.1 or 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. If the school district of residence of the eligible individual cannot be determined, and the eligible 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--41.132(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 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--41.132(6)).

The actual special education instructional costs, including transportation, for a child who requires special education shall be paid by the department of revenue and finance 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 subsection2, paragraph "a," was not made by any

district (232.31(3), letter of advice re. Sidney and Villisca and Responsibility for Payment of Carl L.'s Special Education Costs (February 19, 1999)).

Tuition to Postsecondary Institutions

By May 1 of each calendar year, postsecondary institutions shall send to local school districts a request for payment for participation in the postsecondary enrollment options act. The request shall identify the students, courses, credits, and charges. A pupil attending an accredited nonpublic school shall be counted as a shared-time student in the school district in which the nonpublic school of attendance is located (IAC 281--22.5).

Not later than June 30 of each year, a school district shall pay a tuition reimbursement amount to an eligible postsecondary institution that has enrolled its resident eligible pupils under chapter 261C. For pupils enrolled at the school for the deaf and the Iowa Braille and sight saving school, the state board of regents shall pay a tuition reimbursement amount by June 30 of each year. The amount of tuition reimbursement for each separate course shall equal the lessor of:

1. The actual and customary costs of tuition, textbooks, materials, and fees directly related to the course taken by the eligible student.
2. Two hundred fifty dollars ($250).

A pupil is not eligible to enroll on a full-time basis in an eligible postsecondary institution and receive payment for all courses in which a student is enrolled (261C.6).

An eligible postsecondary institution that enrolls an eligible pupil under chapter 261C shall not charge that pupil for tuition, textbooks, materials, or fees directly related to the course in which the pupil is enrolled except that the pupil may be required to purchase equipment that becomes the property of the pupil. However, if the pupil fails to complete and receive credit for the course, the pupil is responsible for all costs directly related to the course as provided in section 261C.6 and shall reimburse the school district for its costs. If the pupil is under eighteen years of age, the pupil's parent, guardian, or custodian shall sign the student registration form indicating that the parent, guardian, or custodian is responsible for all costs directly related to the course, if the pupil fails to complete and receive credit for the course. If the local AEA verifies that the pupil was unable to complete the course for reasons including but not limited to the pupil's physical incapacity, death in the family, or the pupil's move to another school district, a verification by the AEA shall constitute a waiver to the requirement that the pupil, pupil's parent, guardian, or legal custodian pay the costs of the course to the school district (261C.8).

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 (261C.9).

In addition to postsecondary enrollment options classes, Community Colleges may provide the following programs for high school age students under chapter 28E:

- 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)).
- 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))).

Except for students enrolled under the postsecondary enrollment option, 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 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 [error in Code—this should say the board of any public school district] 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. 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).

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. 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. The agreement shall provide for transportation and authority and liability of the affected boards (282.7(1)). Pupils attending class for all or a substantial portion of a school day pursuant to a whole grade sharing agreement shall be not eligible for supplementary weighting except under special circumstances related to reorganization (257.11(1)(c)).

This agreement could be with a district in a contiguous state. A school district that negotiates an agreement with a school district in a contiguous state under subsection 272.7(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 subsections 1 and 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 (282.10).

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 third Friday of September and third Friday of February of each year (282.12).

If students attend classes in another school district under section 280.15 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 trough 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).

The boards 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 establish tuition and transportation fees in an amount acceptable to the affected boards, but 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 on the third Friday of September of the previous school year. A person attending school in another state shall continue to be treated as a pupil of the district of residence in the apportionment of the current school fund and the payment of state aid (282.8).

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 ernoll the student (275.55A).

Open Enrollment

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. The district of residence shall also transmit the phase III moneys allocated to the district for the previous year for the full-time equivalent attendance of the pupil, who is the subject of the open enrollment request, to the receiving district specified in the request for transfer (282.18(7)).

For children requiring special education, 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 data. Phase III, however, is prior year even on special education students.

Tuition Billing Comparison on Special Education Students
That are and are not Open Enrolled.

SPECIAL EDUCATION STUDENT BILLING		
	OPEN ENROLLED IN	**TUITIONED IN**
SP ED PROGRAM COSTS	(Program expenditures 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.	(Program expenditures 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 percentage for the level) divided by 180 days) 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 percentage for the level) divided by 180 days) multiplied by the student days of the student for whom this billing is being calculated.
PHASE II	None	(Current year's Phase II per pupil amount divided by 180 days) multiplied by the student days of the student for whom this billing is being calculated.
PHASE III	If the student was present in the district being billed on count day in the prior year, then calculate as follows: (Prior year's Phase III per pupil amount divided by 180 days) multiplied by the student days of the student for whom this billing is being calculated. If the student was not present in the district being billed on count day in the prior year, no Phase III is billed.	(Current year's Phase III per pupil amount divided by 180 days) multiplied by the student days of the student for whom this billing is being calculated.
LEP FUNDING	Not eligible	Not eligible

Quarterly payments shall be made to the receiving district (282.18(9), IAC 281—17.10(5)).

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 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 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 and Phase III] until the start of the first full year of enrollment of the child (282.18(9)).

Resident students attending a laboratory school as described in chapter 265 under open enrollment shall not be included in the basic enrollment of the student's district of residence, and the laboratory school shall report the enrollment of the student directly to the department of education, unless the number of students from the district attending the laboratory school during the current school year, as a result of open enrollment, exceeds the number of students enrolled in the laboratory school from that district during the 1988-1990 school year. If the number of students enrolled in the laboratory school from a district during the current year exceeds the number of students enrolled from that district during the 1989-90 school year, those students who represent the difference between the current and the 1988-89 school year enrollment figures shall be included in the basic enrollment of the students' districts of residence and the district shall retain any moneys received as a result of the inclusion of the student in the district enrollment (282.18(15)). Two districts, Cedar Falls and Waterloo Community School Districts, are affected by this limitation. Cedar Falls Community School District may count the number of resident students open enrolled to a laboratory school that exceeds 527 students. Waterloo Community School District may count the number of resident students open enrolled to a laboratory school that exceeds 18 students. No other district is affected by this section.

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 third Friday in September 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 third Friday of September 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 third Friday in September. 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 third Friday in September 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. 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 Thursday before the third Friday of the following September. Timely requests under this subrule shall not be denied. If the move is on or after the third Friday in September, 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 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 and phase III money allocated to the district for the full-time equivalent attendance of the pupil as provided by chapter 294A (IAC 281--17.10(1)).

For home-schooled pupils who are dual enrolled, the resident district shall pay each year to the receiving district an amount equal to .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 and phase III money allocated to the district for the full-time equivalent attendance of the pupil as provided by chapter 294A (IAC 281--17.10(2)).

For home-schooled pupils who are registered for a home school assistance program, the resident district shall pay each year to the receiving district an amount equal to .6 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 and phase III money allocated to the district for the full-time equivalent attendance of the pupil as provided by chapter 294A (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)).

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 mid-year, 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 both the cost per pupil and Phase III funds will be prorated based on the number of quarters of school enrollment (IAC 281--17.10(6)).

The resident district and the receiving district boards by mutual agreement may effectuate the transfer of an open enrollment pupil at any time following receipt of a petition for transfer which is approved by the two boards. If any transfer is made on or after the third Friday in September, 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 transfer (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 in the preceding school year and want to enrolled in the former district of residence until graduation (257.6(d)). 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)).

If a district enters into a whole grade sharing agreement with a district which is also the receiving district for students in that grade level under open enrollment, the open enrollment status of those students continues unless withdrawn by the parent or guardian of those students (12 D.o.E. App. Dec 177).

QUICK REFERENCE TUITION CHART

All tuition, except open enrollment regular education, is per diem; per portion of day if less than full time.

TUITION TYPE	COST BASIS	PHASE II (Flat rate for all districts)	PHASE III (Flat rate for all districts)	DUE	CODE	ADDITIONAL AMOUNTS
Regular Education	Maximum fee chargeable is the district cost per pupil of the receiving district.	Current year's amount.	Current year's amount.	Billed on or before February 15 and June 15.	282.20, 282.24, many OAGs.	No
Special Education	Actual costs for this student's program in the current year. Does not include custodial costs.	Current year's amount.	Current year's amount.	Billed on or before February 15 and June 15.	282.20, 282.24.	No
Regular Education, Whole grade sharing, one-way.	Minimum fee chargeable is ½ the district cost per pupil of the receiving district.	As negotiated by the affected boards.	As negotiated by the affected boards.	Billed on or before February 15 and June 15.	282.20, 282.24, 282.12, 294A.9, 294A.14	No
Regular Education, Whole grade sharing, two-way.	Method for determination of costs shall be established by mutual agreement of boards.	As negotiated by the affected boards.	As negotiated by the affected boards.	Billed on or before February 15 and June 15.	282.20, 282.24, 282.12, 294A.9, 294A.14	No
Special Education, Whole grade sharing, one-way and two-way.	Actual costs for this student's program in the current year. Does not include custodial costs.	As negotiated by the affected boards.	As negotiated by the affected boards.	Billed on or before February 15 and June 15.	282.20, 282.24, 282.12, 294A.9, 294A.14	No
Regular Education, from or to adjoining state under 28E.	As negotiated by boards but not less than the lower average cost per pupil of the two districts for the prior year.	None.	None.	Billed on or before February 15 and June 15.	282.20, 282.8.	No
Special Education, to out-of-state.	Actual costs for this student's program in the current year. Does not include custodial costs.	None.	None.	Billed on or before February 15 and June 15.	282.20, 282.24.	No
Regular Education, Open Enrollment, full time pupil.	State cost per pupil for the prior year.	None.	Prior year amount if student was present on count date in prior year. Otherwise, none.	Sending district shall pay quarterly.	282.18, IAC 281--17.	LEP weighting generated times state cost per pupil in the prior year.

Regular Education, Open Enrollment, dual enrolled pupil	Amount equal to .1 times the state cost per pupil for the prior year.	None.	Prior year amount if student was present on count date in prior year. Otherwise, none.	Sending district shall pay quarterly.	282.18, IAC 281--17.	LEP weighting generated times state cost per pupil in the prior year.
Regular Education, Open Enrollment, home school assistance program pupil	Amount equal to .6 times the state cost per pupil for the prior year.	None.	Prior year amount if student was present on count date in prior year. Otherwise, none.	Sending district shall pay quarterly.	282.18, IAC 281--17.	LEP weighting generated times state cost per pupil in the prior year.
Special Education, Open Enrollment.	Actual costs for this student's program in the current year. Does not include custodial costs.	None.	Prior year amount if student was present on count date in prior year. Otherwise, none.	Sending district shall pay quarterly.	282.20, 282.24, IAC 281--17.	No
Postsecondary Enrollment Options Act.	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.	None.	Postsecondary institutions shall bill by May 1; district shall pay by June 30.	261C.6, IAC 281--22.5.	No
Community College, 28E, not Postsecondary Enrollment Options Act.	As determined by board of the Community College with the consent of the local school board.	None.	None.	As determined by boards.	260C.14(2).	No
College or University, Advanced Academic Coursework.	None, unless specifically permitted or required by law.	None.	None.	As determined by law.	282.26.	No
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.	Current year's amount.	Current year's amount.	Billed on or before February 15 and June 15.	282.20, 282.24, 282.27.	No

Regular Education, Child Living in Foster Care 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.	None.	Receiving district shall file claim by August 1. Due July 15 on CAR.	282.31, 282.19.	No
Special Education, Child Living in Foster Care 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 program in the current year served by district in which facility is located. Does not include custodial costs. Billed to resident district.	Current year's amount.	Current year's amount.	Billed on or before February 15 and June 15.	282.20, 282.24, 282.31, 282.19.	No
Special Education, Child Living in Foster Care 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 on prior year's December count.	Receiving district files claim with DE for the actual costs for this student's program in the current year served by district in which facility is located. Does not include custodial costs. Does not bill any other district.	None.	None.	Receiving district shall file claim by August 1.	282.29, 282.31, 282.19.	No
Special Education, Child Placed by District Court, (Parental rights terminated) and no district receives weighing for this child by counting this child on prior year's December count.	Receiving district files claim with DE for the actual costs for this student's program in the current year served by district in which the child was placed. Does not include custodial costs. Does not bill any other district.	None.	None.	Serving district shall file claim by August 1.	282.29, 282.31.	No

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).
- 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 (301.26).

Fees may be charged resident pupils to cover instructional costs for a summer school program or driver education program (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)).

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, and boards discontinuing grades under whole grade sharing shall be charged tuition as provided by those Code sections (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)).

Additional Weightings and Modified Allowable Growth

Special Education

"Special education" means classroom, home, hospital, institutional, or other instruction designed to meet the needs of children requiring special education; transportation and corrective and supporting services required to assist children requiring special education in taking advantage of, or responding to, educational programs and opportunities, as defined by rules of the state board of education (256B.2(2)).

"Children requiring special education" means persons under twenty-one years of age, including children under five 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 (256B.2(1)).

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 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 (273.9(2)).

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 in Iowa Code section 256B.9.

Shared-time and part-time pupils of school age who require special education shall be placed in the proper category and counted in the proportion that the time for which they are enrolled or receive instruction for the school year bears to the time that full-time pupils, carrying a normal course schedule, in the same school district, for the same school year are enrolled and receive instruction (256B.9(1)(e)).

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)).

Support service funds may not be utilized to supplement any special education programs authorized to use weighted instructional funds generated through the weighting plan (IAC 281—41.132(4)).

Special education instructional funds generated through the weighting plan may be utilized to provide special education instructional programs both in-state and out-of-state with the exceptions of itinerant hospital services or home services, itinerant instructional services and special education consultant services which shall utilize special education support service funds for both in-state and out-of-state placements (IAC 281--41.132(7)).

Eligible individuals below the age of six may be designated as full-time or part-time students depending on the needs of the child. Full-time early childhood special education (ECSE) instructional programming shall include 20 hours or more instruction per week. The total hours of participation in special education and general education, such as kindergarten or special education tuitioned preschool placements, may be combined to constitute a full-time program. Part-time ESCS instructional programming shall include up to 20 hours of instruction per week (IAC 281—41.132(8)).

Any financial aid provided to an agency in support of special education may be suspended in whole or in part if the agency is found to be in noncompliance with any of the provisions of applicable statutes or rules (IAC 281—41.132(1)).

Supplementary Weighting of Resident Students for Shared Classes or Teachers

If the school budget review committee (SBRC) 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 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)).

Pupils attending class as defined above 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 for a limited time and under specific circumstances if the boards have jointly adopted a resolution to study reorganization (257.11(2)(c)).

A school district which establishes a regional academy to which multiple other districts send students shall be eligible to assign its resident pupils attending classes at the academy a weighting of 0.1 of the percentage of the pupil's school day during which the pupil attends classes at the regional academy. The maximum amount of additional weighting for which the school district shall be eligible is an amount corresponding to fifteen additional pupils. A regional academy means an educational institution established by a school district to which multiple schools send pupils in grades seven through twelve. A regional academy shall include in its curriculum advanced-level courses. In addition, the academy may also include a virtual academy and vocational-technical programs (257.11(5)).

If the school budget review committee (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 teacher are assigned a weighting of forty-eight hundredths 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 teacher. 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 all of the following:

1. Supplementing, not supplanting, high school courses.
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.
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 a teacher meeting community college licensing requirements.
6. Taught utilizing the community college course syllabus.
7. Of the same quality as a course offered on a community college campus (257.11(3)).

Supplant means the community college's replacing the identical course that was offered by the school district in the preceding year or the second preceding year, or the community college's offering a course that is required by the school district in order to meet the minimum accreditation standards in Iowa Code section 256.11 (IAC 281—97.1).

Pupils attending class for all or a substantial portion of a school day pursuant to a whole grade sharing agreement shall not be eligible for supplementary weighting unless they meet special circumstances related to reorganization (257.11(1)(c)).

A pupil eligible for the weighting plan provided in section 256B.9 [special education] is not eligible for supplementary weighting (257.11(6)).

A pupil attending an alternative program or an at-risk pupils' program, including alternative high school programs, is not eligible for supplementary weighting (257.11(6)).

A pupil attending a class in which students from one or more other school districts are enrolled and which is taught via the Iowa communications network (ICN) is not deemed to be attending a class in another school district or in a community college for the purposes of this section and the school district is not eligible for supplementary weighting for that class (257.11(5)).

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)).

Notwithstanding any law authorizing supplementary weighting, if any of the following applies, the students are ineligible to be counted for supplementary weighting:

a. Nonresident students attending the district under any arrangement.
b. Students taking courses via ICN or other television or electronic medium.
c. Students eligible for special education weighting.
d. Students in any grades involved in whole grade sharing except as specifically allowed by law.
e. Students involved in open enrollment in or out.
f. Students enrolled in nonpublic schools.
g. Students participating in competent private instruction (HSAP or dual enrolled).
h. Students participating in shared services rather than shared classes.
i. Students taking classes under post secondary enrollment option (PSEO).
j. Students enrolled in courses or programs offered by their own resident districts.
k. Students enrolled in courses or programs taught by teachers employed by their own resident districts.
l. Students enrolled in at-risk programs or alternative school programs (IAC 281—97.2(6)).

If a resident district has a teacher qualified and available to teach the course its students are taking in another district or by a teacher employed by another district, students in that course are not eligible for supplementary weighting.

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)).

Limited English Proficient Weighting

In order to provide funds for the excess costs of instruction of limited English proficient students above the costs of instruction of pupils in the regular curriculum, students identified as limited English proficient shall be assigned an additional weighting that shall be included in the weighted enrollment of the school district of residence for a period not exceeding three years. However, the school budget review committee may grant supplemental aid or modified allowable growth, to a school district to continue funding a program for students after the expiration of the three-year period (280.4(3). This weighting is .19 for the first three years that student is enrolled in the limited English proficient program in the district.

The SBRC may also grant supplemental aid or modified allowable growth for an unusual need to continue providing a program or other special assistance to non-English speaking pupils after the expiration of the three-year period specified in section 280.4 (257.31(5)(j)).

Weighting Plan for At-Risk Programs and Alternative Schools

In order to provide additional funding to school districts for programs serving at-risk pupils and alternative school pupils, a supplementary weighting plan for at-risk pupils is adopted. The formula is based partly on budget enrollment in the school district and partly on the percentage of pupils in a school district enrolled in grades one through six, as reported by the school district on the BEDS for the base year, who are eligible for free and reduced price meals. The formula is calculated by the department of management and entered on the aid and levy worksheet for that district (257.11(4)).

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 allowable growth as defined in section 257.8. Annually, the department of management shall establish a modified allowable growth 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).

Gifted and Talented Children

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 increase in allowable growth for the budget year beginning July 1, 1999, increased in subsequent years by each year's state percent of growth. If any portion of the gifted and talented 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).

Tuition and Program Assistance

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 as 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 at Eldora and Toledo

The AEA in which the state training school and the Iowa juvenile home are located and the department of human services on behalf of the training school and juvenile home shall submit an annual joint application by January 1 for the next succeeding school year to the department of education describing the proposed special education instructional and support programs and service improvements for the training school and juvenile home. The department of education shall review and approve or modify the program and proposed budget by February 1 and shall notify the department of

revenue and finance, the AEA, and the department of human services of the approved budget amount. The moneys for the approved budget shall supplement and not supplant moneys equal to the moneys expended for education for the fiscal year beginning July 1, 1986, by the department of human services. The moneys for the approved budget shall be used to ensure that the training school and juvenile home comply with appropriate administrative rules relating to special education adopted by the department of education. The area education agency shall submit an accounting to the department of education by August 1 following the school year for the actual costs of the special education programs and services provided at the training school and juvenile home. Any amount paid by the department of revenue and finance shall be deducted monthly from the state foundation aid paid under section 257.16 during that fiscal year to all school districts in the state. The portion of the total amount of the approved accounting amount 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.(282.28). The costs of these programs shall not otherwise be billed to school districts.

An AEA or local school district may appeal a decision made pursuant to section 282.28 or 282.31 to the state board of education. The decision of the state board is final (282.32).

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 or home 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 (282.29).

The actual special education instructional costs incurred for a child that lives in a facility, 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 revenue and finance 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 department of education shall review and approve or modify the program and proposed budget and shall notify the district by February 1. The district shall submit a claim by August 1 following the school year for the actual cost of the program. The department shall review and approve or modify the claim and shall notify the department of revenue and finance of the approved claim amount by September 1. The total amount of the approved claim shall be paid by the department of revenue and finance to the school district by October 1. The total amount paid by the department of revenue 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 (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)).

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 pupil has been placed. Payment will be made from the general fund of the state (IAC 281--41.132(6)).

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).

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).

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).

The appropriate public authorities as used herein means the state department of human services (232.160).

Financial responsibility for any child placed pursuant to the provisions of the interstate compact for 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 except the additional costs of special education services.

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 (282.30(1)).

A child who lives in a facility 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 revenue and finance 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. Any amount paid by the department of revenue and finance 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 (282.31).

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 the third Friday in September 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 December 1 by the district in which the home is located or by the AEA (IAC 281—63.16(2)(b)).

Child Living in a Foster Care Facility

A child who is living in a licensed child foster care facility as defined in section 237.1, or in a facility that provides residential treatment as "facility" as defined in section 125.2, which is located in a school district other than the school district in which the child resided before receiving foster care may enroll in and attend an accredited school in the school district in which the child is living (282.19).

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 (237.1(4)).

Chemical substance abuse facility means an institution, a detoxification center, or an installation providing care, maintenance and treatment for substance abusers licensed by the state, hospitals licensed under chapter 135B, or the state mental health institutes designated by chapter 226 [Mount Pleasant, Independence, Clarinda, and Cherokee] (125.1(9)).

A child who lives in a facility or home 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)).

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 third Friday of September of 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. The amount of the claim shall be paid by the department of revenue and finance to the school district by October 1. The department of revenue and finance 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 during the remainder of that fiscal year to all school districts in the state (282.31(1)(b)).

The days of enrollment shall only include the regular school session, and shall not include days of summer session (OAG 93-1-21(L)).

A child 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)).

The actual special education instructional costs, including transportation, for a child who requires special education shall be paid by the department of revenue and finance 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 department of education shall review and approve or modify the program and proposed budget and shall notify the district by February 1. The district shall submit a claim by August 1 following the school year for the actual cost of the program. The department shall review and approve or modify the claim and shall notify the department of revenue and finance of the approved claim amount by September 1. The total amount of the approved claim shall be paid by the department of revenue and finance to the school district by October 1 (282.31(3)).

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)).

"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 day care furnished by a child care center, group day care home, or family day care 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 drivers 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 (282.19). The school district in which the facility is located may contract with the facility to provide the educational program. This is the decision of the district. A facility does not have the authority to provide an educational program unless contracted by the district to do so.

An AEA or local school district may appeal a decision made pursuant to section 282.28 or 282.31 to the state board of education. The decision of the state board is final (282.32).

CHAPTER 6

BUDGETING

Certified Budget

Definitions

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 (8.51).

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 per thousand dollars of assessed value of taxable property , provided that an emergency tax levy shall not be made until the school district has first petitioned the state appeals board and received its approval. 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, provided that 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 vote of the board of directors of the school district (24.6).

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 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 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 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 shall annually budget specified funds to implement a plan which shall provide for the professional development of all staff (IAC 281--12.7).

For the budget year beginning July 1, 1989, and each of the following three budget years, the board of directors of a school district in which the administrative expenditures as a percent of the school district's general fund for a base year exceed five percent, shall reduce its administrative expenditures so that they are one-half percent less as a percent of the school district's general fund than they were for the base year. However, a school district is not required to reduce its administrative expenditures below five percent of its general fund. Thereafter, a school district shall not increase the percent of its administrative expenditures compared to the general fund. Administrative expenditures means the total cost of the office of the superintendent (279.45). Both administrative expenditures and total expenditure exclude fund modifications for purposes of this calculation.

School districts shall pay for the programs and services provided through the area education agency 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, 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).

IPERS contributions must come from the same fund as the employee's salary and must be budgeted (OAG #76-9-27).

School districts 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 as if payment had been made.

Fund Summaries

General Fund is used to account for all transactions except those that are required by law to be accounted for in any other fund. The tax levy limit for this fund is established through the school foundation formula. A portion of the levies for the general fund may be funded by an income surtax.

Emergency Fund is a special revenue fund used to account for receipts and transfers from a levy certified by the board of directors, with the express permission of the state appeals board, under section 24.6. Funds are transferred from the emergency fund to other funds only with express permission of the state appeals board.

Management Levy Fund is a special revenue fund used to account for all financial transactions from the levy authorized under section 298.4. The purpose of this fund is to pay the costs of unemployment or early retirement benefits, and the costs of liability insurance and judgments or settlements relating to liability. This fund cannot be used for employee health, life, or disability insurance, even if the district is self-insured.

Library Levy Fund is a special revenue fund used to account for all financial transactions from the levy authorized under section 298.7. Only one school district has the library levy.

Schoolhouse 67.5 Cent Tax Levy Fund is a special revenue fund used to account for all financial transactions from the levy authorized by section 278.1(7). The opportunity to seek any new or renewed levy has expired. This fund continues in existence until all deposited funds are expended for the purposes included in the proposition voted by the electors.

Physical Plant and Equipment Levy (PPEL) Fund is a special revenue fund used to account for all financial transactions from the levy authorized, whether regular or voter-approved, under section 298.2. The purpose of the fund is to pay the costs of specified major expenditures related to real property and equipment. A portion of the voter-approve PPEL may be funded by income surtax.

Public Education and Recreation Levy (PERL) Fund is a special revenue fund used to account for all financial transactions from the levy authorized by section 300.2 or from a 28E agreement authorized under section 300.1. This levy, once approved by a majority vote of the electors, remains in effect until voted to be discontinued.

Special Revenue Trust Funds are special revenue funds used to account for all financial transactions from trusts received when the principal and interest from the trust may be used for purposes that support the district’s programs. No taxes are levied for these funds.

Student Activity Fund is a special revenue fund used to account for money received 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 must be used to support only the program defined in the Iowa Administrative Code. This fund shall not be used as a clearing account for another fund. No taxes are levied for this fund.

Capital Projects Funds are established when a district 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. These capital projects are those related to the acquisition of construction of major capital facilities other than those financed by proprietary funds or trust funds. When a capital project for facilities is lawfully initiated in any existing fund, the moneys for that project are transferred to a capital project fund by an operating transfer from the fund authorized to initiate the acquisition or construction, and the payment of the project's expenditures should be made from the capital project fund established to account for the project. The local option sales and services tax for school infrastructure fund is a capital projects fund. No taxes are levied for these funds. If a capital project is to be initiated with borrowed funds, the loan proceeds must first be deposited into the fund authorized to issue that debt and then be transferred to the capital projects fund through an operating transfer.

Debt Service Fund is established when a district issues bonds or other authorized general long-term indebtedness except those financed by proprietary or trust funds. The purpose of the fund is 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. Money available to service this debt and received from sources that than the debt service property tax levy shall be transferred to the debt service fund through an operating transfer from the fund which issued the original indebtedness and the payment of the debt shall be made from the debt service fund. The Code requires that beginning balances and interest earnings be considered when determining the levy necessary each year for principal and interest payments on bonded indebtedness.

Permanent Funds are established to account for all financial transactions of funds received when only the interest earned may be used for purposes that support the district's programs. No taxes are levied for these funds. Permanent funds are not budgeted.

School Nutrition Fund is a proprietary enterprise fund used to account for all financial transactions for the nutrition program authorized under chapter 283A. No taxes are levied for this fund.

Child Care Fund is a proprietary enterprise fund used to account for all financial transactions for the child care program authorized under section 279.49. No taxes are levied for this fund.

Other Enterprise Funds are proprietary funds used to account for all financial transactions related to operations that are financed and operated in a manner similar to private business where the intent is that the costs of providing goods or services on a continuing basis are financed or recovered primarily through user charges. Examples would be public swimming pools, preschools, automotive repair shops, farms, and home construction projects. No taxes are levied for these funds.

Internal Service Funds are proprietary funds used to account for all financial transactions related to operations of district activities that provide goods or services to the district, other districts, or other governments, on a cost-reimbursement basis and where the district is the largest user of the goods or services. If the district is not the largest user of the good or services, the activity is accounted for in an Enterprise fund. No taxes are levied for these funds. Internal Service Funds are not budgeted.

Private Purpose Trust Funds are established to account for all financial transactions of trusts received when the principal and income benefit individuals, private organizations, or other governments instead of supporting the district's programs. Examples would be scholarship funds. No taxes are levied for these funds. Private Purpose Trust Funds are not budgeted.

Pension Trust Funds are established to account for all financial transactions when money is held by the district as trustee or custodian for an employee pension plan. Only one district has established a local pension plan. No taxes are levied for these funds. Pension Trust Funds are not budgeted.

Agency Funds are established to account for all financial transactions when money and property are received and administered by the district in the capacity of an agent. No taxes are levied for these funds. Agency funds are not owned by the district and are not budgeted.

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)). This does not apply to budgeting. Districts may continue to budget on the cash basis. Once a district converts to the GAAP basis of budgeting, it cannot return to cash basis budgeting in any future year. If two or more districts reorganize, and one of the former districts budgeted on the GAAP basis, the newly reorganized district shall budget on the GAAP basis (SBRC decision #1991-028).
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)).

The "basis of budgeting" refers to the point in time when revenues, expenditures or expenses (as appropriate), and the related assets and liabilities are recognized in the accounts and reported in the financial statements. In other words, the "basis of budgeting" determines the timing with which the budgeting system recognizes transactions.

Cash-Basis

Cash-basis budgeting recognizes transactions when cash is received or disbursed. All other assets and liabilities are recognized only to the extent they have arisen from prior cash transactions. Long-term notes and bonds receivable and payable are, therefore, recognized, for example, but accounts receivable and accounts payable are not. Cash-basis budgeting provides information about the school district's financial operations only by reporting changes in the system's cash balance, adjusted for changes in any other assets or liabilities which have arisen through prior cash transactions.

One of the greatest weaknesses of the cash basis is that it does not recognize accounts receivable, accounts payable and other accrued items. It therefore does not match resources used to resources provided. This situation may falsely lead financial statement readers to believe that the statements present the school district's complete financial position and results of operations. Using the cash basis, a school district may thus fall into a deficit position without being aware of its real financial position. It is difficult to eliminate a current year deficit if the school district is not aware of the circumstances until the close of the fiscal year. With cash-basis statements, then, the statement reader may not be able to determine if a school district is operating beyond its means.

GAAP (Accrual/modified accrual) Basis

The GAAP basis of budgeting is regarded as the superior method of accounting for the economic resources of the school district by the governmental accounting standards board (GASB) and other accounting professionals. This method allows a school district to determine its financial position and results of operations by measuring economic resources and obligations. Changes in these factors can also be measured as those changes occur, regardless of the timing of the related cash flows.

Some of the advantages of GAAP basis include:

- providing a comprehensive measurement of financial position and results of operations;
- providing accountability for individual assets within the accounting system at the earliest appropriate date;
- providing the potential for cost accounting analyses and comparisons;
- promoting comparability from period to period;
- reducing management's ability to control cash flows in such a way as to produce financial statements that will seem to present financial position and results of operations in either a more optimistic or more pessimistic context, depending upon management's particular preference at the end of any given fiscal year.

Publication

Each district shall file with the secretary the estimates at least twenty days before the date fixed by law for certifying, shall fix a date for a budget hearing, and shall publish the estimates and any annual levies previously authorized, with a

notice of the time and place of the hearing which shall be held not less than ten nor more than twenty 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).

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 board shall certify the adopted budget in duplicate to the control county auditor not later than April 15 of each year (24.17). A complete copy of the budget papers shall also be filed with the School Budget Review Committee, School Finance Team, Division of Financial and Information Services, Department of Education. The board must file with the county auditor by April 1 a bond resolution for a new bond issue or the results of a special election for a Voted Physical Plant and Equipment Fund Levy.

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).

A school district which has issued obligations in anticipation of schoolhouse 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).

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 (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 (24.14).

The several tax rates and levies of the school district thus determined and certified in the manner approved by chapter 24, except such 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).

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:

1. Any unusual increase in population as determined by the preceding certified federal census.
2. Natural disasters or other emergencies.
3. Unusual problems relating to major new functions required by state law.
4. Unusual staffing problems.
5. Unusual need for additional funds to permit continuance of a program which provides substantial benefit to its residents.
6. 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

Budget estimates adopted and certified 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. The amendment must be published with a notice of the time and place of a hearing on the amendment not less than ten nor more than twenty days before the hearing. Within ten days of the decision of the 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 board. 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 (24.9).

Because amendments can be appealed and voided, budgets should be amended prior to making any expenditures which would cause the district to exceed the amount it certified.

School Foundation Program

The authorized budget refers to the financing of school programs in the general fund.

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 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 an the combined district cost per pupil for the budget year (257.1(2)).

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 per thousand dollars of assessed valuation on all taxable property in the district (257.3(1)).

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 b e levied on all taxable property which, in the year preceding a reorganization, was within a school district affected by the reorganization or dissolution. In years preceding the reorganization or dissolution, the school district affected must have had a certified enrollment of fewer than 600 in order for the four dollar and forty cent levy to apply. In succeeding 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 (257.3(2)).

Additional Property Tax

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 products of the regular program foundation base per pupil times the weighted enrollment in the district and the special education support services foundation base per pupil times the special education support services weighted enrollment in the district (257.4(1)).

Budget Enrollment

Budget enrollment for a budget year is a district's actual enrollment taken in the base year (fiscal year prior to the budget year). Actual enrollment is determined on the third Friday in September each year (257.6(1), (2), (4)).

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).

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)).

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 pupils to a community college for classes, a supplementary weighting plan for determining enrolled in adopted (257.1(3)).

At Risk Programs Supplementary Weighting

In order to provided additional funding to school districts for programs serving at-risk pupils and alternative secondary school pupils, a supplementary weighting plan for at-risk pupils is adopted in section 257.11(4). 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)).

Limited English Proficient Weighting

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. 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 that shall be included in the weighted enrollment of the school district of residence for a period not exceeding three years (280.4(4)).

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, 2002, and on or before July 1, 2006, 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)). The reorganized school district shall include, for a period specified in Code 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 organization. For the purposes of this subsection, the weighted enrollment for the period of three years follows 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 (257.11A(1)).

Regular Program District Cost Per Pupil

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 allowable growth for the budget year except in the following situation: If the regular program district cost per pupil of a school district for the budget year exceeds one hundred five percent of the regular program state cost per pupil for the budget year and the state percent of growth for the budget year is greater than two percent, the regular program district cost per pupil for the budget year for that district shall be reduced to one hundred five percent of the regular program state cost per pupil for the budget year. However, if the difference between the regular program district cost per pupil for the budget year and the regular program state cost per pupil for the budget year is greater than an amount equal to two percent multiplied by the regular program state cost per pupil for the base year, the regular program district cost per pupil for the budget year shall be reduced by the amount equal to two percent multiplied by the regular program state cost per pupil for the base year (257.10(2)(b)).

Gifted and Talented Program Funding

The proportion of a school district's budget which corresponds to the thirty-eight dollar increase in allowable growth for the school budget year beginning July 1, 1999, added to the amount in subsection 257.46(1), shall be utilized exclusively for a school district's gifted and talented program (257.46).

Combined District Cost

Combined district cost is the sum of the regular program district cost per pupil multiplied by the weighted enrollment and the special education support services district cost, plus the additional district cost allocated to the district to fund media services and educational services provided through the AEA. A school district may increase its 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)).

Authorized Expenditures

School districts are subject to chapter 24. 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 [for the general fund] plus any allowable amendments permitted, 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 from the preceding year (257.7(1)).

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 (257.2(9)).

Miscellaneous income also does not include cash reserve levy receipts.

Unspent Balance

Unspent balance means the authorized expenditures of the preceding year less actual expenditures of the preceding year. Expenditure means the total amounts paid from the general fund of a school district (257.2(8)).

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, 257.46, 298.2, and 298.4, 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.

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).

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.

Authority to Spend Unexpended Cash Balance

The SBRC may authorize a district to spend a reasonable and specified amount from its unexpended cash balance for either of the following two purposes:

a. Furnishing, equipping, and contributing to the construction of a new building or structure for which the voters of the district have approved a bond issue as provided by law or the tax levy provided in 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 chapter 275, if the costs are incurred within three years of the dissolution or reorganization.

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 allowable growth 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)).

SBRC Grants

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), and such aid shall be miscellaneous income and shall not be included in district cost (257.31(5)).

Modified Allowable Growth

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 allowable growth for the district by increasing its allowable growth:

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.
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 three-year period specified in section 280.4.
k. Circumstances caused by unusual demographic characteristics.
l. Any unique problems of school districts (257.31(5)).

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 modified allowable growth to a school district to continue funding a Limited English Proficient program for students after the expiration of the three-year period (280.4(3)).

A district of residence may apply to the SBRC for modified allowable growth 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).

The SBRC shall establish a modified allowable growth for a district by increasing its allowable growth and certify the same to the department of management:

1. 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)).

2. When the district requests it to fund the special education deficit (257.31(14)(b)).

The department of management shall establish a modified allowable growth for each district:

3. When the district has an approved program for returning dropouts and dropout prevention (257.41).

The SBRC is also involved in the selection of awardees for the Vision Iowa School Infrastructure Grant Program (chapter 292) and the Iowa Federal Demonstration Grant Program (422E.5).

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 (298.10).

Annually the SBRC shall review the amount of property tax levied by each school district for the cash reserve (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)).

Budget Review

The school budget review committee 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 (257.31(3)).

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 school budge review committee 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 school budget review committee 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)).

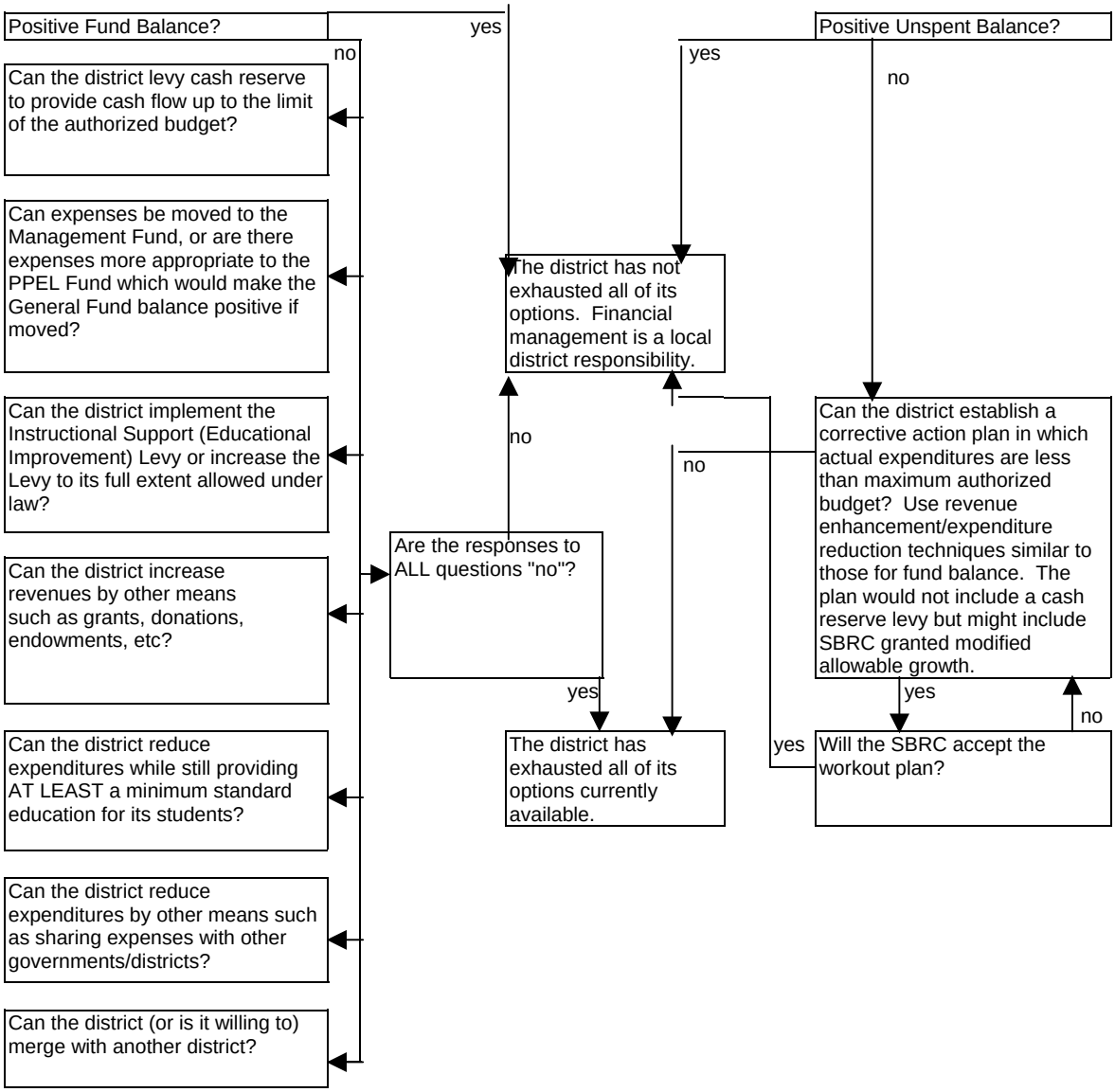
The school budget review committee shall review the proposed budget and certified budget of each school district and shall handled exceeding authorized budgets (negative unspent balances) as follows:

a. A listing of the unspent balance as well as the unexpended cash balance of each school district for each fiscal year shall be reviewed by the committee.

b. The amount of any negative unspent balance shall be automatically subtracted from the authorized budget of a given school district during the subsequent fiscal year.
c. The state board of education shall be notified of the school districts with negative unspent balances each year. The notification shall include the amount the school district exceeded its authorized budget.
d. The board members of districts with negative unspent balances shall be notified of the amount the school district exceeded its authorized budget. The school districts shall inform the SBRC at its next official hearing of the plans that are being implemented to avoid future negative unspent balances (IAC 289—6.5(2)).

The school budget review committee shall review the proposed budget and certified budget of each school district and shall handled excessive cash reserve levies as follows:
a. Annually the school budget review committee shall review the amount of property tax levied by each school district for the cash reserve authorized in Iowa Code section 298.10.
b. If in the committee's judgment, the amount of a district's cash reserve levy is unreasonably high, the committee shall instruction the director of the department of management to reduce that school district's tax levy computed under Iowa Code section 257.4 for the following budget year by the amount the cash reserve levy is deemed excessive.
c. Notwithstanding any other action approved by the committee, cash reserve levies for the budget year shall not exceed 25 percent (25%) of the general fund expenditures for the year previous to the base year minus the general fund balance for the year previous to the base year. But expenditures and fund balance are calculated on the same basis, cash or GAAP, that the district uses for budgeting.
d. A reduction in a district's property tax levy for a budget year for cash reserve shall not affect the school district's authorized budget (IAC 289—6.5(3)).

Financial Condition Flowchart



Building an Operating Budget

The primary purpose of a budget is to translate the educational priorities of the district into financial terms. It should be a well-conceived plan for financing the educational activities of the community 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, staff, students, and the community.

The preparation of the budget involves three distinct plans: the educational plan, the expenditure plan and the financing plan.

The Educational Plan

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 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 using 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.

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, 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.

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 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 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 LEAs and AEAs is use of the most current edition of *Uniform Financial Accounting for Iowa LEAs and AEAs*. This manual covers the details of this financial management information system and is available on the department of education's web site at http://www.state.ia.us/educate/publications/manuals.html

The department of education is authorized to prescribe a uniform system of accounting. That system is Uniform Financial Accounting (OAG #83-12-1(L)).

The basic philosophy of Uniform Financial Accounting (UFA) includes:

1. The chart of accounts encourages full disclosure of the financial position of the LEA/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;
2. Comprehensiveness of financial reporting is encouraged. The LEA/AEA should incorporate 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 commercial-like enterprises all should be included in the financial reports of the LEA/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 LEA/AEA operations more than the resources applied. The account code structure emphasizes program accounting and the application of supporting services costs to the "products" of the educational entity;
5. The account classification system is flexible: it meets the needs of both small and large LEA/AEA's while retaining comparability of reported data. The guideline of UFA include a minimum list of accounts essential for federal and state reporting. They also provide a variety of optional classifications for LEA/AEA's interested in a more comprehensive approach to financial accounting and reporting;
6. The classification of accounts and the recommended reporting structure remain in accordance with generally accepted accounting principles (GAAP).

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)).

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)).

A primary emphasis of UFA is to define account classifications that provide meaningful financial management information to its users. As part of this emphasis, Uniform Financial Accounting is written to conform to GAAP, a uniform minimum standard of and guidelines for financial accounting and reporting. For LEA/AEA's, adherence to GAAP 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 LEA/AEA financial reporting. The twelve principles applicable to LEA/AEA's are summarized below:

1 Accounting reporting capabilities. An LEA/AEA's accounting system must be capable of producing financial reports in conformity both with GAAP and with legal requirements if the two are different;

2 Fund accounting system. The LEA/AEA accounting system must be organized and operated on a fund basis;

3. Types of funds. Only fund types accepted by GAAP should be used by LEA/AEA's. These funds are:
   - a. Governmental Funds:
     - (1) General Funds
     - (2) Special Revenue Funds
     - (3) Capital Projects Funds
     - (4) Debt Service Funds
     - (5) Permanent Funds
   - b. Proprietary Funds:
     - (6) Enterprise Funds
     - (7) Internal Service Funds
   - c. Fiduciary Funds
     - (8) Private Purpose Trust Funds
     - (9) Pension Trust Funds
     - (10) Agency Funds

4. Number of funds. An LEA/AEA should establish and maintain the least number of funds possible;

5. Accounting for fixed assets and long-term liabilities. Fixed assets and long-term liabilities not related to specific proprietary funds or trust funds should be accounted for in the general fixed assets and general long-term debt account groups, respectively. These account groups are eliminated by GASB 34, but the information still will be reported in the entity-wide financial statements in audits;

6. Valuation of fixed assets. LEA/AEA fixed assets should be recorded at cost or estimated cost. Donated fixed assets are recorded at fair market value;

7. Depreciation of fixed assets. Depreciation should not be recorded in the accounts of the governmental funds. If depreciation in governmental funds is required for cost accounting purposes it may be recorded in the general fixed assets account group. Depreciation of proprietary fund fixed assets should be recorded in the accounts of that fund. Under GASB 34, depreciation for fixed assets in governmental funds will be reported on the entity-wide financial statements in audits;

8. Accrual basis in governmental accounting. The accrual basis of accounting should be used for proprietary funds. non-expendable trust funds and pension trust funds. The modified accrual basis of accounting should be used for governmental funds and expendable trust funds. Under GASB 34, expendable and non-expendable trust funds are eliminated and are replaced with special revenue trust funds, permanent funds, and private-purpose trust funds.

9. Budgeting, budgetary control, and budgetary reporting. Every LEA/AEA should adopt annual operating budgets and certain of those budgets should be reported in the financial statements;

10. Revenue, expenditure, transfer, and expense account classifications. An LEA/AEA should provide for the classification of revenues, expenditures, and expenses into certain specific categories. Interfund transfers and the proceeds from general long-term debt should be classified separately from revenues and expenditures or expenses;

11. Common terminology and classifications. An LEA/AEA should consistently utilize terminology and classifications common to the funds maintained;

12. Interim and annual financial reports. A comprehensive annual financial report should be issued by every LEA/AEA. Interim financial statements should be prepared to facilitate management control of financial operations. These may be made available externally.

Some of the above information will change with the implementation of GASB Statement 34.

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 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;
- State Education Agency. or SEA, refers to State departments of education;

- Federal Education Agency, or FEA, as used here 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.

Comparability

Using the classifications and definitions in UFA will enhance comparability of recorded and reported financial information among LEA/AEAs, the States and the Federal Government. This comparability should provide assistance to LEA/AEA, State and Federal administrators, legislators, LEA/AEA boards of education and the general public in understanding where funds come from and how they are used.

When GAAP provides a choice between one or more accounting methods, it is the responsibility of the Department of Education to determine which method will be used to insure consistent uniformity, accuracy, and efficiency as required by section 256.9(18)). Those determinations are discussed as follows.

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). However, because of the impact on comparability, maintaining encumbrance balances at the close of the fiscal year is discouraged in LEAs or AEAs.

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 line item.
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 nonroutine 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 moves money from the School Nutrition 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 a fund transfer.

Shared contracts and tuition-related sharing do not fall into the above categories. In these cases, for example, the school district or AEA has hired a curriculum coordinator and is "selling" the service 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

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 as if payment had been made.

Consortium Accounting

In a consortium, multiple LEAs pool grant moneys and one LEA or AEA 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 transmit grantor-supplied money without having administrative or direct financial involvement in the program.

It is recommended that any district or AEA discuss with its auditor whether or not it's 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.
- That school district's own portion is disbursed to the general fund. The fiscal agent will use the source and project code as defined in Uniform Financial Accounting for that grant.
- The fiscal agent's own district's share of expenditures is recorded in the general fund. The fiscal agent will use the project code as defined in Uniform Financial Accounting for that grant.
- As expenditures are made, the expenditures on behalf of the other districts are accounted for in the agency fund, These should be recorded using some coding to indicate each district's share so that each district can record their share in their accounting records.

Accounting by the other members of the consortium:

- The district will record as revenue in the general fund its share of the grant when received by the fiscal agent. The district will use source code 47XX since the grant was received through an agency other than the state or federal government. The district 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 did not receive the cash for this account.
- If the district pays its own grant expenditures and then is reimbursed from the fiscal agent, the district will record its grant expenditures in the general fund 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 expenditures to vendors, employees, etc. directly and then prepares an accounting to each member district, then the member district 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 expended, 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 expended by the fiscal agent on behalf of the district, 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 on behalf of member districts method). The revenue amount reported is the amount of grant revenues reported as expended.

Inventories

In governmental funds, GAAP allow 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 reserve 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 reported as a reserve for inventories.

Prepaid Expenditures

In governmental funds, GAAP allow either consumption method or purchases method for accounting for prepaid expenditures such as insurance or rent. However, different than inventories, GAAP do not require that significant balances of prepaid expenditures be reported on the balance sheet as an asset and as a reserve for prepaid expenditures. For consistency, prepaids will use the purchases method and will not be reported on the balance sheet.

Reserving and Designating 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)).

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 designate 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 designated balance so that "b" continues to apply.
3. Replacement of Equipment:
    a. A Replacement of equipment designation shall be for specific items, and not for general contingency.
    b. The designation shall be the result of a written purchase plan which includes:
        (1) Description of specific item.
        (2) Estimated cost less estimated trade-in.
        (3) Approval by the AEA or school district board (and the DE if an AEA).
        (4) Number of years needed to accumulate sufficient funds—maximum of five years.
    c. 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.
    d. No maximum amount is set, except it must be reasonably expected that the amount accumulated will be sufficient to make the purchase.
    e. Upon purchase of the item, the designation is to be depleted.
4. 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.
5. 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 designated 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 designation plan must include a written agreement between the school district and the owner.
    d. If the building is owned by the school district, the designated category may be used in a manner similar to equipment purchase.
6. 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 designated, and no amounts may be accumulated. This designation category may only be used by an AEA after state board approval has been given to enter into the lease-purchase agreement.

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 General Fixed Assets and General Long-Term Debt Account Groups 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 transfers from the general fund to the debt service fund and as debt service fund expenditures.

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. Cash on hand plus the total of all "expenditure" receipts/vouchers is always equal 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 is 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" receipts/vouchers is attached to a requisition requesting reimbursement. Code the reimbursement according to the type of expenditures on the receipt/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.

Proof of Cash

A proof of cash helps identify error types for differences between the books and the bank statements:

	Balance 6/30/Yr 1	Deposits	Withdrawals	Balance 6/30/Yr 2
Per bank	4523.82	10000.00	14000.00	523.82
Deposits in transit:				
6/30/Yr 1	3295.66	-3295.66		
6/30/Yr 2		1860.75		1860.75
Outstanding checks:				
6/30/Yr 1	-1620.00		-1620.00	
6/30/Yr 2			983.00	-983.00
True adjusted Cash balance	6199.48	8565.09	13363.00	1401.57
Per books:	6199.48	7000.00	13263.00	-63.52
Unrecorded deposit:		1565.09		1565.09
Math error on check:			100.00	100.00
True adjusted Cash balance:	6199.48	8565.09	13363.00	1401.57

A regular bank reconciliation would only indicate that the bank shows 1465.09 more than the books. A proof of cash pinpoints specifically that there was a 100.00 error in disbursements and a 1565.09 error in receipts.

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 should match.
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 the district has do not have counters, request counters be added or machines be replaced. Counters are very important to internal control.

Indirect Costs

A true allocation of indirect costs from supporting programs to operating programs is generally not done in educational accounting. The expenditures related to supporting programs are maintained separately in the accounting system. This allows program managers to be accountable for maintaining their own expenditures. They would have little control over indirect costs. Therefore, calculation of indirect costs necessary for federal awards is largely a paper calculation generally not reported in the accounting system. If the district or AEA desires to report the indirect costs in the accounting records, the expenditure is reported as a credit to the 950 expenditure objects under the 2500 function and

an equal amount is reported in other functions as debits to the 950 expenditure objects. The total of all 950 objects related to indirect costs will be zero.

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.

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 these 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 in indirect cost.
g. Except as otherwise provided for in Circular A-87, be determined in accordance with generally accepted accounting principles.
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 the 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.
b. Cost of materials acquired, consumed, or expended specifically for the purpose of those awards.
c. Equipment and other approved capital expenditures.
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.

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 plan follows the simplified method of calculating indirect cost rates. The allocation of indirect costs will be accomplished by classifying each agency's costs as direct, indirect, or excluded and dividing the allowable indirect costs by the modified total direct costs. Total costs will be reduced to reflect expenditures that benefited other LEAs or AEAs and that have been offset by reimbursements from other LEAs or AEAs. This approach will apply to both restricted and unrestricted indirect cost rates. The information necessary to complete the calculation of indirect cost rates will be taken from each agency's completed CAR.

Direct costs are allowable costs of the LEA or AEA that benefit particular functions or programs. Direct costs can be identified specifically with a particular final cost objective. Excluded costs are those which by the nature of the expense, or because the nature of the costs require minimal administrative support, must be excluded from both the direct and indirect classification. Excluded costs include food purchases, property-related expenditures, taxes, interest, and refunds of prior year revenues. Indirect costs are central service costs that benefit more than one function or program of the agency. Indirect costs are further identified as either "restricted" or "unrestricted." Restricted indirect costs may only be claimed for certain federal programs. Unrestricted indirect costs may be claimed for federal programs that are not specifically declared as restricted.

Direct costs are accumulated into a direct cost base. The direct cost base is modified to reflect reimbursable expenditures for services provided to other LEAs or AEAs (such as shared personnel contracts, tuition, transportation, data processing, purchasing, maintenance, cleaning, and consulting). Indirect costs are accumulated into an indirect cost pool. An indirect cost rate is calculated by dividing the indirect cost pool by the modified direct cost base.

The Iowa department of education will calculate annually indirect cost rates, restricted and unrestricted, for each LEA and AEA from expenses delineated within the CAR. 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 LEA 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.

After the indirect cost rate is determined, the Iowa department of education will notify each LEA or AEA of the maximum restricted rate it may use. 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 LEAs or AEAs more restricted levels of direct costs for application of the rate, thereby reducing total indirect cost recovery. Additionally, the LEA or AEA may elect to apply a rate that is less than the approved rate, including a rate of zero.

State managers of state programs, if Iowa Code authorizes recovery of indirect costs as an allowable expenditure from a state program, may also assign to LEAs or AEAs the indirect cost rates calculated above and may assign to LEAs or AEAs more restricted levels of direct costs for application of the rate, thereby reducing total indirect cost recovery from state programs. As with the federal programs, when recovering of indirect costs is allowable, the LEA or AEA may elect to apply a rate that is less than the approved rate to state programs, 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 school offices in school districts shall be examined at least once each year. The examination shall cover the fiscal year next preceding the year in which the audit is conducted. The examination of school offices shall include an audit of all school funds, the certified annual financial report (CAR), and the certified enrollment as provided in Iowa Code section 257.6. Differences in certified enrollment shall be reported to the department of management. 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).

A school district desiring to contract with or employ certified public accountants (CPA) shall utilize procedures which include a request for proposals (RFP) (11.6(2)(a)).

In conjunction with the audit of the governmental subdivision required under section 11.6, the person performing the audit shall also perform tests for compliance with the investment policy of a reasonable number of investment transactions in relation to the total investments and quantity of transactions in the period audited. The results of the compliance testing shall be reported in accordance with generally accepted auditing standards (GAAS). The person performing the audit may also make recommendations for changes to investment policy or practices. The governmental subdivision is responsible for the remedy of reported noncompliance with its policy or practices (11.6(1)(b)(1)).

As part of its audit, the governmental subdivision is responsible for obtaining and providing to the person performing the audit 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:

a. Investing public funds.
b. Advising on the investment of public funds.
c. Directing the deposit or investment of public funds.
d. Acting in a fiduciary capacity for the governmental subdivision.

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 person performing the audit (11.6(1)(b)(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 school corporation or an office of any school corporation if one of the following conditions exists:

a. 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.
b. 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.
c. The auditor of state receives a petition signed by at least fifty eligible electors of the governmental subdivision requesting a complete or partial reaudit of the governmental subdivision (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 may amend a school district budget to avoid a misuse of management levy funds, the primary responsibility for identifying misuse of this levy rest 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 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 (11.6(6)).

CPAs shall immediately notify the auditor of state regarding any suspected embezzlement or theft (11.6(7)).

Auditors shall have the right while making the examinations, to examine all papers, books, records, and documents of any of the officers and shall have the right, in the presence of the custodian or the custodian's deputy, to have access to the cash drawers and cash in the official custody of such officer, and a like right, during business hours, to examine the public accounts of the school in any depository which has public funds in its custody pursuant to the law (11.10).

All examinations shall be made without notice to the office examined. On every examination inquiry shall be made as to the financial condition and resources of the school; whether the cost price for improvements and material in the school is in excess of the cost price for like things in other schools of the state; whether the school authorities are complying with the law; and whether the accounts and reports are being accurately kept (11.11).

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. Notice that the report has been filed shall be forwarded immediately to each newspaper, radio station or television station located in the school district which is under investigation or audit; except that if there is no newspaper, radio station or television station located therein, the notice shall be sent to the official newspapers of the county. Failure to file the report with the auditor of state within thirty days after receiving notification of not receiving the audit report shall bar the accountant from making any governmental subdivision audits under section 11.6 for the following fiscal year (11.19).

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(10)).

The school district or AEA, or the CPA or state auditor who performs the annual audit of the school district or AEA, shall provide the following copies:

1. Two complete copies to the Office of the Auditor of State.
2. One complete copy to A-133 Compliance Review, School Finance Team, Division of Financial and Information Services, Department of Education, Des Moines, Iowa 50319-0146.

These audit reports shall be filed as soon as possible following completion of the audit, but no later than March 31 following the close of the fiscal year unless an extension has been granted by the auditor of state.

Filing Fees

The auditor of state shall adopt rules to establish and collect a filing fee for the filing of each report of examination conducted pursuant to subsections 1 through 3. The funds collected shall be maintained 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; 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) has withdrawn 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 revised circular, which regulates the implementation of the Single Audit Act Amendments of 1996, was released on June 24, 1997.

Department of Education Audit Policy for LEAs and AEAs

All Iowa school districts, AEAs, and community colleges that expend a total of $300,000 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 $300,000 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 audit which follows the requirements of Chapter 11 of the Code of Iowa.

The Single Audit Act Amendments of 1996 included language which limited the use of federal money to pay audit costs. The Act stated that agencies expending less than $300,000 in federal awards in any fiscal year could not charge any of the costs of a Single Audit to federal programs. Agencies expending at least $300,000 in federal awards in any fiscal year could charge to the federal award a reasonable, proportionate share of the cost of the audit, if the audit was conducted in accordance with the Single Audit Act Amendments of 1996.

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 format for comments by the auditors is finding, recommendation, response, and conclusion. These comments will be placed at the end of the annual audit report.

The audit report, including all management letters from the auditor, is to be submitted by March 31 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 $300,000 every two years to determine if an upward adjustment is appropriate. When this occurs, the Iowa department of education will also reconsider its threshold level.

Comprehensive Annual Financial Report (CAFR)

A CAFR is a general purpose report intended to meet the needs of a broad range of audiences. It contains financial statements for each of the government funds and account groups and five combined statements prepared in conformity with GAAP and organized into a financial reporting pyramid. It also includes supporting schedules to demonstrate compliance with legal and contractual provisions, an extensive statistical section, and a letter of transmittal from the

CFO. The CAFR has three sections: introductory material, financial, and statistical. The statistical section contains tables showing 3-10 years of comparable data in areas such as, but not limited to:

1. General expenditures by function,
2. General revenues by source,
3. Property tax levies and collections,
4. Assessed and estimated actual value of taxable property,
5. Property tax rates including all overlapping governments,
6. Principal taxpayers,
7. Special assessment billings and collections,
8. Legal debt limit computation,
9. Ratio of net general bonded indebtedness to assessed value and per capita,
10. Ratio of annual debt service for general bonded indebted to total general expenditures,
11. Overlapping debt computation,
12. Revenue bond coverage,
13. Demographics,
14. Property value, construction, and bank deposits,
15. Miscellaneous statistics of interest to district audiences.

Accreditation Audit

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, nonsexist approach is used by schools and school districts. The educational program shall be taught from a multicultural, nonsexist 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 shall consist of annual monitoring by the department of education of all accredited schools and school districts for compliance with accreditation standards adopted by the state board of education as provided in this section. The phase I monitoring requires that accredited schools and school districts annually complete accreditation compliance forms adopted by the state board and file them with the department of education. Phase I monitoring requires a comprehensive desk audit of all accredited schools and school districts including review of accreditation compliance forms, accreditation visit reports, methods of administration reports, and reports submitted in compliance with sections 280.12 and 280.18 (256.11(10)).

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 a 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 with 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 schools and school districts at least once every five years (256.11(10)).

The director shall review the accreditation committee's report, and the response of the school district or nonpublic school, and provide a report and recommendation to the state board along with copies of the accreditation committee's report, the response to the report, and other pertinent information. The state board shall determine whether the school district or nonpublic school shall remain accredited. If the state board determines that a school district or nonpublic school should not remain accredited, the director, in cooperation with the board of directors of the school district, or authorities in charge of the nonpublic school, shall establish a plan prescribing the procedures that must be taken to correct deficiencies in meeting the standards, and shall establish a deadline date for completion of the procedures. The plan is subject to approval of the state board (256.11(11)).

During the period of time specified in the plan for its implementation by a school district or nonpublic school, the school district or nonpublic school remains accredited. The accreditation committee shall revisit the school district or nonpublic school and shall determine whether the deficiencies in the standards have been corrected and shall make a report and recommendation to the director and the state board. The committee recommendation shall specify whether the school district or school shall remain accredited or under what conditions the district may remain accredited. 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 the state board for some or all aspects of the school district operation, in order to bring the school 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 local board and the state board, the state board shall merge the territory of the school district with one or more contiguous school districts at the end of the school year. Division of assets and liabilities of the school district shall be as provided in sections 275.29 through 275.31. Until the merger is completed, and subject to a decision by the state board of education, the school district shall pay tuition for its resident students to an accredited school district under section 282.24. However, in lieu of merger and payment of tuition by a nonaccredited school district, 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 director. The decision of whether to merge the school district and require payment of tuition for the district's students 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 board members of the district and the recommendations of the accreditation committee and the director. If the state board declares a nonpublic school to be nonaccredited, the removal of accreditation shall take effect on the date established by the resolution of the state board, which shall be no later than the end of the school year in which the nonpublic school is declared to be nonaccredited (256.11(12)).

CHAPTER 9

STATUTORY AUTHORITY FOR FUNDS

Chapter 298A establishes the fund structure which shall be used by school districts 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 (298A.14).

Funds and Account Groups

FUND CODE	FUND TITLE
Governmental Funds	
10	General Fund
Special Revenue Funds	
21	Student Activity Fund
22	Management Levy Fund
23	Physical Plant & Equipment (PPEL) Fund
24	Public Education & Recreation (PERL) Fund
25	AEA Special Education Instruction Fund
26	AEA Juvenile Home Instruction Fund
27	Special Revenue Trust Funds
28	67.5 Cent Schoolhouse Levy Fund
29	Library Levy Fund
Capital Projects Funds	
31-32	Capital Project Funds from Bonds
33	Local Option Sales and Services Tax Capital Projects Fund
34-39	Capital Project Funds from Sources Other than Bonds
40	Debt Service Fund
45-49	Permanent Funds (GASB Statement 34)
Proprietary Funds	
Enterprise Funds	
51	School Nutrition Fund
52	Child Care Fund
58 `	AEA Cooperative Purchasing Fund
Internal Service Funds	
61	Self-Insurance Fund
62	Flex-Benefits (cafeteria) Plan Fund
63-69	Other Internal Service Funds
Fiduciary Funds	
Trust and Agency Funds	
71-72	Expendable Trust Funds/Private-Purpose Trust Funds (GASB Statement 34)
73-74	Non-expendable Trust Funds
75	Pension Trust Funds
76-79	Agency Funds
Account Groups	
80	General Fixed Assets Account Group (GFAAG)
90	General Long-term Debt Account Group (GLTDAG)

Some funds will change and the account groups will be eliminated with the implementation of GASB Statement 34.

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.

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).

The district 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 authorized to more than one fund include, but may not be limited to, the following:

1. School buses may be purchased from the general fund (285.10(7)) or from the physical plant and equipment levy fund (298.3(9)).
2. Single units of equipment or a technology system costing more than $1,500 may be purchased from the general fund (279.28) or from the physical plant and equipment levy fund (298.3(3)). Equipment [except recreational or real property] costing less than $1,500 shall be purchased from the general fund.
3. Certain environmental hazard expenditures may come from the general fund or from the physical plant and equipment levy fund. Asbestos projects may be paid from the general fund or the physical plant and equipment levy fund (279.52). Expenditures for other environmental hazards for which a state or federal requirement exists for removal, management, or abatement, may come from the general fund if the SBRC grants modified allowable growth (257.31(6)), otherwise they are expended from the physical plant and equipment levy fund.
4. The SBRC may grant a district authority to spend a reasonable and specified amount from its unexpended cash balance (but not modified allowable growth) 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 bond issue as provided by law or the tax levy provided in section 298.2; 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 three years of the dissolution or reorganization. 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.
5. Facility construction is appropriate to the local option sales and services tax for school infrastructure capital projects fund (422E), bond issue capital project funds (296.1), and the physical plant and equipment levy (298.3).

Interfund Transactions

Generally, moneys may not be transferred between funds, other than authorized by 298A.9 and 298A.10, unless the purpose of the fund is ended or the transfer is authorized by the state appeal board. All allowable transfers or loans require board action, and some require a vote of the electorate.

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). Before any school board decides to loan money between the separate accounts under its jurisdiction, it would be well advised to

review the current rates of interest it receives on its invested funds and the amount of interest it would pay on warrants (1 D.P.I. Dec. Rul. 65).

With the implementation of GAAP, the statutory term "schoolhouse fund" is no longer used. When older OAGs refer to the schoolhouse fund those would 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 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 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 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" referred to 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, or PERL funds. Transfers from those funds to the general fund can 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 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 when 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). Other than bonded indebtedness, payments for debt retirement may only come from the fund in which the original loan proceeds were deposited.

Authorized by 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(5)).

Authorized by 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 board determines. However, it is not necessary to return to the emergency fund, or to any fund no longer required, any money transferred 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 School Budget Review Committee

The SBRC may authorize a district to spend a reasonable and specified amount from its unexpended cash balance in the general fund 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 district have approved a bond issue as provided by law or the PPEL tax levy.
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 chapter 275, if the costs are incurred within three years of the dissolution or reorganization.

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).

To implement the above statute, the district must transfer the authorized amount from the general fund to the appropriate capital projects fund. 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 transfer.

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). If another fund specifically lists an expenditure to that fund, it is assumed not to be appropriate to the general fund unless the Code also specifically states that it is an appropriate general fund expenditure.

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 including the installment acquisition of buses (285.10(7)).

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 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 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).

A school district may not use proceeds from the general fund to repay long-term indebtedness unless specifically allowed by law. Specific authorization is given for school bus purchases (285.10(7), asbestos (279.52), energy conservation (473.20), and equipment purchases (279.48).

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 pursuant to the requirements of Code (279.48).

The board of directors may pay the actual cost of an asbestos projects and repayment of a federal asbestos loan program from the general fund or from the PPEL fund (279.52).

The local school board may purchase buses, including on a five-year installment acquisition plan from the general fund (285.10(7).

The school district may pay the costs of an energy conservation project and repayment of loans entered into with the department of natural resources or its duly authorized agents or representatives for energy conservation projects from the general fund (473.20).

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).

If the district has not certified a district management levy, the cost of insurance shall be paid from the general fund (670.7).

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).

All the books and other necessary school 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 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).

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 expenses of engraving and printing school bonds may be paid out of the general fund (298.22).

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 two situations where capital projects money could have originated from the general fund: asbestos projects funded with a federal asbestos loan or SBRC authorized completion of construction of facilities authorized by the voters through a bond issue or the voter-approved PPEL. In the case of SBRC authorized transfers, any excess remaining after the completion of the construction shall be returned to the general fund (257.31(7)).

Any governmental fund having authorized indebtedness must transfer those funds to the debt service fund when 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). There are only four situations where debt service money could have come from the general fund: loans to purchase buses authorized under 285.10(7), loans to purchase equipment authorized under 279.48, loans to be used for energy conservation measures under 473.20, and federal loans to be used for asbestos removal, management, or abatement under 279.52. Other than bonded indebtedness, payments for debt retirement may only come from the fund in which the original loan proceeds were deposited.

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(5)).

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)).

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)).

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)).

Sources of Revenue

Sources of revenue include all moneys not required by law to be accounted for in another fund (298A.2). 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)). Rents received for incidental community use listed in section 297.9 are recorded in this fund. Sales of school supplies (commonly called resale) and sales or rentals of textbooks shall be accounted for in the general fund (301.1). Compensation or rent received for the use of school property (297.10). Any revenue or receipt described in law as a "miscellaneous income to the general fund" or coming from SBRC modified allowable growth is restricted to this fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specific purposes. Student activity fund, management levy fund, PPEL Fund, PERL Fund, 67.5 cent schoolhouse 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 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 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 contests and competitions and the organizations (280.13).

Organizations registered with the department include the following:

36.2(1) Iowa high school athletic association
36.2(2) Iowa girls high school athletic union
36.2(3) Iowa high school music association
36.2(4) Iowa high school speech association
36.2(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, 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. The board may delegate to others the responsibility of keeping the records but, before the law, the board is responsible. Districts may maintain subsidiary records for students activities, however, all official records of the student activity fund shall be maintained on the 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 on same shall be paid from the <u>general fund</u> 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. 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 included in another fund.

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 which lack public purpose shall not be made from public moneys. The student activity moneys are public funds.

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'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.
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 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 expenditures 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 <u>may</u> <u>not</u> be distributed to any individual member of such activity. Residual interest in all student activity moneys belongs to the district. 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 (O.A.G. #46-3-26).

Sources of Revenue

Revenue sources include income derived from student activities or fees. This includes gate receipts, ticket sales, admissions, activity fees, student dues, donations, fund-raising events, and any other receipts derived from student body cocurricular or extracurricular activities, contests, and exhibitions.

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 listed for the management fund except payment of judgments or settlements (298.4).

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 or corporation 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-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.
1. 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.
2. 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.
3. 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:
   a. Principal, premium, or interest on bonds.
   b. Premium on an insurance policy, including a stop loss or reinsurance policy, except as limited by subsection 3.
   c. Costs of a self-insurance program.
   d. Costs of a local government risk pool.
   e. 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.
4. 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.
5. 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.
6. 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 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 (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 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).

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 53 of the rules of civil procedure 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 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 fund (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 between fifty-five and sixty-five years of age who notify the board of directors prior to April 1 of the fiscal year that they intend to retire not later than the next following June 30. However, the age at which employees shall be designated eligible for the program, within the age range of fifty-five to sixty-five years of age, shall be at the discretion of the board. An employee retiring under this section shall 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 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 sixty-five 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 sixty-two 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 sixty-two years but is not yet sixty-five years of age.
4. The first of any month in which a member is at least fifty-five 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 eighty-eight (97B.45).

A member's early retirement date shall be the first of the month in which a member attains the age of fifty-five years or the first of any month after attaining the age of fifty-five years prior to the member's normal retirement date, provided such date shall be after the last day of service (97B.47).

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).

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).

Physical Plant and Equipment Levy (PPEL) Fund (23)

Purpose and Use

The physical plant and equipment levy fund is a special revenue 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 per thousand dollars of assessed valuation and a voter-approved PPEL of not exceeding one dollar and thirty-four cents per thousand dollars of assessed valuation, for a total of one dollar and sixty-seven cents (298.2(1)).

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 only for the following purposes:

1. The purchase and improvement of grounds.
   a. "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.
   b. "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.
2. The construction of schoolhouses or buildings and opening roads to schoolhouses or buildings.
3. The purchase of buildings and the purchase of a single unit of equipment or a technology system exceeding one thousand five hundred dollars in value.
4. The payment of debts contracted for the erection or construction of schoolhouses or buildings, not including interest on bonds.
5. Procuring or acquisition of library facilities.
6. 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; and "reconstructing" means rebuilding or restoring as an entity a thing which was lost or destroyed.
7. Expenditures for energy conservation.
8. The rental of facilities under chapter 28E.
9. Purchase of transportation equipment for transporting students.
10. Lease-purchase option agreements for school buildings and for equipment exceeding in value five thousand dollars per single unit.
11. Equipment purchases for recreational purposes.
12. Payments to a municipality or other entity as required under subsection 403.19(2) (298.3).

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). 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).

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).

"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 does not apply to equipment which becomes part of the real property itself such as furnaces, boilers, water heaters, and central air conditioning units which would be included in repairs to the building.

"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 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 of the voters, voting in a regular or special election in the school district, make extended time contracts not to exceed twenty 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).

The board of directors may pay the actual cost of an asbestos project from the general fund or the PPEL fund, or money obtained through a federal asbestos loan program and repayment of that federal loan. 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 he district and its removal or encapsulation (279.52).

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 the purchase of school sites or the erection or repair of schoolhouses, or both, as ordered by the board of directors of the school district (279.41).

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).

Each board of directors in school districts where the school grounds adjoin cultivated or improved lands shall build and maintain a lawful fence between said grounds and cultivated or improved lands, and the owner of lands adjoining any such site shall have the right to connect the fence on that land with the fence around the school grounds, but shall not be liable to contribute to the maintenance of such fence (297.13; 1912 Op. Att'y Gen. 658 (#12-7-12)). No fence provided in section 297.13 shall be constructed of barbed wire, nor shall any barbed wire fence be placed within ten feet of any school grounds (297.14; 1912 Op. Att'y Gen. 738 (#12-4-20)). If the owner of the ground adjacent to a school site has it fenced hog-tight, the schoolhouse fence must also be hog-tight (1912 Op. Att'y Gen. 658 (#12-4-20)).

Sources of Revenue

The revenue from the regular and voter-approved PPEL levies shall be placed in the PPEL fund (298.3).

The voter-approval PPEL may consist of a combination of a PPEL property tax levy and a PPEL income surtax (298.2(1)). 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 (297.36).

Proceeds from the sale or disposition of real property shall be placed in the physical plant and equipment levy 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 (279.41).

Revenue also includes interest earned on money in the PPEL Fund.

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 co-operate under chapter 28E with a public agency having the 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).

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 co-operation 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).

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 (276.10).

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).

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.

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, interest on temporary investment of PERL moneys, and donations.

67.5 Cent Schoolhouse Tax Levy Fund (28)

Purpose and Use

The schoolhouse tax levy fund is a special revenue fund. A schoolhouse tax levy fund must be established in any school corporation which levies the tax which was authorized by section 278.1, subsection 7, Code 1989. This fund

shall continue in existence until all tax has been collected and all moneys have been expended for the purposes originally authorized by the electors (298A.5).

Types of Expenditures

This fund may be used for the purchase of grounds; construction of schoolhouses or buildings; payment of debts contracted for the erection of schoolhouses or buildings, not including interest on bonds; for procuring or acquisition of libraries; for opening roads to schoolhouses or buildings; for the purchase of buildings or equipment for buildings or schoolhouses; for repairing, remodeling, reconstructing, improving or expanding the schoolhouses or buildings for the school district; for landscaping, paving, or improving the schoolhouse or building grounds; or for rental of facilities pursuant to Iowa Code chapter 28E.

"Repair" means to restore the 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 or customary repainting. "Reconstruction" means to rebuild or to restore again as an entity the thing which was lost or destroyed.

The board of directors of a local school district for which a schoolhouse tax has been voted may enter into a rental or lease arrangement, consistent with the purposes for which the schoolhouse tax has been voted, for a period not exceeding ten years and not exceeding the period for which the schoolhouse tax has been authorized by the voters.

Expenditures from the schoolhouse 67.5 cent levy fund are limited to those directly related to real property. Opinions of the attorney general expand this to include the initial equipping of new construction, this equipment being of a permanent or long-term nature which becomes a fixed part of the building. Expenditures for instructional or operational equipment, furnishings, or supplies or for maintenance may not come from this fund. Rather, those expenditures are from the general fund.

The schoolhouse 67.5 cent levy fund cannot be used for the purpose of purchasing an automobile, bus, or other vehicles.

Sources of Revenue

The source of revenue is the schoolhouse tax levy (former Iowa Code subsection 278.1(7)) mentioned above. In order to make immediately available proceeds of the schoolhouse tax which has been approved by the voters, 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.

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)).

Types of Expenditures

Expenditures necessary to provide a free public library are appropriate to this fund.

Sources of Revenue

Sources of revenue are derived from the tax levy authorized under section 298.7 and interest on investment of those moneys.

Capital Projects Funds (30-39)

Purpose and Use

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 fund from which the surplus originated; or transferred to the general fund in accordance with section 278.1, subsection 5 (298A.9).

A local option sales and services tax for school infrastructure (LOSST) purposes may be imposed by a county on behalf of school districts (422E.1(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 for principal and interest repayment. The tax revenues and the bond proceeds shall be deposited in the LOSST capital projects fund.

Types of Expenditures

Expenditures relating to the acquisition, construction, remodeling, reconstructing, repairing, improving or expanding of school facilities are authorized. Expenditures include purchasing, building, furnishing, reconstructing, repairing, improving or remodeling a schoolhouse or schoolhouse addition, gymnasium, stadium, field house, school bus garage, teachers' or superintendent's home(s), and procuring or improving a site for a schoolhouse or athletic field (296.1). Expenditures include acquiring sites for school purposes, erecting, completing or improving buildings authorized for school purposes or acquiring equipment [real property] for schools, sites, and buildings (298.21).

LOSST proceeds shall be utilized solely for school infrastructure purposes. 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, purchasing, or remodeling of schoolhouses, stadiums, gyms, fieldhouses, and bus garages and the procurement of schoolhouse construction sites and the making of site improvements. 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 422E.4 (422E.1(3)).

The tax expenditure purposes expressed in the ballot proposition for a local option tax are binding upon the governing body after local option tax imposition is approved by the voters (OAG #91-11-1).

Chapter 422E on the local option sales and services tax for school infrastructure 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 422E.1(3) from being paid with the tax proceeds received under chapter 422E (OAG #00-4-4(L)).

Types of Transfers

When a new district is organized the funds cannot be placed in the schoolhouse [capital projects] fund and used for building purposes (OAG #55-7-26).

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(5)).

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 fund from which the surplus originated; or transferred to the general fund in accordance with section 278.1, subsection 5 (298A.9).

Sources of Revenue

The primary sources of revenue are sale of bonds authorized to acquire sites for school purposes; erect, complete and improve buildings authorized for school purposes; or acquire equipment [real property] for schools, sites, and buildings (298. 21), 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 (298A.9); and tax receipts or bonds issued for the local option sales and services tax for school infrastructure (LOSST) (422E).

Debt Service Fund (40)

Purpose and Use

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 section 278.1, subsection 5 (298A.10).

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 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 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 general long-term debt accounts.

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 bonds or from any revenue source from which the principal and interest of the public bonds or obligations are payable (76.10(6)). The board may pay in addition 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.

Types of Transfers

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(5)).

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. The governmental fund into which the original debt proceeds were deposited is the fund that must transfer money to retire that debt unless a debt service levy is authorized by Code for the retirement of that debt. Any balance remaining in the debt service fund after all outstanding debt is retired may be transferred, by board resolution, to the physical plant and equipment levy fund; or transferred to the general fund in accordance with section 278.1, subsection 5 (298A.10).

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 cash balances. The amount estimated and certified to apply on principal and interest for any one year shall not exceed two dollars and seventy cents per thousand dollars of the assessed valuation except as follows. The amount estimated and certified may exceed two dollars and seventy cents by the amount approved by the voters of the district, but not exceeding four dollars and five cents per thousand of the assessed valuation provided that the registered voters have first approved such increased amount at a special election, which may be held at the same time as the regular school 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).

Proprietary Funds

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs of providing goods or services to the students or general public on a continuing basis are financed or recovered primarily through user charges. Enterprise funds are also used to account for operations where the school board or state regulatory agency has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Enterprise funds include the child care fund and the school nutrition fund. Some other enterprise funds might include the bookstore operation, cooperative purchasing operation, the athletic stadium, the community swimming pool, the preschool, and major vocational education projects such as a farm, home construction, or automotive repair shop.

School Nutrition Fund (51)

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 school breakfast and lunch programs at all attendance centers in the district. The programs shall be operated in compliance with the rules of the state board of education and pertinent federal law and regulation, for all students in each district who attend public school four or more hours each school day and wish to participate in a school breakfast and lunch program. School districts may provide school breakfast and lunch programs for other students (283A.2(2)).

Effective July 1, 1999, all school districts shall operate or provide for the operation of school breakfast programs at all public schools in each district. The programs shall be operated in compliance with the rules of the state board of education and pertinent federal law and regulation, for all students in each district who attend public school and who wish to participate in a school breakfast program (283A.2(3)).

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 construction knowledge that the food is tainted, contaminated, or harmful to the health or well-being of the ultimate recipient (672.1(2)).

Specific questions regarding the school meal program should be directed to the Bureau of Food and Nutrition, Department of Education.

Types of Expenditures

Expenditures include salaries and fringe benefits for employees necessary to operate the food service program, food, purchased services, supplies, and additional (other than initial) food service equipment. The acquisition of school meal facilities and equipping may be paid from the PPEL fund (283A.9).

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).

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 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 lunch room supervisory duty or pursuant to contract (OAG #82-2-6(L)).

Transfers shall not be made from the school nutrition fund to any other fund.

Sources of Revenue

Sources of revenue include food sales to pupils and adults for the different nutrition programs maintained, ancillary food services, moneys from state and federal aid for the operation of a nutrition program, gifts, and interest on invested school nutrition fund moneys.

Child Care Fund (52)

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 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 (279.49(2)).

Types of Expenditures

Expenditures include salaries and fringe benefits for employees necessary to operate the child care program, purchased services, supplies, and child care equipment.

Sources of Revenue

The board may establish a fee for the cost of participation in a child care 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)).

The board may utilize or make application for program subsidies from any existing child care funding streams (279.49(6)).

Internal Service Funds (60-69)

Internal service funds are used to account for the financing of services provided by one department/fund to another department/fund of the organization or to another agency on a cost-reimbursement basis. If the district 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 would include self-insurance funds and flex-benefit (cafeteria) plan funds.

Fiduciary Funds

Trust 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 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 which receives funds through gifts, devises, and bequests shall deposit these funds in a trust or an agency fund and use them in accordance with the terms of the gift, devise, or bequest (279.42).

Fiduciary funds must be established by any school district that has received assets or donations to be held as trustee or agent for individuals, private organizations or other governmental units, or other funds. The right to receive funds through gifts, devises and bequests is covered in sections 279.42 and 565.6. Fiduciary funds include expendable trust funds, nonexpendable trust funds, pension trust funds, and agency funds. *These fund designations will change with the implementation of GASB statement 34. Expendable trust funds will become special revenue trust funds or private-purpose trust funds. Nonexpendable trust funds will become permanent funds or private-purpose trust funds.*

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 which 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 an agent or 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 Funds (Expendable 71-72) (Nonexpendable 73-75)

Purpose and Use

Trust funds are used to account for assets held in a trustee capacity. These include expendable trust funds, nonexpendable trust funds, and pension trust funds. *Nonexpendable trust funds* are used to account for trusts where the principal may not be spent. *Expendable trust funds* are used to account for trusts where both principal and earnings on principal may be spent for the trust's intended purpose. Expendable trust funds are also used to account for the spendable resources of nonexpendable trust funds. *These fund designations will change with the implementation of GASB statement 34.* Examples of trust funds would be scholarships or moneys received from a private foundation to finance a particular expenditure.

A school district or AEA which acts as the fiscal agent for a grant will generally use an agency fund to account for the grant received on behalf of the other members of the consortium.

Types of Expenditure

The characteristics of the expenditures from an expendable trust fund depend on the nature of the donor's conditions or the responsibilities of the trustee.

Expenditures from a non-expendable trust fund are limited to transfers to an expendable trust fund of the interest or portion of the principal which has become expendable.

Sources of Revenue

Sources of revenue include donations of cash, investment instruments, property, and interest on investments held.

Agency Funds (76-79)

Purpose and Use

Agency funds are used to account for assets received and held as an agent for individuals, private organizations, or other governments. Agency funds are expendable but differ from trust funds. For example, the school acts merely as a custodian of the assets and is not an owner. Agency funds may be created when an organization, which is related to the operation of the school district, places certain assets into the custody of the school system. The school system renders a service, as the custodian, for the organization providing the assets. Agency funds typically involve only the receipt, temporary investment and remittance of assets to their rightful owners. Moneys owned by the school district would not be accounted for in agency funds.

Types of Expenditure

The characteristics of the disbursements from an agency fund depend on the nature of the rightful owners' conditions or the responsibilities of the custodian. Typically, expenditures will involve remittance of assets to their rightful owners.

Sources of Revenue

Sources of assets include temporary receipts of cash, investment instruments, property, and interests on investments held.

Other Account Groups

The account groups 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 groups is to disclose additional financial accounting information not provided by the fund records of all funds except proprietary funds and trust funds. *Account groups will be eliminated with the implementation of GASB Statement 34.*

General Fixed Asset Account Group (GFAAG) (80)

The General Fixed Asset Account Group is used to account for fixed assets other than those accounted for in proprietary funds or trust funds. Assets are recorded at cost or, if the cost is not practicably determinable, at estimated cost. Donated fixed assets should be record 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.

General Long-Term Debt Account Group (GLTDAG) (90)

The General Long-Term Debt Account is used to account for unmatured long-term indebtedness except that which is directly related to and expected to be paid from proprietary funds and similar trust funds.

CHAPTER 10

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, a savings and loan, or a credit union in which public funds are deposited under Iowa Code chapter 12C (12C.1(2)(a)).

Public funds mean the moneys of a school corporation that are placed in a depository (12C.1(2)(b)).

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).

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 (12B.10(1)).

The treasurer 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:

a. Safety of principal is the first priority.

b. Maintaining the necessary liquidity to match expected liabilities is the second priority.
c. 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. 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:
a. Operating funds means those funds which are reasonably expected to be expended during a current budget year or within fifteen months of receipt.
b. Operating funds must be identified and distinguished from all other funds available for investment.
c. Operating funds may only be invested in investments which mature within three hundred ninety-seven days or less and which are authorized by law for the investing public entity (12B.10A(a)).

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 days (12B.10A(3)).

At the time of any examination of or settlement with the treasurer in charge of any public funds, the treasurer shall produce and count in the presence of the officer or officers making such examination or settlement, all moneys or funds then on deposit in the safe or vault in the treasurer's office, and shall produce a statement of all money or funds on deposit with any depository wherein the treasurer is authorized to deposit such funds, which settlement shall be certified by one or more officers of such depository, 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).

Deposits by a school treasurer or school secretary shall be in depositories located in this state which shall be selected by the board of directors. 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 days before the date the principal or interest becomes due (12C.4).

County treasurers are required to make separate direct deposits into the funds if the school board designates a separate account for such funds (OAG #82-8-15(L)).

The approval of a financial institution as a depository shall be by written resolution or order which shall be entered of record in the minutes of the approving board, and which shall distinctly name each depository approved, and specify the maximum amount which may be kept on deposit in each depository (12C.2).

Public deposits shall be deposited with reasonable promptness in a depository legally designated as depository for the funds (12C.6).

A depository shall not directly or indirectly pay interest to a public officer on a demand deposit of public funds, and a public officer shall not take or receive interest on demand deposits of public funds. This provision does not apply to interest on time certificates of deposit or savings accounts for public funds (12C.7(1)).

Interest or earnings on investments and time deposits shall be credited to the general fund 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)).

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).

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 permitted by Code (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)).

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).

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 this chapter (257C.11).

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

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).

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 committee 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)).

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).

Stamped warrants may be issued against the schoolhouse fund when an issue has been voted (OAG #39-5-19).

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

When a municipality 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 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. 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 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. 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. 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).

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)).

Bonded Indebtedness

Authorization to Issue General Obligation Bonds

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)).

School boards shall not incur original indebtedness by the issuance of bonds until authorized by the voters of the school corporation (274.2).

The board of directors of any school corporation when authorized by the voters at the regular election or at a special election called for that purpose, may issue the negotiable, interest-bearing school bonds of said 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 said bonds shall be levied in accordance with chapter 76, and said bonds shall mature within a period not exceeding twenty 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 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).

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 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 of the assessed value of the taxable property, a petition signed by a number equal to twenty-five percent 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 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 such bonds is equal to at least sixty percent of the total vote cast for and against said proposition at said 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 of the total vote cast for and against said proposition at said 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 months from the date of such regular or special election (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).

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 nor more than twenty 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 said 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 b e 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 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).

All public bonds issued under chapter 75 may be sold at the price not less than ninety-eight percent of par, plus accrued interest from the date of the bonds to the date of delivery of the bonds (75.5).

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 and finance (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 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).

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 rule making 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.
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 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 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).

The amount estimated and certified to apply on principal and interest for any one year shall not exceed two dollars and seventy cents per thousand dollars of the assessed valuation of the taxable property of the school corporation except as hereinafter provided (298.18).

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 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).

The amount estimated and certified to apply on principal and interest for any one year may exceed two dollars and seventy cents per thousand dollars of assessed value by the amount approved by the voters of school corporation, but not exceeding four dollars and five cents 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

a special election, which may be held at the same time as the regular school election. The proposition submitted to the voters at such special 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).

Notice of the election shall be given by the county commissioner of elections according to section 49.53. The election shall be held on a date not less than four nor more than twenty days after the last publication of the notice. At such election the ballot used for the submission of said proposition shall be in substantially the form for submitting special questions at general elections. 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. Such proposition shall not be deemed carried or adopted unless the vote in favor of such proposition is equal to at least sixty percent of the total vote case for and against said proposition at said 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).

The voted tax levy referred to herein 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).

The ability of a school corporation to exceed two dollars and seventy cents 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).

Provided further that 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).

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 twenty 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).

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).

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).

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 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 422B for such purpose. Notwithstanding section 422E.1(3), a school district may apply local sales and services tax receipts collected pursuant to chapter 422E 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 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 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 counties, cities, and school corporations 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 years from date of issue. Each issue of bonds shall be scheduled to mature serially 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).

Local option sales and services tax for school infrastructure revenue may be used for payment or retirement of outstanding bonds previously issued for school infrastructure purposes (422E.1(3)). Previously as used in this section means general obligation bonds issued prior to the passage of the local options sales and services tax AG Informal advice, November, 2000). Notwithstanding section 422E.1(3), a school district may apply local sales and services tax receipts collected pursuant to chapter 422E for the purposes of paying principal and interest on bonded indebtedness (76.4).

Local Option Sales and Services Tax for School Infrastructure

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 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 422E.1(3)). Issuance of bonds pursuant to this section shall be permitted only in a district which has imposed a local sales and services tax for school infrastructure purposes pursuant to section 422E.2. The provisions of sections 298.22 through 298.24 shall apply regarding the form, rate of interest, registration, redemption, and recording of bond issues pursuant to this section, with the exception that the maximum period during which principal on the bonds is payable shall not exceed a ten-year period, or the date of repeal stated on the ballot proposition (422E.4).

Leases

The Code does not give authority to school districts to lease equipment or to enter into a lease-purchase agreement for equipment [other than PPEL fund, buses, and school improvement technology equipment] (OAG #62-3-7).

PPEL fund may be expended for rental of facilities under chapter 28E (298.3(8)).

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 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)).

A school district shall expend school improvement technology block grant funds received pursuant to subsection 256D.5(2) 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)). A school district may expend up to two-thirds of the funds received annually pursuant to subsection 256D.5(2), for any of the purposes described in section 256D.2, including for the employment of additional licensed instructional staff (256D.8(2)). This chapter is repealed effective July 1, 2003 (256D.9).

The board may, with approval of sixty percent of the voters, voting in a regular or special election in the school district, make extended time contracts not to exceed twenty 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 physical plant and equipment levy 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).

Lease-Purchase

The Code does not give authority to school districts to lease equipment or to enter into a lease-purchase agreement for equipment [other than PPEL fund, buses, and school improvement technology equipment] (OAG #62-3-7).

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 lease-purchase option agreements for school buildings and for equipment exceeding in value five thousand dollars per single unit (298.3(10)).

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 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 school district shall expend school improvement technology block grant funds received pursuant to subsection 256D.5(2) 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)). A school district may expend up to two-thirds of the funds received annually pursuant to subsection 256D.5(2), for any of the purposes described in section 256D.2, including for the employment of additional licensed instructional staff (256D.8(2)). This chapter is repealed effective July 1, 2003 (256D.9).

The board may, with approval of sixty percent of the voters, voting in a regular or special election in the school district, make extended time contracts not to exceed twenty 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 physical plant and equipment levy 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 seeks, 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).

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 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 days before the meeting at which the loan agreement is to be approved (279.48).

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 section over a three-year period (279.52).

The department of natural resources may make loans to the school districts and AEAs for implementation of energy conservation measures identified in a comprehensive engineering analysis. Loans shall be made for all cost effective energy management improvements. School districts may enter into financing arrangement with the department or its duly authorized agents or representatives 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 the general fund (473.20).

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).

CHAPTER 11

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 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 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 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 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 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 program (73.1).

An officer or person who is connected with, or is a member or officer of, the board of a school district 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 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, not to mines employing miners not now under the provisions of the workers' compensation Act or who permit the minors to work in individual units in their own rooms (73.6).

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).

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 department of economic development are given the opportunity to bid on all solicitations issued by agencies and departments of state government (73.16(1)).

A school district shall establish a procurement goal from certified targeted small businesses of at least ten percent of the value of anticipated procurements of goods and services including construction, but not including utility services, each fiscal year. Of the total value of anticipated procurements of goods and services , an additional goal shall be established to procure at least forty percent from minority-owned businesses, and forty percent from female-owned businesses (73.16(2)).

A school district shall, on an annual basis, review the school district's anticipated purchasing requirements. A school district shall notify the department of education which shall report to the department of economic development, 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 annually (73.17).

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 department of economic development 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 department of economic development may charge the 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, a school district having purchasing authority may use either a negotiated price or bid contract procedure. 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 department of economic development shall be notified and shall assist the targeted small business (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 there is a conflict with other laws or rules, then targeted small business procurement program laws govern (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 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.
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)).

Local school boards may purchase buses as follows:

a. From funds available 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 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 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 body and chassis purchases and shall be based upon minimum construction standards established by the department of education. Separate body and chassis bids shall be requested unless the bus is constructed as an integral unit, inseparable as to body and chassis, by the manufacturer or is a used or demonstrator bus (285.10(7)).

The physical plant and equipment levies may be expended for the purchase of transportation equipment for transporting students (298.3(9)). The physical plant and equipment levy may be expended for lease-purchase option agreements for school buildings and for equipment exceeding in value five thousand dollars per single unit (298.3(10)).

The board of education may finance purchase of transportation equipment as follows:
1. The board may pay all of the cost of each bus from funds on hand in the general fund.
2. Bonds may be voted to purchase equipment, and funds so derived shall be used for that purpose (IAC 281--43.26).

The board of education shall proceed as follows in purchasing school buses:
1. Use separate specification and bid request sheets.
2. Notify at least four body and four chassis dealers of intent to purchase school transportation equipment and request bids.
3. Reserve right to reject all bids.
4. Require all bids to be on comparable equipment which meets all state and federal requirements.
5. Hold an open meeting for dealers to present merits of their equipment.
6. Review bids, tabulate all bids, make a record of action taken.
7. Sign separate contracts or orders for purchase of body and chassis. Purchase agreement must provide that dealer will deliver equipment which will pass initial state inspection at no further cost to school and further provide that school board shall withhold at least $150 until vehicle passes initial state inspection.
8. Notify the state department of education, school administration and accreditation bureau, of purchase and date of delivery so that arrangements can be made for the initial school bus inspection. No vehicle can be put into service until it has passed the regular inspection conducted by a state approved inspection station. The initial school bus inspection will be conducted at the earliest possible time convenient to the school and the department of education (IAC 281--43.25).

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).

It shall be unlawful for any school director, officer, AEA director or teacher to act as agent for any school textbooks or school supplies during such term of office or employment, and any school director, officer, AEA director or teacher, who shall act as agent or dealer in school textbooks or school supplies, during the term of such office or employment, 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 (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).

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).

Use of Credit Cards

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).

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 #78-12-19).

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 register who is to record, and the treasurer who is to pay (OAG #53-9-16).

Statutory Authority Assigned to State Agencies

Certified Budgeting	Department of Management
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:

- Public elementary and secondary schools.
- Community colleges.
- Area education agencies.
- Vocational rehabilitation.
- Educational supervision over the elementary and secondary schools under the control of an administrator of a division of the department of human services.
- 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)).

Prepare forms and procedures as necessary to be used by area education agency 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 area education agency 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, 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)).

Duties of the School Budget Review Committee

The school budget review committee 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 committee shall adopt recommendations relating to the implementation by school districts and area education agencies 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 (257.31(4)).

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)).

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 to conform to generally accepted accounting principles (GAAP) commencing with the school year beginning July 1, 1996 (257.31(4)).

Duties of the Department of Management

To prescribe forms on which each municipality (including LEAs), at the time of preparing estimates required under section 24.3, shall be required to compile in parallel columns data and estimates for immediate availability to any taxpayer upon request (8.6(1)).

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)(d)).

Duties of the Office of the Auditor of State

Each school officer shall install and use in the office a system of uniform blanks and forms as prescribed by law (see duties of the director of the department of education and the department of management above). State auditors shall assist the school officers in installing the system (11.23).

The auditor of state shall provide advice and counsel to pubic entities and certified pubic accountants concerning audit and examination matters (11.6(8)).

The auditor of state may audit school districts:

- If contracted by the school district 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 a previous audit (11.6(4)(a)).
- If the auditor of state receives from an elected official or employee of the school district a written request (11.6(4)(b)).
- If the auditor of state receives a petition signed by at least fifty eligible electors of school district (11.6(4)(c)).

Authority of Law, Rules, Opinions and Departmental Regulations

Law

Iowa LEAs operate under Dillon's Rule, by state constitution, which states that LEAs 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.

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

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.

Various Finance Related Compliance Issues

Iowa Gaming

The Division of Racing and Gaming is charged with licensing and the auditing of the gambling reports. All licenses must be prominently display at the playing area of the game or at the drawing area of a raffle. No person or group can use another's gambling license to conduct gambling activities. However, if a public school district holds a valid gambling license, any school group or parent support group from that district may use the gambling license of the public school district to conduct games. No organization can use the district's license more than twice in a calendar year. Groups such as PTA and booster clubs, made up of parents and students may obtain their own gambling license to conduct gambling events if they do not wish to use the district's license. Only one qualified organization can hold a two year license to conduct bingo at the same location.

Gross receipts from gambling are subject to Iowa sales tax. 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. The sales tax permit must be displayed at the gambling location.

When applying for the gambling license, public school districts need not obtain the written credit reference, IRS documentation nor law enforcement notifications. No public [tax] funds can be used to purchase the license.

All gambling activities conducted must be fair, honest, and the object of the game must be attainable. Federal postal regulations prohibit using the mails to distribute printed matter that advertises most forms of gambling.

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. There is no exemption number or exemption permit for sales tax purposes by the State of Iowa.

Sales tax exemption on purchases

There are hereby specifically exempted from the provisions of the retail sales tax the following: The gross receipts from services rendered, furnished, or performed and of all sales of goods, wares, or merchandise used for public purposes to a tax-certifying or tax-levying body of the state or a governmental subdivision of the state (422.45(5)).

CHAPTER 12

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. Beginning July l, 1976, the appraisal shall be updated at least one time every five years (282.24).

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 such use shall be paid into the general fund and be expended in the upkeep and repair of such school property, and in purchasing supplies therefor (297.10).

In carrying out the provisions of chapter 29C regarding emergency management services, 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).

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 school board or the electors of a school district have no authority to authorize the use of school buildings for public or private dances not connected with school activities. School buildings may be used for meetings of public interest, however, a public dance is not considered a matter of public interest (1932 Op. Att'y Gen. 208 (#32-4-8)).

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(4)).

If at any time the voters of such district at a regular election forbid such use of any such schoolhouse or grounds, the board shall not thereafter permit such use until the said action of such voters shall have been rescinded by the voters at a regular election, or at a special election called for that purpose (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 such 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 public 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 is located, and the department of general 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 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 area education agency 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. However, services that are made available shall be provided on neutral sites, or in mobile units located off the nonpublic school premises as determined by the boards of the school districts and area education agencies providing the services, and not on nonpublic school property, except health services, services funded by Title I of the federal Elementary and Secondary Education Act of 1965, diagnostic services for speech, hearing, and psychological purposes, and assistance with physical and communication needs of students with physical disabilities, and services of an educational interpreter, which may be provided on nonpublic school premises, with the permission of the lawful custodian (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 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)).

Each board of directors in school districts where the school grounds adjoin cultivated or improved lands shall build and maintain a lawful fence between said grounds and cultivated or improved lands, and the owner of lands adjoining any such site shall have the right to connect the fence on the owner's land with the fence around the school grounds, but the owner shall not be liable to contribute to the maintenance of such fence (297.13).

No fence provided for in section 297.13 shall be constructed of barbed wire, nor shall any barbed wire fence be placed within ten feet of any school grounds. 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 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 of the property which will be assessed, order the construction or reconstruction of a permanent sidewalk not less than four 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 to provide a suitable state flag, and it shall be the duty of the custodian of any 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 conservation measures identified for which financing is made available by the department of natural resources to the entity. The energy conservation measure financings shall be supported through payment from energy savings. The department shall not require a school district or AEA to perform an engineering analysis if the school district or AEA demonstrates to the department that the facility which is the subject of the proposed engineering analysis at issue is unlikely to be in use or operation in six years by the governmental entity currently using or occupying the facility (473.13A).

Between July 1, 1986, and June 30, 1991, and on a staggered annual basis each five years thereafter, the board of directors of each school district shall file with the department of natural resources, on forms prescribed by the department of natural resources, the results of an energy audit of the buildings owned and leased by the school district. The department of natural resources 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).

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 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).

All private and public school officials and teachers are required to conduct not less than four fire drills and not less than four tornado drills in all school buildings during each school year when school is in session. Not less than two drills of each type shall be conducted between July 1 and December 31 of each year and not less than two drills of each type shall be conducted between January 1 and June 30 of each year (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 years to determine whether each school meets the fire safety standards of this Code and is free from other fire hazards (100.31).

If a building or structure has a floor space of five thousand 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 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 in height (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 tangible 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 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. If at the time of filing the petition, it is more than three months until the next regular school election, the board of directors shall submit the question at a special election within sixty days. Otherwise, the question shall be submitted at the next regular school election (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).

The tax levied under sections 300.2 and 300.3 may also be used for community education purposes under chapter 276 (300.4).

a. 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 chapter 296. 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.

b. 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.

c. Upon establishment of a community education program, the board shall provide for the selection of a district-wide advisory council which shall be responsible to the board and shall cooperate with and assist the board and the local community education director. The board shall also provide for the selection of local advisory councils.

d. The board shall receive an annual report and budget recommendation from the district-wide advisory council and may request supplementary reports as needed.

e. The school districts may cooperate with community colleges, institutions under the control of the state board of regents, and area education agencies in providing community education programs.

f. The board may use opportunities available under public law 93-380.

g. The board may approve cooperation and pooling of funds with other school districts (276.10).

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).

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 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 any school district which receives funds through gifts, devises and bequests shall deposit these funds in a trust or agency fund and use them in accordance with the terms of the gift, devise, or bequest (279.42).

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 of the voters, voting in a regular or special election in the school district, make extended time contracts not to exceed twenty 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, such contracts may include lease-purchase option agreements, such 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).

School districts with approval of sixty percent 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 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)).

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 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 the school district, and pay such 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 shall not apply in townships where a contract for other library facilities is in existence (298.7).

It is legally possible for one school district to lease a facility from another provided the agreement between them meets the requirements of chapter 28E dealing with joint exercise of governmental powers (OAG #69-5-1).

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).

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. Such school board could enter into a contract for the rental of a building to be used as school rooms with a non-profit corporation which non-profit corporation would in advance lease the said school building from a church. Such 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).

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 per thousand dollars of assessed valuation in the district and a voter-approved physical plant and equipment levy of not exceeding one dollar and thirty-four cents per thousand dollars 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 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 property tax levy. The levy limitations of this subsection are subject to subsection 6 (298.2(1)).

The board may, and upon the written request of not less than one hundred eligible electors or thirty percent 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 in the notice of election, not to exceed ten years, in the notice of the regular school election. 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 expressly as full percentage points, not to exceed twenty percent (298.2(4)).

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)).

If the board of directors of a school district in which the voters have authorized the schoolhouse tax prior to July 1, 1991, has entered into a rental or lease arrangement under section 279.26, Code 1989, or has entered into a loan agreement under section 297.36, Code 1989, the levy shall continue for the period authorized and the maximum levy that can be authorized under the voter-approved physical plant and equipment levy is reduced by the rate of the schoolhouse tax (298.2(6)).

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).

A loan agreement between a school district and a bank, investment banker, trust company, insurance company, or insurance group that was made under section 297.36, Code 1989, prior to July 1, 1991, in order to make immediately available proceeds of the schoolhouse tax approved by the voters prior to July 1, 1991, and the levy of taxes to pay principal and interest thereafter, shall continue in effect for the duration of the loan agreement (297.35).

The revenues from the regular and voter-approved physical plant and equipment levies shall be placed in the PPEL fund and expended only for the following purposes:

1. The purchase and improvement of grounds. For the purposes of this subsection:
   a. "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.
   b. "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.
2. The construction of schoolhouses or buildings and opening roads to schoolhouses or buildings.
3. The purchase of buildings and the purchase of a single unit of equipment or a technology system exceeding one thousand five hundred ($1,500) dollars in value.
4. The payment of debts contracted for the erection or construction of schoolhouses or buildings, not including interest on bonds.
5. Procuring or acquisition of library facilities.
6. Repairing, remodeling, reconstructing, improving, or expanding the schoolhouses or buildings and additions to existing schoolhouses. For the purpose of this subsection, "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; and "reconstructing" means rebuilding or restoring as an entity a thing which was lost or destroyed.
7. Expenditures for energy conservation.
8. The rental of facilities under chapter 28E.
9. Purchase of transportation equipment for transporting students.
10. Lease-purchase option agreements for school buildings and for equipment exceeding in value five thousand dollars ($5,000) per single unit.
11. Equipment purchases for recreational purposes.
12. Payments to a municipality or other entity as required under subsection 403.19(2).

Interest earned on money in the PPEL fund may be expended for purposes listed in this section (298.3).

Revenues from the regular and voter-approve 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).

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 (88B.11).

Vision Iowa School Infrastructure Grant Awards

For fiscal years beginning July 1, 2000, July 1, 2001, and July 1, 2002, a school district may submit an application for a school infrastructure project. 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)).

A local match is required. The local match percentage means a percentage equivalent to either of the following, whichever is less:

a. fifty percent.
b. the quotient of a school district's capacity per pupil divided by the capacity per pupil of the school district at the fortieth percentile, multiplied by fifty percent, except that the percentage shall not be less than twenty percent (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 if a local sales and services tax for school infrastructure is imposed at one percent pursuant to section 422E.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 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 for which a sales and services tax for school infrastructure has not been imposed pursuant to section 422E.2 or a school district receiving minimal revenues under section 422E.3 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)). A school district that 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). A school district located in whole or in part in a county which has imposed the local option sales and services tax for school infrastructure at the maximum rate and has revenues from that tax of more than the statewide average of sales tax capacity per pupil shall not be eligible for financial assistance under the program (292.2(10)).

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 422E.5 which are inconsistent with the provision of this section, the state department shall comply with the requirements of the federal rules or regulations (422E.5(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 (422E.5(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 (422E.5(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 and operated under the supervision of a 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 local education agency.
3. Such public school is located in an Empowerment Zone, or Enterprise Community or there is a reasonable expectation that at least 35 percent (35%) of the students attending such school or participating in a program will be eligible for free or reduced priced lunches under the school meal program established under the national school lunch Act.
4. Such school or program has established a partnership with a business.

Des Moines Independent School District is the only Iowa district that has schools located within an Enterprise Community.

In addition to the above requirements:

- A district must determine whether the purposes for which QZAB is issued conforms to state laws regarding indebtedness.
- A district must obtain written agreements between a Qualified Zone Academy and one or more local businesses, which pledge contributions having a present value of at least 10 percent (10%) of the gross proceeds of the QZAB.
- A district must work with a financial institution to issue the QZABs. The district will be responsible for repayment of the principal, and interest if any, upon maturity.

Allocations will be made up to a maximum of $1,000,000. Only one project per district is eligible. QZAB authority allocations are made upon receipt of a qualified application on a first come-first served basis.

The district may use the voter-approved physical plant and equipment levy to repay the QZAB indebtedness.

School Renovation, IDEA, and Technology Grants Program

The U. S. Department of Education Appropriations Act 2001, Section 321, Public Law 106-554 authorized the Grants for School Repair and Renovation (CFDA 84.352) program to assist school districts with urgent school repair and renovation, activities authorized under Part B of the Individuals with Disabilities Education Act (IDEA), and technology activities related to school renovation. New construction of buildings or additions to buildings do not qualify. This grant program is split into two components, with school repair and renovation being one component and IDEA and technology being the other component. Both components will be awarded through a competitive grant process.

School renovation project grants will be awarded to Iowa public school districts. The grant may be used for emergency school repair or renovation projects that are defined to be those necessary to ensure the health and safety of students and staff. Examples of the types of projects that may be funded with this grant include, but are not limited to: (a) repairing, replacing, or installing roofs; electrical wiring; plumbing systems and/or sewage systems; or heating, ventilation, or air-conditioning systems; (b) bringing schools into compliance with fire and safety codes; (c) making school facilitates accessible in order to comply with the Americans with Disabilities Act of 1990 or Section 504 of the Rehabilitation Act of 1973; (d) asbestos abatement or removal from public school facilities; (e) eliminating lead-based paint; (f) replacing drinking water fixtures / plumbing which utilize lead solder; (g) repairing structural defects that threaten the health and safety of students and staff; and (h) replacing doors, windows, and/or associated hardware which may pose a safety hazard. Non-profit private schools with a student poverty rate of 40 percent or greater will be able to participate in the program on an equitable basis to modify school facilities to meet standards under the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973 and to abate or remove asbestos. Private schools apply through their local public school district. The maximum grant award is the lesser of $200,000 or the total project cost minus the required local match. The local match, which will range from 20 to 50 percent, depending on capacity (see Vision Iowa School Infrastructure Grants above), will come from the issuance of bonds, the local option sales and services tax for school infrastructure, a physical plant and equipment levy, or other moneys locally obtained by the district for school infrastructure, excluding other state or federal moneys.

The IDEA and technology grants will be awarded to Iowa public school districts. These grants are for technology activities related to school repair and renovation, such as wiring; acquiring hardware and software; connectivity linkages and resources; and microwave, fiber optics, cable, and satellite transmission equipment. Activities authorized under Part B of the IDEA may also qualify and must be spent in accordance with that statute and its regulations, which means that the funds must be used for the excess costs of providing special education and related services to children with disabilities. Students must be identified as a student requiring special education services and has an Individual Educational Plan (IEP) in place. The projects include identified assistive technology devices as prescribed by the student's IEP. Projects may also include, but are not limited to elevators, ramps, lifts, and stair climbers. Maximum

awards of $50,000 will be available to districts and no local match is required. Greater priority is given to a district that has a lower capacity per pupil or that has no or minimal local option sales and services tax for school infrastructure revenues per pupil.

School Budget Review Committee Approval of Modified Allowable Growth or Use of Unexpended Fund Balance

The SBRC shall establish a modified allowable growth for a district by increasing its allowable growth 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 SBRC may authorize a district to spend a reasonable and specified amount from its unexpended cash 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 district have approved a bond issue as provided by law or the tax levy provided in section 298.2 [PPEL].
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 chapter 275, if the costs are incurred within three years of the dissolution or reorganization (257.31(7)).

Local Option Sales and Services Tax for School Infrastructure and Revenue Bonds

A local sales and services tax for school infrastructure purposes may be imposed by a county on behalf of school districts. The maximum rate of tax shall be one percent. Local sales and services tax moneys received by a county for school infrastructure purposes pursuant to chapter 422E shall be utilized solely for school infrastructure needs. 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, purchasing, or remodeling of schoolhouses, stadiums, gyms, field houses, and bus garages and the procurement of schoolhouse construction sites and the make of site improvements. Additionally, school infrastructure includes the payment or retirement of outstanding bonds previously issued for school infrastructure purposes, and the payment or retirement of bonds issued under section 422E.4 (422E.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 for principal and interests repayment. Proceeds of the bonds issued pursuant to this section shall be utilized solely for school infrastructure needs. Issuance of bonds pursuant to this section shall be permitted only in a district which has imposed a local sales and services tax for school infrastructure purposes pursuant to section 422E.2. The maximum period during which principal on the bonds is payable shall not exceed a ten-year period, or the date of repeal stated on the ballot proposition (422E.4).

The Board of Supervisors, can, and in some instances must, paraphrase and supplement the language of the petition prior to having the issue placed on the ballot in a local option tax election (OAG #00-4-2(L)).

Section 422E.1(3) does not prohibit per se a school district from expending school infrastructure local option sales and services tax proceeds for salaries and benefits of school district employees who are engaged in school infrastructure activities authorized under chapter 422E (OAG #00-4-4)L)).

Equal protection guarantees do not prohibit a local option sales and services tax ballot from setting forth two 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 the regular election or at a special election called for that purpose, may issue the negotiable, interest-bearing school bonds of said 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 twenty 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 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 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 thirty days following receipt of notice thereof. The corporation from which territory is detached shall, after the change, contain not less than four government sections of land (274.37).

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 thirty 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 ten acres exclusive of public highway (297.2).

Any school district may take and hold an area equal to two blocks exclusive of the street or highway, for a schoolhouse site, and not exceeding thirty 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 thirty-four 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 two blocks plus thirty 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 thirty 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 such cemetery can be removed is by obtaining consent of next of kin of those buried in such 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).

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).

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, 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, 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 and Adverse Possession

Whenever the power to condemn private property for public use is granted to any officer, board, 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, 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). Such proceedings shall be conducted by the county attorney (6B.2(2)).

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).

When a school district exclusively occupies a tract of land without holding the deed and improves, maintains, and uses buildings for school purposes, such possession is called adverse possession and is under a claim of absolute ownership which will ripen into a title by prescription in ten years (OAG #55-8-11).

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).

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 and in effect when the spaces are designated. Adopted rules shall be 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 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 ten or more parking spaces shall set aside at least one 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 twelve months. If upon review, the average occupancy rate for persons with disabilities parking spaces in a facility exceeds sixty percent 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 five members who are persons with disabilities as defined in section 321L.1 and five 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 (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 new construction owned by a political subdivision of the state, to all new construction located in a governmental subdivision which has adopted either the state building code or a local building code or compilation of requirements for building construction and to all other new construction in the state which will contain more than one hundred thousand cubic feet of enclosed space that is heated or cooled.
b. Provisions of the state building code establishing lighting efficiency standards shall be applicable to all new construction owned by a political subdivision of the state and to all new construction, in the state, of buildings which are open to the general public during normal business hours (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. 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).

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(8)).

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:

a. 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.
b. 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)).

The public body may request additional design proposals in light of funds available for construction, aesthetic considerations, or any other reason (72.5(1)).

In connection with development of a statewide building energy efficiency rating system, pursuant to section 473.40, the director of the department of natural resources in consultation with the department of management, state building code director, and state fire marshal, shall develop standards and methods to evaluate design development documents and construction documents based upon the energy efficiency rating system for public buildings, and other 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 department 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

Sections 73A.2 [public hearing] and 73A.18 [bids] are applicable to the construction or repair of school buildings. Before construction of a school building for which the cost of construction exceeds twenty-five thousand dollars, the board of directors of a school district shall send a copy of the plans to the building consultant in the department of education for review. The board of directors may submit for review a copy of the plans for repair or renovation of a school building. The building consultant shall return the plans together with any recommendations to the board of directors within thirty days following the receipt of the plans (297.7(1)).

Splitting a project to avoid the requirements of chapter 73A is improper and indefensible (West Harrison Community School District v. Iowa State Board of Public Instruction, App. 1984, 347 N.W. 2d 684).

"Public Improvement" includes the principal structures, works, component parts and accessories of any of the following:

1. Sanitary, storm, and combined sewers.
2. Drainage conduits, channels and levees.
3. Street grading, paving, graveling, macadamizing, curbing, guttering, and surfacing with oil, oil and gravel or chloride.
4. Street lighting fixtures, connections and facilities.
5. Sewage pumping stations, and disposal and treatment plants.
6. Underground gas, water, heating, sewer and electrical connections located in streets for private property.
7. Sidewalks and pedestrian underpasses or overpasses.

8. Drives and driveway approaches located within the public right of way.
9. Waterworks, water mains and extensions.
10. Plazas, arcades and malls.
11. Parking facilities.
12. Removal of diseased or dead trees from any public place, publicly owned right of way or private property.
13. Traffic-control devices, fixtures, connections, and facilities (384.37(19)).

Public Hearing

Before any municipality shall enter into any contract for any public improvement to cost twenty-five thousand dollars or more, the governing body proposing to make the contract shall adopt proposed plans and specifications and proposed form of contract, fix a time and place for hearing at the municipality affected or other nearby convenient place, and give notice by publication in at least one newspaper of general circulation in the municipality at least ten days before the hearing (73A.2).

Bids

When the estimated total cost of construction, erection, demolition, alteration or repair of a public improvement exceeds twenty-five thousand dollars, the municipality shall advertise for bids on the proposed improvement by two publications in a newspaper published in the county in which the work is to be done. The first advertisement for bids shall be not less than fifteen days prior to the date set for receiving bids. The municipality shall let the work to the lowest responsible bidder submitting a sealed proposal. However, if in the judgment of the municipality, bids received are not acceptable, all bids may be rejected and new bids requested. A bid shall be accompanied, in a separate envelope, by a deposit of money or a certified check or credit union certified share draft in an amount to be named in the advertisement for bids as security that the bidder will enter into a contract for the doing of the work. The municipality shall fix the bid security in an amount equal to at least five percent, but not more than ten percent of the estimated total cost of the work. The checks, share drafts or deposits of money of the unsuccessful bidder shall be returned as soon as the successful bidder is determined, and the check, share draft or deposit of money of the successful bidder shall be returned upon execution of the contract documents. This section does not apply to the construction, erection, demolition, alteration or repair of a public improvement when the contracting procedure for the doing of the work is provided for in another provision of law (73A.18).

When emergency repairs costing more than twenty-five thousand dollars are necessary in order to prevent the closing of any school, 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, it shall be necessary to procure a certificate from the area education agency administrator that such emergency repairs are necessary to prevent the closing of the school (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 for each violation, to inure to and be collected by the school corporation of which the violator is an officer (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).

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 which gives or requires a preference to bidders from that state or foreign country. The preference is equal to the preference given or required by the state or foreign country in which the nonresident bidder is a resident (73A.21).

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).

Recommended Procedure for Letting of Bids

1. Solicit more than one bidder.
2. Advertise bids by two publications in a newspaper published in the county, the first advertisement not less than fifteen days prior to the date set for receiving bids.
3. Set definite time and place stipulated for receiving bids.
4. Require bid proposals be sealed.
5. Reject bids by telephone or telegraph.
6. Reject bids not filed timely.
7. Open bids in public, read publicly, and record in the board minutes.
8. Award the contract to the lowest responsible bidder or reject all bids as required by Iowa Code section 73A.18.
9. Take action on bids within five days if possible, but at least within 30 days.
10. Set bid security in whole dollar figures in an amount of at least five percent but not more than ten percent of the estimated total cost of the project.
11. Limit alternate bids to major items, and issue no alternate bids or special instructions subsequent to fifteen days before the bidding date.
12. If all the bids are rejected and new bids are requested, invite the original bidders to bid again.
13. Return checks or money deposits of unsuccessful bidders immediately after the successful bidder is named.
14. The contractor, rather than the owner, purchases the building materials.
15. Prior to proceeding with extra work or change order, provide the general contractor with written authorization from the board.

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 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

Every school district shall give preference to Iowa labor in the constructing or building of any public improvement or works, and every contract entered into by any board, committee, officer, or other governing body of the state for the construction or building of any public improvement or works shall contain a provision requiring that preference shall be given to Iowa domestic labor in the constructing or building of such public improvements or works (73.3).

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, 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 (573.2).

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 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 of the contract price (573.5).

Notwithstanding section 573.14, a public corporation may release retained funds upon completion of ninety-five percent 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 of that amount which is determined to be due according to the estimate of the architect or engineer (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 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 days, unless a time period greater than fourteen days is specified in the contract documents, not to exceed thirty 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 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, 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 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 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).

When at least ninety-five percent 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 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 and finance for the refund of the sales, services, or use tax upon the gross receipts of all sales of goods, wares, or merchandise, or from services rendered, furnished, or performed, 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 and is devoted to educational uses (422.45(7)).

Such contractor shall state under oath, on forms provided by the department of revenue and finance, the amount of such sales of goods, wares or merchandise or services rendered, furnished, or performed 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 (422.45(7)(a)).

Such governmental unit shall, not more than one year after the final settlement has been made, make application to the department of revenue and finance 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 rendered, furnished, or performed, the application to be made in the manner and upon forms to be provided by the department, and the department shall forthwith audit such claim and, if approved, issue a warrant to the governmental unit in the amount of such sales or use tax which has been paid to the state of Iowa under the contract (422.45(7)(b)).

Any contractor who shall willfully make false report of tax paid under the provisions of this subsection shall be guilty of a simple misdemeanor and in addition thereto shall be liable for the payment of the tax and any applicable penalty and interest (422.45(7)(c)).

Contractors, subcontractors, and builders who enter into written construction contracts with governmental units are still required to remit sales tax on building materials, supplies and equipment to their suppliers or to pay a corresponding use tax. If the construction contract is a contract which includes machinery or equipment or a mixed contract, the machinery and equipment must be purchased tax free because these items will be resold. There would be no sales tax charged on the sale of machinery or equipment to a governmental unit since these sales are exempt under Iowa Code subsections 422.45 (5) and (8). In addition, the contractor is required to provide the governmental unit 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 said items. The department of revenue and finance provides Form 35-002 for this purpose. The governmental unit has one year after final settlement to file a claim for refund on Form 35-003 for sales and use taxes paid by the contractor. 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 through the refund was not or cannot be claimed (IAC 701--19.12).

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 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 (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 general 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).

1. A timeline should be established in advance for the carrying out of procedures involved in making an important decision. All aspects of such timelines would naturally focus upon the anticipated date that the board of directors would make its final decision in the matter.
2. All segments of the community in the school district should be informed that a particular important decision is under consideration by the board of directors.
3. The public should be involved in providing sufficient input into the study and planning involved in important decision making.
4. Sufficient research, study and planning should be carried out by the board and groups and individuals selected by the board. Such things as student enrollment statistics, transportation costs, financial gains and losses, program offerings, plant facilities, and staff assignment need to be considered carefully.
5. There should be an open and frank public discussion of the facts and issues involved.
6. A proper record should be made of all the steps taken in the making of the decision.
7. The final decision must be made in an open public meeting and a record be made thereof (1 D.P.I. App Dec. 145 (1977)).

Disposition with School Budget Review Committee Approval

The SBRC may authorized a district to spend a reasonable and specified amount from its unexpended cash balance for either of 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 years of the dissolution or reorganization (257.31(7)).

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 purchase of school sites or the erection or repair of schoolhouses or both 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, site, or other property belonging to the district. 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. However, property having a value of not more than five thousand dollars, 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 insertion each week for two consecutive weeks in a newspaper having general circulation in the district (297.22(1)).

The voters at the regular election shall have the powers to 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, provided, however, that nothing herein shall be construed to prevent the sale, lease, exchange, gift, or grant and acceptance of any interest in real or other property by the board of directors without an election to the extent authorized in section 297.22 (278.1(2)).

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, lease 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 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)).

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)).

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 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 or more consecutive days (297.22(2)).

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 (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 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 or 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).

Disposition by Reversion of Sites

Any real estate, owned by a school district, containing less than two 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 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 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 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 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; 19 CFR 1, 3, 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 13

MANAGEMENT OF ANCILLARY SERVICES -- TRANSPORTATION

Transportation Services

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:

a. Elementary pupils shall be entitled to transportation only if they live more than two miles from the school designated for attendance.
b. High school pupils shall be entitled to transportation only if they live more than three miles from the school designated for attendance.
c. Children attending prekindergarten programs offered or sponsored by the district may be provided transportation services
d. 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 (285.1(1)).

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).

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)).

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(5)).

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).

In the case of Bruggeman v. Independent District No. 4 Union Township School, the 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.

Bus Drivers

When school buses are used to transport pupils, the bus shall be driven by a regularly approved driver holding a chauffeur's license and a school bus driver's permit. 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 shall hold a school bus driver's permit issued by the department of education when transporting student or adult passengers to or from school activities (321.376(1)). 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 six months of employment and at least every twenty-four months thereafter (321.376(2)). 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 eighteen 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. Have an annual physical examination and meet all established requirements for physical fitness (321.375(1).

Bus drivers for school buses must present a certificate of physical fitness each year before being permitted to operate any vehicles transporting children to and from school (285.11(9)).

Any of the following shall constitute grounds for a school bus driver's immediate suspension from duties, pending a termination hearing by the board of directors of a public school district or the authorities in charge in a 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 permit.
d. The commission of or conviction for a public offences as defined by the Iowa criminal code, if the offense is relevant to and affects driving ability, or if the offence includes sexual involvement with a minor student with the intent to commit acts and practices proscribed by law, or is a violation of the rules of the department of education (321.375(2)).

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 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 eighty dollars plus seventy-five percent of the difference between eighty dollars and the previous school year's statewide average per pupil transportation cost. A parent or guardian shall not receive reimbursement for furnishing transportation for more than three 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 two miles to connect with vehicles of transportation. The parent or guardian shall be reimbursed for such transportation by the boards of the resident districts at the rate of twenty-eight cents 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 and the Iowa braille and sight saving school 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 resident 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 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. The school of attendance is designated by the parents of the nonpublic school pupil (285.1(14)).

Boards of directors of school districts shall be required to provide transportation services to nonpublic school pupils when the general assembly appropriates funds for the payment of claims for transportation costs submitted by the school district (285.2).

The portion of the amount appropriated to pay claims to reimburse parents or guardians of nonpublic school pupils for furnishing transportation for their children is equal to eighty dollars plus seventy-five percent of the difference between eighty dollars and the previous school year's statewide average per pupil transportation cost multiplied by the total number of nonpublic school pupils for which the parent or guardian furnishes transportation, except that all elementary pupils and two members of a family who attend a nonpublic high school shall be included in the total number. The amount of an approved claim to a parent or guardian for furnishing transportation shall include a base payment, and may include a supplemental payment (285.3).

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)).

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)).

Other 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 (285.1).

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 (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 (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 (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 Interstate Commerce Commission.
c. For adult groups, no more than two persons shall occupy a 39-inch seat. Standees shall not be permitted.
d. 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.
e. The driver of the bus shall be approved by the local board of education and must possess a chauffeur's license and a school bus driver's permit.
f. The driver of the bus shall observe the maximum speed limits for school buses at all times (IAC 281--43.10(5)).

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. Nothing in 285.11 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)).

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).

Specifically exempted from the provisions of sales tax are the gross receipts from the sales, furnishing or service of transportation service (422.45(2)).

Postsecondary Enrollment Options Transportation

The parent or guardian of an eligible pupil who has enrolled in and is attending an eligible postsecondary institution under chapter 261C shall furnish transportation to and from the eligible postsecondary institution for the pupil (261C.7).

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. However, 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. 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 to 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)).

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 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)).

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 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)).

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 (101.11(1)).

Tax on motor fuel or undyed special fuel sold directly to and used for the following is subject to refund: a school district which is used for a public purpose, including fuel sold for the transportation of school 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 or used under the direction of the board of directors to provide services to a school corporation shall not, on or after January 1, 1993, operate on gasoline other than gasoline blended with at least ten percent ethanol. 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 gasoline blended with ethanol (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, 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 shall also issue registration plates which shall have imprinted thereon the words "Private School Bus" and a distinguishing number assigned to the applicant. Such plates shall be attached to the front and rear of each bus exempt from registration (321.18(7)).

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 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 (231.373(2). The rules shall include special rules for passenger automobiles, and other vehicles designed to carry eight 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)).

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).

To facilitate the semiannual inspection program, 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 (IAC 281--43.30). As a part of the semiannual inspection program school officials shall cause the chassis of all buses, whether publicly or privately owned, to be inspected and all necessary repairs made before the opening of the school term each fall (IAC 281--43.31).

A daily pretrip inspection of each school bus shall be performed and recorded. 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 (IAC 281--43.41).

No school board, individual, or organization shall purchase, construct, or contract for use, to transport pupils to or from school, any school use 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 shall be guilty of a misdemeanor (321.379).

Contracts and Common Carriers

All private individuals wishing to transport public school pupils to and from public school in privately owned vehicles must be under contract with the board of education. This will not apply to parents who transport their own children only. 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 undertaking to transport other children in addition to their own are private contractors. These parents must be under contract, and must obtain a chauffeur's license and a school bus driver's permit (IAC 281--43.6). Any vehicle used, other than that used by parents to transport their own children only, is considered to be a school bus and must meet all requirements set up for the type of vehicle used (IAC 281.43.7).

Private buses other than common carriers not used exclusively in transportation of pupils while under contract to a school district shall met all requirements for school-owned buses, as to construction and operation (285.5(8)).

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 public and nonpublic pupils for the board, in privately owned vehicles, shall sign the official contract prescribed by the department of education (IAC 281--43.34).

The board of education and a private individual undertaking to transport public and nonpublic school pupils for the board in school district-owned vehicles shall sign the official contract prescribed by the state department of education (IAC 281--43.35).

Bus standards listed in IAC 281--43.43 are intended to apply to any vehicle operated by a common carrier when used exclusively for student transportation to and from school.

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 committee in accordance with subsection 321.34(22) are appropriated to any 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)).

CHAPTER 14

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. A MIS goes beyond data collection. Information is data which are organized and interpreted. A MIS organizes and interprets data into information which can be used by management personnel for planning and decision-making. At a minimum, a MIS should include analysis and simulation or modeling components.

For purposes of research, study, and public information, public or private agencies may receive from the interagency information service on persons with mental disabilities, comprehensive statistical information which may be disseminated to the public. Such information shall not use names of individual persons nor be so specific as to make possible the identification of individual persons (220A.8).

The director of the department of education shall conduct research on education matters (256.9(9)).

The director shall approve, coordinate, and supervise the use of electronic data processing by school districts and AEAs (256.9(11)).

The school budget review committee 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)).

Reporting

It is a duty of the director of the department of education to prepare forms and procedures necessary to be used by 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 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 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). This annual report is called the Certified Annual Financial Report (CAR).

The secretary of each district shall file monthly with the board of directors, a complete statement of all receipts and disbursements from the various funds during the preceding month, and also the balance remaining on hand in the various funds 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 books 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 school district and AEA receiving moneys for Educational Excellence Phase III during a school year shall file a report with the department of education. School district reports shall be filed by July 1 of the next following school year, and AEA reports shall be filed by September 1 of the next following school year. The report shall describe the plan, its objectives, its implementation, the expenditures made under the plan including the salary increases paid to each eligible employee, and the extent to which its objectives were attained. The report may include any proposed amendments to the plan for the next following school year (294A.19).

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 thirty days of receiving written notification of nonreceipt of such report, tax return, statement, or payment. Filing of a duplicate within thirty 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)

This law regulates the reproduction of copyrighted materials. One of the conditions relating to the reproduction of copyrighted material is that the copies may not be used for any other purpose than private study, scholarship, or research.

Electronic Transactions

It is the intent of the general assembly in enacting chapter 554D to effectuate all of the following purposes:

1. Facilitate electronic communication by means of reliable electronic records.
2. Facilitate and promote electronic commerce, by eliminating barriers resulting from uncertainties over writing and signature requirements, and promote the development of the legal and business infrastructure necessary to implement secure electronic commerce.
3. Facilitate electronic filing of documents with state and local government agencies and promote efficient delivery of government services by means of reliable electronic records.
4. Minimize the incidence of forged electronic records, intentional and unintentional alterations of records, and fraud in electronic commerce.
5. Promote public confidence in the integrity, reliability, and legality of electronic records and electronic commerce (554D.102).

Chapter 554D applies to an electronic record or electronic signature created, generated, sent, communicated, received, or stored on or after July 1 2000 (554D.105).

Chapter 554D does not apply to an application which would involve construction of a rule of law that is clearly inconsistent with the manifest intent of the body imposing the requirement or repugnant to the context of the same rule of law. However, the mere requirement that information be in writing, written, or printed shall not by itself be sufficient to establish an intent which is inconsistent with the requirement of section 554D.104 on scope (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 (544D.106(1)).

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 purposes to make uniform the law with respect to the subject of chapter 554D among states enacting the uniform law (554D.107).

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).

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 delivery in person, by mail postage prepaid, or by courier may be varied by agreement to the extent permitted by the other law (554D.110(4)).

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 precluded a governmental agency from specifying additional requirements for the retention of a record subject to the agency's jurisdiction (554D.114).

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).

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)).

Public records include all records, documents, tape, 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)).

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)).

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:

4. Makes or gives any false entry, false return, false certificate, or false receipt, where such entries, returns, certificates, or receipts are authorized by law.
5. Falsifies any public record, or issues any document falsely purporting to be a public document.
6. 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 Access

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 records are in the possession of the custodian of the records. 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 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. A governmental body is not required to permit access to or use of data processing software developed by the governmental body (22.2).

Such examination and copying shall be done under the supervision of the lawful custodian of the records or the custodian's authorized designee. The lawful custodian may adopt and enforce reasonable rules regarding the work and the protection of the records against damage or disorganization. The lawful custodian shall provide a suitable place for the work, but if it is impracticable to do the work in the office of the lawful custodian, the person desiring to examine or copy shall pay all necessary expense of providing a place for the work. All expenses of such work 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 records during the work. 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 copying service as determined by the lawful custodian shall not exceed the cost of providing the service (22.3).

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 thirty hours per week, such right may be exercised at any time from nine o'clock a.m. to noon and from one o'clock p.m. to four o'clock 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).

It shall be unlawful for any person to deny or refuse any citizen of Iowa any right under chapter 22. Any person knowingly violating or attempting to violate any provision of chapter 22 where no other penalty is provided shall be guilty of a simple misdemeanor (22.6).

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 or 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. The electronic public record shall be available in a format useable with commonly available data processing or database management software (22.3A(2)).

A governmental 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 governmental body (22.3A(3)).

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 governmental 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).

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.
- 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 purchase of real or personal property for public purposes, prior to public announcement of a project.
- Personal information in confidential personnel records.
- 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.
- 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, or procedure 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:
- 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.
- 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.
- 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 governmental body.
- Mediation documents as defined in Iowa Code section 679C.1, except written mediation agreements that resulted from a mediation which are signed on behalf of a governing body.
- Records containing information that would disclose, or might lead to the disclosure of, private keys used in a digital signature or other similar technologies or records which if disclosed might jeopardize the security of an electronic transaction pursuant to chapter 554C (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) requires school districts to keep educational records confidential or lose all federal education funding.

However, Omnibus Reconciliation Act of 1989, P. L. 101-239, 42 U.S.C. 675(1) authorizes release of limited information regarding foster children's education and health records to the Department of Human Services. This information includes:

- Name and address of child's school,
- Identification of the instructor,
- The child's grade level,
- The child's performance level:
    - a. for regular education students, a copy of the most recent report card, or
    - b. for special education students, the label and weighting of the student, the report card and most recent I.E.P, and
- The student's immunization record.

The information should be released only when officially requested. Parental consent is not necessary as DHS has custody of the children for whom information will be sought.

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).

Financial and Pupil Accounting Records

Financial forms and procedures shall be prescribed by the department of education as necessary to be used by area education agency boards, school 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 area education agency board, school 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 http://www.state.ia.us/educate/publications/manuals.html.

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)).

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).

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)).

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

Iowa law makes no particular reference to the retention of school district records except that the school board is authorized to make rules and regulations for the care of school property (279.8). The Statute of Limitations (Chapter 614) and the *Iowa Municipal Record Manual*, 1982, are the basis for the following suggested procedures. It is suggested that school districts explore the economics of electronic storage of all permanent district records.

Board Records

- The official minutes of the school board, including resolutions, should be retained permanently.
- Board meeting agendas should be retained 2 years.
- Detailed minutes and audio tapes of closed sessions should be retained at least 1 year beyond the date of the meeting (21.5(4)).
- A copy of the board policies should be retained until superseded.
- Oaths of Office should be retained permanently with the minutes.
- Fidelity bonds of officials should be retained 5 years after expiration.
- Bids accepted should be retained for 5 years.
- Bids rejected should be retained for 1 year beyond audit.
- Citizen petitions should be retained 3 years after close of issue.
- Ballots should be retained 6 months after the election if not contested.
- Articles of Incorporation should be retained permanently.
- Records of patents, copyrights, trademarks, etc. should be retained permanently.

Correspondence

- Financial correspondence should be retained 5 years.
- Personnel correspondence should be retained 7 years after termination.
- Credit and collection correspondence should be retained 7 years.

- General correspondence should be retained 3 years or as long as administratively useful or of historical value.

Financial Reports and Records

- The secretary's and treasurer's financial accounting records should be retained permanently (general ledger, annual financial report, CAR).
- Disbursement journals/register, receipt journals/register, check register, general journals, and bank statements should be retained 10 years.
- Canceled warrants, check stubs, bills, invoices, receipts, purchase orders, requisitions, petty cash vouchers, cost accounting computations, investment records, and bank reconciliations should be retained 5 years.
- Records and reports regarding uncollectible accounts should be retained 10 years.
- Interim financial reports should be retained 5 years.
- Claims for sales tax or fuel tax refunds should be 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.
- Audits should be retained permanently.

Budget

- Budget estimate worksheets should be retained 5 years.
- Final budget and certification summary should be retained permanently.
- Budget amendments should be retained permanently.
- Certified enrollment official summaries should be retained permanently.

Fixed Asset Records

- Documents relating to fixed asset should be retained 5 years beyond disposal of fixed asset.
- Fixed asset repair records should be retained 3 years.
- Inventories should be retained 5 years.
- Documents relating to real property transactions should be retained permanently. (Includes such things as deeds, title opinions, abstracts, appraisals, certificate of title, title insurance, condemnation proceedings, easement and right of way agreements, plats and alterations of plats, blueprints and other structural plans or specifications, and annexation files.)

Legal Documents

- Written contracts should be retained for 10 years beyond the end of the contract.
- Purchase or service agreements for equipment or supplies should be retained 5 years after expiration.
- Record of payment of judgments against the district should be retained for 20 years.
- Accidents on school property, settled out of court, should be retained 10 years after settlement.
- Accidents on school property, court decisions, should be retained permanently.
- Fire damage reports should be retained 5 years.
- Insurance policies should be retained 3 years after expiration.
- Special events permits and licenses should be retained 3 years.

Bond Issues

- Bond certificates should be retained 11 years after final recall (or possibly permanently).
- Redeemed coupons should be stamped "paid" and retained for 11 years.
- Bond register should be 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 eleven years (76.10(7)(a)).

Student Records

- The individual permanent record of each pupil should be permanently retained either in its original form or electronic media 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.

Federal Programs

- Child nutrition records pertaining to participation, financial information, and free and reduced-price meal applications must be retained for 3 years in addition to the current fiscal year. This is the federal fiscal year, so it really is 4 years. Records of an unresolved audit must be retained until that audit is resolved.
- JTPA contracts and claims should be retained 5 years.
- Asbestos medical records or records of licensure should be retained for a minimum of 30 years.
- Generally records related to federal aid should be retained 5 years if audited. If there is a non-compliance problem/questioned cost, the records should be retained 3 years after settlement.

Affidavits of Publication

- Regarding budget should be retained until audited or 5 years.
- Regarding bond issue should be retained 5 years after final recall.
- Regarding other issues should be retained 5 years.

Union/Association Records

- Negotiation records should be retained as long as administratively useful.
- Master contracts should be retained permanently.
- Case files should be retained 10 years.

Employee Accidents

- Employer reports should be retained 5 years.
- OSHA reports should be retained 5 years.
- Worker compensation reports should be retained 5 years after final payment, however if the case may result in future claims, the reports should be retained 60 years.

Payroll

- Payroll journals should be retained 60 years.
- Supporting payroll documentation should be retained 5 years.
- W-2s, W-3s, W-4s, 941s, deposits, 1099s, 1096s should be retained 5 years.
- Iowa withholding reports, job service reports should be retained 5 years.

Personnel Records

- Job descriptions should be retained permanently.
- Applications and resumes of those hired should be retained 60 years.
- Applications and resumes of those not hired should be retained 3 years.
- Results of tests/placements of those hired should be retained 60 years.
- Employment contracts should be retained for 10 years after termination.
- Evaluations, continuing education records, employee medical exams should be retained 60 years.
- Resignations and reasons for termination should be retained 60 years.
- IPERS claims should be retained 60 years.
- Unemployment claims should be retained 5 years.
- Garnishment records should be retained 3 years beyond closure.
- Enrollments for direct deposit, insurance, etc., should be retained as long as current.
- Health insurance payments and claims should be retained 3 years.
- EEO-4 reports should be retained 4 years.
- EEO Plans should be retained as long as current.

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. However, 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 (279.36).

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 wholly in the English language (618.1). A publication required by law shall be printed in type no smaller than six 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 (618.18).

The school board may publish, as straight matter or display, any matter of general public importance by publication in one or more newspapers published in and having general circulation in the school district at the legal or appropriate commercial rate, according to the character of the matter published (618.14).

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 two 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).

Recommended or Required Notices
This may not be a complete listing.

PUBLICATION	REQUIREMENTS	TIMES RUN
Meeting Proceedings (279.35)	One newspaper, in district, Within 2 weeks of meeting adjournment	One
Bills Allowed (279.35)	With publication above or one newspaper, in district, on a monthly basis	One
Salaries (279.35)	One newspaper, in district, annually	One
Official Meetings (21.4)	Posting, at least 24 hours prior to meeting	One
Intent to sign a whole grade sharing agreement (282.11)	Posting, 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)	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 previously authorized; time and date of public hearing (24.9)	One newspaper, in district, not less than 10 nor more than 20 days before the hearing	One
Bids for School Construction, Erection, Demolition, Alteration, or Repair estimated to cost more than $25,000 (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 twenty days prior to the date of the hearing	One
Sale of school property, other than real property, having a value of not more than $5000 (297.22)	One newspaper, in district, two consecutive weeks	Two
Bids for Rental or Lease-Purchase Option Contracts up to 20 years	One newspaper, in county, two consecutive weeks	Two

(278.1)		
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, consecutive weeks, not less than 10 days prior to sale	Twice
Interagency information sharing agreement (280.85)	Student handbook	As published
Notice of school audit report being filed (11.14)	Written notice that report has been filed sent to each newspaper, radio and television station in the district	One
Student responsibility and discipline policies including but not limited to: (1) attendance; (2) use of tobacco; (3) use or possession of alcoholic beverages or controlled substances; (4) harassment of or by students and staff; (5) violent, destructive, and seriously disruptive behavior; (6) suspension, expulsion, emergency removal, weapons, and physical restraint; (7) out-of-school behavior; (8) participation in extracurricular activities; (9) academic progress; (10)Citizenship (IAC 281--12.3(6)).	Student and Employee handbooks	As published
Written publication code regarding student exercise of free expression (280.22(4)).	Student handbook	As published
Name and phone number of designated level-one investigator for charging abuse of student by school employee (IAC 281--102.5(3)).	Student handbook and newspaper, in district	One
Information on human growth and development curriculum; 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; D.E. Declaratory Ruling 11).	Annual notice to parents and guardians of enrolled students	One
Information 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 is denied access to a free, appropriate public education (notice of right to appeal and manner of appeal; name, address and telephone number of Legal Services office in area) (IAC 281--33.9(3)).	Hand delivery or U.S. mail if address available	One
Availability of postsecondary enrollment options for high school students (IAC 281--22.3).	Verbal notice sufficient; written notice in student handbook preferred	One
Nondiscrimination policy, grievance policy and procedures, educational equity coordinator's name, address,	All major annual or general publications	As published

and phone number, and grievance procedures for person who feels discriminated against (Title VI; Title IX; Section 504 of Rehabilitation Act; IC 601A).		
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; (5) obtain a copy of the records policy; (6) withdraw students' directory information from general release; Location of copies of records policy (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 300.504).	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 300.506).	Hand delivery or U.S. mail if parent requests information or initiates hearing	One
Requirements for inclusion on honor roll, grading procedures, credits required and graduation requirements (34 CFR 300.123).	Board policy recommended; not required	One
Location of asbestos management plan	Notice to parents; any method; beginning of school year, annually	One
Public release regarding Free and Reduced meals	Provide to any news media; before September 30 which is the beginning of the federal fiscal year, annually	One
Public release regarding Summer Food program	Provide to any news media; before program begins, annually	One

Financial and Budget Analysis

Cost-effective analysis is the process used to determine the least cost approach to meeting objectives (outcomes) measured in educational terms.

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.

Variations 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 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 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 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).

Cashflow Forecast

Cashflow forecasting is a times-series analysis. The purposes of cashflow 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. This provides management with time to find additional resources or modify plans. Cash 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 historical cashflow patterns and analyzing the budgeted revenues and expenditures.

CHAPTER 15

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 freedom of action. It only matters that the employer has the legal right to control the method and result 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).

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 all the services of that employee for that entity in that pay period shall be deemed to be employment (IRS Regulation section 31.3306(d)-1). 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.

Uncertificated Teachers

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).

Probationary Teachers

The first three consecutive years of employment of a teacher in the same school district are a probationary period. However, if a 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).

Health Professionals

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).

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)).

Trainees

Employers participating in on-the-job training programs can receive payments covering training costs during the training period. The payment is based on a percentage of the participant's wages. JTPA 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 (Job Training Partnership Act of 1982, 20 C.F.R. 626-638).

Immigration and Nationality Act

Employers are required to verify employment eligibility of new employees and prohibits hiring illegal entrants or hiring aliens who legally entered the United States such as tourists but are not authorized to work while they are in the United States.

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 pubic 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 six hundred dollars 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 outside employment or activity which is in conflict with the person's official duties and responsibilities. In determining whether particular outside employment or activity creates an unacceptable conflict of interest, situations in which an unacceptable conflict shall be deemed to exist shall include, but not be limited to, any of the following:

a. The outside employment or activity involves 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 car, 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.
b. The outside employment or activity 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. The outside employment or activity 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 "a" or "b" above, the person shall immediately cease the employment or activity. If the outside employment or activity is employment or activity described in "c" above, 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 from the outside employment or activity. For this purpose, official action or 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 of 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)).

Equal Opportunity and Affirmative Action

It is the policy of this state to provide equal opportunity in school district, area education agency, and community college employment to all persons. An individual shall not be denied equal access to school district, area education agency, 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, area education agency, 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, area education agency, 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, area education agency, 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, agency, 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, national origin, religion, or disability in any program or activity. Such discriminatory practices shall include but not be limited to the following practices:

1. 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;
2. Denial of comparable opportunity in intramural and interscholastic athletic programs;
3. Discrimination among person in employment and the conditions of employment;
4. 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 (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).

Fair Labor Standards Act (FLSA)

The Fair Labor Standards Act establishes minimum wages, overtime pay, equal pay, recordkeeping and child labor standards for employees.

Every employer shall maintain and preserve payroll or other records containing the following information and data with respect to each employee to whom minimum wage and/or overtime provisions apply:

1. Full legal name,
2. Home address including zip code,
3. Date of birth if under 19,
4. Gender and occupation in which employed,
5. Time of day and day of week on which the employee's workweek begins. If the employee is part of a workforce all of whose workers have a workweek beginning at the same time on the say day, a single notation for the whole workforce is sufficient.
6. Regular hourly rate of pay for any workweek in which overtime compensation is due,
7. Hours worked each workday and total hours worked each workweek,
8. Total daily or weekly straight-time earnings exclusive of overtime compensation,
9. Total premium pay for overtime hours,
10. Total additions to or deductions from wages indicating individual nature, amount, date,

11. Total wages paid each pay period, and
12. Date of payment and pay period covered by the payment.

With respect to each exempt employee in a bona fide executive, administrative, or professional capacity (including employees employed in the capacity of academic administrative personnel or teachers in elementary or secondary schools), employers shall maintain and preserve records containing all the information above except 6 through 10, and, in addition, the basis on which wages are paid in sufficient detail to permit calculation for each pay period of the employee's total remuneration for employment including fringe benefits and prerequisites.

The equal pay provisions of FLSA prohibit gender-based wage differentials between men and women employed in the same establishment who perform jobs that require equal skill, effort, and responsibility under similar working conditions. These provisions are enforced by the U.S. Government, Equal Employment Opportunity Commission who also enforces other statutes prohibiting discrimination in employment.

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, honorably discharged veterans who are citizens and resident of this state are entitled to preference in appointment and employment over other applicants of no greater qualifications (35C.1).

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)).

Polygraph Examination Prohibited

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)).

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 and 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. 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).

Any 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 (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 (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 ninety days. The school board may grant more time than the days herein specified (279.40).

Family and Medical Leave Act

Qualified employees may take up to twelve weeks of unpaid job-protected leave each year, with maintenance of group health insurance, for a serious personal health condition or in order to care for a family member with a serious health condition or for the birth and care for a child, or for the placement of a child for adoption or foster care (29 UCS 2601).

Opportunity to Vote

Any person entitled to vote at an election 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). Any employer who shall refuse to an employee this privilege or shall subject such employee to a penalty or reduction of wages because of the exercise of such privilege, or shall in any manner attempt to influence or control such employee as to how the employee shall vote, by offering any reward, or threatening discharge from employment, or otherwise intimidating or attempting to intimidate such employee from exercising the employee's right to vote, shall be guilty of a simple misdemeanor (49.110).

Deductions and Withholding from Wages

Garnishment

Federal wage garnishment law, limits the amount of an employee's disposable earnings which may be withheld in any one week by an employer to satisfy creditors. The law also prohibits an employer from discharging an employee whose earnings have been subjected to garnishment for any one indebtedness (Consumer Credit Protection Act, Title III, 29 C.F.R. 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 obligation, or marital property orders (294.10B).

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)).

Employee Benefits

Annuities

At the request of an employee through contractual agreement a school district may purchase group or individual annuity contracts for employees, which annuity contracts are issued by a nonprofit corporation issuing retirement annuities exclusively for educational institutions and their employees or are purchased from any company the employee chooses that is authorized to do business in this state or through an Iowa-licensed salesperson that the employee selects, on a group or individual basis, for retirement or other purposes, and may make payroll deductions in accordance with the arrangements for the purpose of paying the entire premium due and to become due under the contract. The deductions shall be made in the manner which will qualify the annuity premiums for the benefits under section 403(b) of the Internal Revenue Code, as defined in section 422.3. The employee's rights under the annuity contract are nonforfeitable except for the failure to pay premiums (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 even if the annuity is funded solely with school district money (OAG #90-1-5).

A school district may not limit the number of authorized annuity and mutual fund providers with which its employees may contract (OAG #89-6-1(L)).

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)).

Governing bodies may not limit the number of authorized insurance companies from which its employees may select annuity contracts. The governing body may not encourage or discourage employee participation in annuity programs, but must make such programs available upon employee request. Lists of employees—but not list of employees participating in annuity program—must be made available to the public (OAG #91-6-7(L)).

Medical Insurance Programs

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

The Iowa worker compensation law in chapter 85 requires most employers to provide benefits to eligible employees who have injuries arising out of and in the course of employment.

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).

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:

a. One year from the date of the disability.
b. 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 (280.21A(1)).

Violence and Altercations

An employee of an accredited public school district or AEA shall not inflict, or cause to be inflicted, corporal punishment upon 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 for the protection of the employee, the student, 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)).

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).

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, 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 the participating in any administrative or judicial proceeding resulting from or relating to the report or investigation (280.27).

When a person commits an act that would otherwise be considered assault, where the person doing the act is employed by a school district or is an AEA 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, the act shall not be an assault, 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).

Performance Evaluations

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 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)).

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 (88.1).

Dress Codes

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 thought 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 student and staff in the school environment or for the appropriate discipline and operation of the school (279.58).

Collective Bargaining

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. 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 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 carryout 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 section (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 thirty 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 (20.10(1)).

It shall be a prohibited practice for a public employer or the employer's designated representative willfully 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 give 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 or exclusive recognition 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 any employee organization or for any person, union, or organization or their agents willfully 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 public employee organizations.
g. Picket in a manner which interferes with ingress or 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 other 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 in written, printed, graphic, or visual form, shall not constitute or be evidence of any unfair labor practice under any of the provisions of chapter 20, if such expression contains no treat 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:

1. 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.
2. An employee shall not have access to employment references written for the employee.

3. An employer may charge a reasonable fee for each 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

Iowa Code chapter 68B, Division II, and OAG #92-9-3, gives guidance for public officials and employees on prohibited acceptance of gifts.

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 division II of chapter 68B be construed to discourage all gratuities, but to prohibit only those that create unacceptable conflicts of interest or appearances of impropriety (68B.21).

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 (68B.22).

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)).

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 (68.23).

An official shall not, directly or indirectly, seek or accept a loan or series of loans from a person who is a lobbyist (68B.24(1)).

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 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 (OAG #93-7-7(L)).

An AEA probably could not pay the costs for food and beverages of school district employees and school board members attending an AEA business meeting or the costs for lodging, food, and beverages of such persons attending an AEA sponsored educational conference, seminar, or workshop to the extent these costs exceed three dollars per person per day. An AEA could not waive the registration fees of school district employees or school board members attending an AEA sponsored educational conference, seminar, or workshop, absent an exception to the prohibition against gifts from restricted donors. The agenda of the conference, seminar, or workshop and the existence of contractual relations between the AEA and a school district are factors that may affect these conclusions (OAG #96-4-4).

Employee Exchange Programs

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 (28D.3(1)).

If funds are appropriated by the general assembly, an Iowa teacher exchange program is established to permit school districts to exchange licenses 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 (279.55).

Educational Excellence Funding

The purpose of chapter 294A is to promote excellence in education. In order to maintain and advance the educational excellence in the state of Iowa, chapter 294A establishes the Iowa educational excellence program. The program shall consist of three major phases addressing the following:

1. Phase I—The recruitment of quality teachers.
2. Phase II—The retention of quality teachers.
3. Phase III—The enhancement of the quality and effectiveness of teachers through the utilization of performance pay (294A.1).

An educational excellence fund is established in the office of treasurer of state to be administered by the department of education. Moneys appropriated by the general assembly for deposit in the fund shall be paid to school districts and area education agencies pursuant to the requirements of chapter 294A and shall be expended only to pay for increases in the regular compensation of teachers and other salary increases for teachers, to pay the costs of the employer's share of federal social security and Iowa public employees' retirement system, or a pension and annuity retirement system established under chapter 294, payments on the salary increases, and to pay costs associated with providing specialized or general training. Moneys received by school districts and AEAs shall not be used for pay earned by a teacher for performance of additional noninstructional duties. If moneys are appropriated by the general assembly to the fund for distribution under this chapter the moneys shall be allocated by the department so that allocations of moneys for phase I and II are made prior to the allocation of moneys for phase III (294A.3).

The goal of phase I is to provide for establishment of pay plans incorporating sufficient annual compensation to attract quality teachers to Iowa's public school system (294A.4). As the salary bases increase, the Phase I dollars received by the district do not become excess to be distributed in addition to the increase in the salary schedule but are assumed to be included in the general increase in salaries (D.o.E. App. Dec. #42).

The goal of phase II is to keep Iowa's best educators in the profession and assist in their development by providing general salary increases (294A.8).

The goal of phase III is to enhance the quality, effectiveness, and performance of Iowa's teachers by promoting teacher excellence. This will be accomplished through the development of performance-based pay plans and supplemental pay plans requiring additional instructional work assignments which may include specialized training or differential training, or both. It is the intent of the general assembly that school districts and AEAs incorporate into their planning of performance-based pay plans and supplemental pay plans, implementation of recommendations from recently issued national and state reports relating to the requirements of the educational system for meeting future educational needs, especially as they relate to the preparation, working conditions, and responsibilities of teachers, including but not limited to assistance to new teachers, development of teachers as instructional leaders in their schools and school districts, using teachers for evaluation and diagnosis of other teachers' techniques, and the implementation of sabbatical leaves. It is also the intent of the general assembly that a performance-based pay plan and supplemental pay plan submitted by a district include a parent involvement policy designed to increase student achievement and self-esteem by bringing home and school into closer relationship and that provides methods by which parents and teachers may cooperate intelligently in the education of children. It is further the intent of the general assembly that real and fundamental change in the educational system must emerge from the school site if the education system is to remain relevant and that plans funded in this program must be an integral part of a comprehensive school district effort toward meeting identified district goals or needs (294A.12).

A school district ordinarily will include Phase I salary payments in a teacher's regular paycheck but under the terms of Iowa Code section 91A.3, by agreement between the school district and the teachers as a group or as individuals the schedule for distribution may be different (OAG #88-1-8(L)).

Student Achievement and Teacher Quality Program

A student achievement and teacher quality program is established to promote high student achievement. The program shall consist of the following four major elements:

1. Mentoring and induction programs that provide support for beginning teachers in accordance with section 284.5.
2. Career paths with compensation levels that strengthen Iowa's ability to recruit and retain teachers.
3. Professional development designed to directly support best teaching practices.
4. Team-based variable pay that provides additional compensation when student performance improves (284.1).

Staff Development

Each school district shall incorporate into its comprehensive school improvement plan provisions for the professional development of all staff. To meet the professional needs of all staff, staff 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 emphasize the research-based practices to achieve increased student achievement, learning, and performance as stated in the comprehensive school improvement plan. The board shall annually budget specified funds to implement the staff development plan (IAC 281--12.7).

Required or recommended staff development includes, but is not limited to:
1. Investigator of alleged student abuse by employees training (IAC 281--102.5(4)).
2. Affirmative Action (IAC 281--95.4(5)).
3. Bus Driver's Training (321.376(2)).
4. Child Abuse (232.69(3)).
5. Educational Aides (IAC 281--12.4(8)).
6. Gifted and Talented (IAC 281--59.5(8)).
7. Human Growth and Development (279.50(2)).
8. Career Pathways Grant for Implementation of High-standard Curriculum (256.39).

Committees and Advisory Councils

All appointive boards, commissions, committees and councils of the state established by the Iowa Code if not otherwise provided by law shall be gender balanced (69.16A).

Required or recommended committees and advisory councils include, but are not limited to:
1. Family Support Program Advisory Committee (256A.5).
2. School Improvement Advisory Committee (280.12(2), IAC 281--12.2).
3. Advisory Council for Vocational Education (258.9).
4. Educational Excellence Phase III Committee (294A.15).
5. Family Resource Center Advisory Committee (256C.2).
6. Persons with Disabilities Parking Review Committee (321L.5).

APPENDIX A

IOWA SCHOOL FINANCE TERMINOLOGY

Definitions are taken from the Iowa Code and various publications of the Iowa Department of Education and the U.S. Department of Education. All official and legal citations and references should be taken from the Iowa Code only.

A-133 COMPLIANCE AUDIT. An audit of an agency receiving federal funding. This agency is called a subrecipient. The audit must be conducted by an independent auditor and be done in compliance with the Single Audit Act Amendments of 1996 and OMB Circular A-133. At a minimum, the audit must include an examination of the systems of internal control, systems established to ensure compliance with laws and regulations affecting the expenditure of federal funds, financial transactions and accounts, and financial statements and reports. An A-133 Compliance Audit is required as part of the annual audit of all Iowa school districts and Area Education Agencies that expend at least $300,000 from federal awards.

ABATEMENT. A reduction in amount, usually referring to taxation.

ACCOUNT. A descriptive heading under which are recorded financial transactions that are similar in terms of a given frame of reference, such as function, object, or source.

ACCOUNTING. The procedure of maintaining systematic records of events relating to persons, objects, or money and summarizing, analyzing, and interpreting the results of such records.

ACCOUNTING RECORDS. The records kept of actual revenue and expenditures/expenses. These documents may be able to provide more detailed information on specific items than is published in the district's financial reports.

ACCRUAL BASIS. The basis of accounting under which most financial transactions are recorded when they occur regardless of when the cash is actually received or disbursed. Beginning July 1, 1996 all Iowa school districts and area education agencies are required to use this basis of accounting for all official financial reports pertaining to fiscal year 1997 and beyond.

ACTIVITY BASED BUDGETING. A technique 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 outputs, and determines the best index to measure the activity rather than using a single cost accounting measure.

ACTIVITY FUND. See STUDENT ACTIVITY FUND.

AID AND LEVY WORKSHEET. A form prepared by the Department of Management to assist districts in determining their funding under the Iowa School Foundation Formula.

ADA. See AVERAGE DAILY ATTENDANCE.

ADM. See AVERAGE DAILY MEMBERSHIP.

ADOPTED BUDGET. The budget voted on and adopted by the local school board after publication and public hearing.

ADVANCE REFUNDING. See REFUNDING BONDS.

AEA. See AREA EDUCATION AGENCY.

AEA FLOW THROUGH. An amount determined by the Iowa School Foundation Formula which must be budgeted by the local school districts. This amount is withheld from the local district's state aid and is paid directly to the Area Education Agency.

AFFIDAVIT. 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 oaths 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.

AGENCY FUNDS. Funds used to account for assets received and held as an agency for individuals, private organizations such as school foundations, and other governments. The school acts merely as a custodian of the assets and is not an owner.

ALLOWABLE GROWTH. The amount by which state cost per pupil and district cost per pupil will increase from one budget year to the next. Each year the amount is increased by a dollar amount which is the product of the allowable growth rate set by the legislature times the state cost per pupil from the prior budget year.

ANCILLARY SERVICES. Services to support the main educational program. Ancillary services include transportation services and food services.

ANTICIPATORY WARRANTS. Warrants issued in anticipation of collection of taxes, usually retireable only from tax collections, and frequently only from the tax collections anticipated with their issuance. The proceeds of tax anticipation notes or warrants are treated as current loans.

APPEALS BOARD. A board established by Iowa Code chapter 24 which includes the Director of the Department of Management, the Auditor of State, and the Treasurer of State. This board holds hearings on protests of municipal budgets such as schools and considers requests by municipalities such as schools to transfer money between funds.

APPORTIONMENT. The division or distribution of funds on the basis of a plan.

APPRAISAL. The act of making an estimate of value, particularly of the value of property, by systematic procedures that include physical examination, pricing, and often engineering estimates. Also, the value established by estimating.

APPROPRIATION. An authorization granted by the legislative body to make expenditures and to incur obligations for specific purposes.

ARBITRAGE. Transactions where securities are bought and sold in different markets at the same time for the purpose of profits arising from different prices in the two markets. Internal Revenue Service regulations govern arbitrage.

AREA EDUCATION AGENCY (AEA). Established by the Sixty-fifth General Assembly to replace county and joint county school systems effective July 1, 1975. The AEA receives funding through the local school district budget process to provide instructional services, media services and special education services to local school districts. An AEA is a school corporation.

ASBESTOS LEVY. A voted levy to provide an amount to fund an asbestos project. The proceeds must be accounted for in the General Fund. The levy may include a property tax and an income surtax.

ASSESSMENT. A compulsory levy made by a local government against certain properties to defray part or all of the cost of a special improvement or service which is presumed to be of general benefit to the public and of special benefit to the owners of such property.

ASSESSED VALUATION. The value of property determined on an annual basis by the county assessor for purposes of taxation.

ASSETS. An amount owned of items of value including all properties and claims against others which may be applied to cover liabilities.

AUDIT. The examination of records and documents and internal accounting systems and procedures for one or more of the following purposes: (a) determining the propriety of proposed or completed transactions, (b) ascertaining whether all transactions have been recorded, (c) determining whether transactions are accurately recorded in the accounts and in the statements drawn therefrom in accordance with Generally Accepted Accounting Principles (GAAP).

AUTHORIZED BUDGET. The maximum amount a district may expend from the General Fund for the budget year. The amount is the sum of the combined district cost plus the unspent balance from the prior budget year plus the actual miscellaneous income received during the budget year plus the instructional support program, educational improvement program, and the asbestos program. The authorized budget is also called the maximum spending authority.

AVERAGE DAILY ATTENDANCE (ADA). The aggregate days attendance of a given school during a reporting period divided by the number of days school is in session during this period. Only days on which the pupils are under the guidance and direction of teachers should be considered as days in session.

AVERAGE DAILY MEMBERSHIP (ADM). The aggregate days membership of a school during a reporting period divided by the number of days school is in session during this period. Only days on which the pupils are under the guidance and direction of teachers should be considered as days in session.

BASE YEAR. The fiscal year prior to the budget year. This is the school year ending during the calendar year in which a budget is certified.

BALANCE SHEET. A formal statement showing the financial position of a fund or government as of a given date showing assets, liabilities, and fund balance or equity.

BASIC EDUCATION DATA SURVEY (BEDS). An annual data collection of staffing, student, curriculum, and accreditation information.

BASIS OF ACCOUNTING. The generally accepted accounting principle (GAAP) regarding the TIMING of recognition of revenues and expenditures/expenses.

BEGINNING BALANCE. The amount of money a district has on hand at the start of a fiscal year, consisting of dollars remaining at the end of the previous fiscal year. Balances are reported for each fund separately.

BID. The process which includes legal advertising and direct contact with appropriate vendors for goods or services based on specifications.

BOARD OF EDUCATION. The elected body which has been created according to state law and vested with the responsibilities for educational activities in a given geographical area.

BOARD SECRETARY. An executive position established by law and appointed annually by the board of education.

BOARD TREASURER. An executive position established by law and appointed annually by the board of education. The board secretary may also serve as the board treasurer.

BOND. A written promise, generally under seal, to pay a specified sum of money, called the face value, at a fixed time in the future, called the date of maturity, and carrying interest at a fixed rate, and payable as specified. The difference between a note and a bond is that the latter usually runs for a longer period of time and requires greater legal formality. See also REFUNDING BONDS, SURETY BONDS.

BONDED INDEBTEDNESS. The portion of the school system debt which is covered by outstanding bonds of the system.

BOOK VALUE. Value as shown by the books of account.

BUDGET. A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them.

BUDGET ADJUSTMENT. An adjustment to the regular program district cost of a school district for school districts in which the regular program district cost for a year would be less than the regular program district cost for the previous year.

BUDGET ENROLLMENT. The budget enrollment is the September certified enrollment count of the base year. The base year enrollment is used for the budget because the enrollment for the budget year has not yet been taken (September) at the time that the budget is certified (April).

BUDGET GUARANTEE. A minimum percentage set by the legislature of how much a district's regular program district cost will be compared to the prior budget year. In recent years, the legislature has set 100% or 101%.

BUDGET YEAR. The school year beginning during the calendar year in which a budget is certified. Budgets are certified in April of a calendar year with the school year beginning the following July 1.

BUDGETARY ACCOUNTS. Those accounts necessary to reflect budget operations and conditions, such as estimated revenues, appropriations, and encumbrances.

BUDGETARY CONTROL. The control or management of the business affairs of the school system in accordance with an approved budget with a view toward keeping expenditures within the authorized amounts.

CAPITAL PROJECT FUNDS. Funds used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

CASH BASIS. The basis of accounting under which revenues are recorded when the cash is received and expenditures/expenses are recorded when the cash is disbursed. For accounting and budgeting purposes, the State uses the term "non-GAAP basis" rather than "cash basis."

CASH RESERVE LEVY. A levy which a local school board may implement in order to provide cash to fund its maximum authorized budget and/or to provide cash flow. This levy does not increase the budget authority. This levy may be reduced by the School Budget Review Committee (SBRC).

CATEGORICAL AID. Educational support funds provided from a higher governmental level and specifically limited to a given purpose.

CERTIFIED ANNUAL REPORT (CAR). A report of financial and pupil data required by Iowa Code to be filed with the Department of Education by each school district and area education agency annually.

CERTIFIED BUDGET. A report showing the amount of taxes to be levied for each fund and/or program and the aggregate revenues and expenditures. This report is certified by the local board after holding a public hearing.

CERTIFIED ENROLLMENT. An annual report of counts of all resident students enrolled on the third Friday in September used for the Iowa School Finance Formula calculation, including supplemental weighting for shared programs, English as a Second Language, nonpublic shared time, open enrollment, home school assistance, and dual enrollment.

CERTIFYING BOARD. Any public body which has the power or duty to certify any tax to be levied or sum of money to be collected by taxation.

CHART OF ACCOUNTS. A list of all accounts generally used in an individual accounting system. In addition to account title, the chart includes an account number which has been assigned to each account. Accounts in the chart are arranged with accounts of a similar nature; for example, assets and liabilities.

CLEARING ACCOUNTS. Accounts used to accumulate total revenues or expenditures either for later distribution among the accounts to which such revenues or expenditures are properly allocable, or for recording the net differences under the proper account. Also called revolving accounts. Iowa school districts MAY NOT use clearing accounts.

CODING. A system of numbering, or otherwise designating, accounts, entries, invoices, vouchers, etc., in such a manner that the symbol used reveals quickly certain required information.

COMBINED DISTRICT COST PER PUPIL. An amount which is the sum of the regular program district cost per pupil for a year and the special education support services district cost per pupil for that year.

COMBINED STATE COST PER PUPIL. An amount which is the sum of the regular program state cost per pupil for a year and the special education support services state cost per pupil for that year.

CONSTANT DOLLARS. Dollar amounts that have been adjusted by means of price indexes to eliminate inflationary factors and allow direct comparisons across years. Also called real dollars.

CONSULTANT. A resource person who provides assistance to the regular personnel through conference, demonstration, research, or other means. A consultant may perform services under contract (purchased services) or may be an employee on the payroll of a state or area education agency.

COST ACCOUNTING. That method of accounting which provides for the assembling and recording of all the elements of cost incurred to accomplish a purpose, to carry on an activity or operation, or to complete a unit of work or a specific job.

COST BENEFIT. Analyses which provide the means for comparing the resources to be allocated to a specific program with the results likely to be obtained from it; or, analyses which provide the means for comparing the results likely to be obtained from the allocation of certain resources toward the achievement of alternate or competing objectives.

COST EFFECTIVENESS. Analyses designed to measure the extent to which resources allocated to a specific objective under each of several alternatives actually contribute to accomplishing that objective so that different ways of gaining the objective may be compared.

CURRENT DOLLARS. Dollar amounts that have not been adjusted for inflation.

CURRENT EXPENDITURES PER PUPIL. An average amount expended per student served by a district. The calculation considers all public education, K-12, expenditures without debt service, capital outlay, community service, fiduciary or proprietary expenditures/expenses.

CURRICULUM BASED BUDGETING. See PROGRAM BUDGETING.

DEBT SERVICE FUND. A fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Revenues from the Debt Service Levy certified by the board may be used to retire only bonded indebtedness authorized by the voters.

DEFEASANCE. The act of extinguishing debt based on provisions in the debt instrument even though the debt has not actually been paid. This term is used with refunding bonds.

DEFICIT. The excess of the obligations of a fund over the fund's resources.

DILLON RULE. Iowa school corporations operate under Dillon Rule which states that they possess and can exercise the following powers and no others: (1) Those granted in express words, (2) Those necessarily implied or necessarily incident to the powers expressly granted, and (3) Those absolutely essential to the declared objects and purposes of the school corporation--not simply convenient or desired, but indispensable. Interpretation of school laws may be done by the Iowa Attorney General's Office and the Iowa Department of Education. These Opinions or Rules, once given, have the effect of law on schools.

DISTRICT COST PER PUPIL. Local district costs per pupil were initially established in 1971-72 and recalculated in 1991-92. The figure is used to establish the combined district cost. Each year the amount is increased by a dollar amount which is the product of the allowable growth times the state cost per pupil. The district cost per pupil is also the Maximum Tuition Rate.

DOUBLE ENTRY. A system of accounting which requires that for every entry made to the debit side of an account or accounts an entry for the corresponding amount or amounts to the credit side of another account or accounts must be made.

EDUCATIONAL IMPROVEMENT PROGRAM LEVY. A voted levy to provide additional funding for a school district in which the regular program district cost per pupil for a budget year is 110% of the regular program state cost per pupil for the budget year or the district had adopted an enrichment levy of 15% prior to July 1, 1992, and which have approved the use of the instructional support program. The Educational Improvement Program may include a property tax and income surtax. The Educational Improvement Program must be accounted for in the General Fund.

ELIGIBLE ELECTOR. A person who possessed all of the qualifications necessary to entitle the person to be registered to vote, whether or not the person is in fact so registered.

ENCUMBRANCES. Purchase orders, contracts, and salaries or other commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when an actual liability is established.

ENDING BALANCE. The dollars remaining available to the district after all expenditures are made during a fiscal year. Balances are reported for each fund separately.

ENTERPRISE FUNDS. Funds used to account for operations which are financed and operated in a manner similar to private business. No taxes are levied for these funds.

ENTRY. The record of a financial transaction in its appropriate book of accounts. Also the act of recording a transaction in the books of account.

EQUIPMENT. An item which meets all of the following tests: (1) lasts more than one year, (2) would be repaired rather than replaced, (3) is an independent unit rather than being incorporated into another unit item, (4) the cost of

tagging and inventory is a small percent of the item cost, and (5) the cost exceeds a minimum dollar value set by the local government unit, for example $300.

EQUITY. The mathematical excess of assets over liabilities. Generally this excess is called Fund Balance.

FACE VALUE. This term designates the amount of the liability stated in the security document.

FACILITY. A dimension in the Uniform Financial Accounting System which identifies the school building or cost center. This is mainly used for site-based management.

FEASIBILITY STUDY. A report of the financial practicality of a proposed activity or project. The report may include estimates of revenues and expenditures and a review of the operating or economic aspects of the proposal.

FIDELITY BOND. A bond guaranteeing the school district against losses resulting from the actions of the specified officers and employees of the district.

FIDUCIARY FUNDS. A classification category which includes both Trust Funds and Agency Funds. These funds are established when the entity handles assets in a trustee or agent capacity.

FINANCIAL ACCOUNTING. The recording and reporting of activities and events affecting the money of an administrative unit and its program. Specifically, it is concerned with (1) determining what accounting records are to be maintained, how they will be maintained, and the procedures, methods, and forms to be used; (2) recording, classifying, and summarizing activities or events; (3) analyzing and interpreting recorded data; and (4) preparing and initializing reports and statements which reflect conditions as of a given date, the results of operations for a specific period, and the evaluation of status and results of operation in terms of established objectives.

FISCAL PERIOD. Any period at the end of which a school district determines its financial condition and the results of its operations and closes its books. It is usually a year, though not necessarily a calendar year. The fiscal period for Iowa school districts is July 1 through the following June 30. The fiscal period for federal government is October 1 through the following September 30.

FIXED ASSETS. Long-lived tangible assets such as land, buildings, machinery, furniture, and other equipment which the school district intends to hold or continue in use over a long period of time. "Fixed" denotes probability or intent to continue use or possession, and does not indicate immobility of an asset.

FOUNDATION FORMULA. A system established in Iowa Code to determine the level of funding school districts shall receive from state aid, property taxes, and certain income surtaxes for the General Fund.

FUNCTION. A dimension in the Uniform Financial Accounting System structure which is used with expenditures/expenses in all funds. The function describes the activity for which a service or material object is acquired. The functions are classified into five broad areas: Instruction, Support Services, Operation of Non-Instructional Services, Facilities Acquisition and Construction Services, and Other Outlays.

FUND. An independent accounting entity with its own assets, liabilities, and fund balance. Generally, funds are established to account for financing of specific activities of an agency's operations.

FUND BALANCE. The excess of the assets of a fund over its liabilities.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP). GAAP is a codified set of currently effective accounting and reporting standards and principles. These standards are adopted only after a lengthy process of public review. Governmental GAAP is established by the Governmental Accounting Standards Board (GASB). Iowa school districts and area education agencies are required by law to be in compliance with GAAP beginning with July 1, 1996.

GENERAL FIXED ASSETS ACCOUNT GROUP (GFAAG). A self-balancing group of accounts used to account for fixed assets of governmental funds of a governmental unit. This account group is eliminated with the implementation of GASB Statement 34, and fixed assets will be reported on the entity-wide financial statements.

GENERAL FUND. This fund must be established by all Iowa schools. 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.

GENERAL LONG-TERM DEBT ACCOUNT GROUP (GLTDAG). A self-balancing group of accounts used to account for general long-term debt of governmental funds of a governmental unit. This account group is eliminated with the implementation of GASB Statement 34, and long-term debt will be reported on the entity-wide financial statements.

GOVERNMENTAL FUNDS. A classification of funds which include the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Project Funds. The Permanent Funds, established with the implementation of GASB Statement 34 will be governmental funds.

GOVERNMENTAL ACCOUNTING STANDARDS BOARDS (GASB). A board established in 1984 to promulgate standards of financial accounting and reporting of activities and transactions of state and local governments.

IMPREST SYSTEM. A system for handling disbursements whereby a fixed amount of money is set aside for a particular purpose. Disbursements are made from time to time as needed. At certain intervals, a report is rendered of the amount disbursed, and the cash is replenished for the amount of the disbursements, ordinarily by check drawn on the fund or funds from which the items are payable. The total of cash plus unreplenished disbursements must always equal the fixed sum of cash set aside. Petty cash funds are handled on an imprest system.

INDIRECT COSTS. Those elements of cost necessary in the provision of a service which are of such a nature that they cannot be readily or accurately identified with the specific service.

INSTRUCTIONAL SUPPORT PROGRAM LEVY. A school district may establish an Instructional Support Program to provide additional funding. The board may adopt a resolution for a period not exceeding five years without a public vote, unless it receives a proper petition to submit the question to a vote. The public may vote for the Program for a period not exceeding ten years. The Instructional Support Program may be funded by all property tax or a combination of property tax and income surtax. The Instructional Support Program must be accounted for in the General Fund.

INTERFUND LOANS. Money which is taken temporarily from one fund under the control of the board of education and added to another fund under the board's control. Interfund loans and temporary transfers are not revenues or expenditures of the funds or of the school district.

INTERFUND TRANSFERS. Permanent transfers of assets, usually cash, from one fund to another fund.

INTRAFUND TRANSFERS. Permanent transfers from one account to another account within the same fund.

INTERNAL AUDITING. Activities involved with evaluating the adequacy of the internal control system; verifying and safeguarding assets; reviewing the reliability of the accounting and reporting system; and ascertaining compliance with established policies and procedures.

INTERNAL CONTROL. A plan of organization under which employee's duties are so arranged and records and procedures so designed as to make it possible to exercise effective accounting control over assets, liabilities, revenues, and expenditures. For example, under such a system, the employee's work is subdivided so that no one employee performs a complete cycle of operations. For instance, an employee handling cash would not post the accounts receivable records. Again, under such a system, the procedures to be followed are definitely established and such procedures call for proper authorizations by designated officials for all actions to be taken.

INTERNAL SERVICE FUNDS. Funds used to account for the provision of goods or services by one department or fund to other departments or funds of the governmental unit on a cost-reimbursement basis.

INVENTORY. A detailed list or record showing quantities, descriptions, values, and frequently, units of measure and unit prices of property or supplies on hand at a given time.

INVOICE. An itemized list of merchandise purchased from a particular vendor. The list includes such information as quantity, description, price, terms, and date.

LEA. See LOCAL EDUCATION AGENCY.

LEASE, CAPITAL. Leases agreements in which title passes or is expected to pass at some later date or in which there exists the ability for the lessee to purchase at less than fair market value. Lease-purchases are capital leases.

LEASE, OPERATING. Written rental agreement in which title does not pass, nor is intended to pass, to the lessee.

LEVY. The total of taxes or special assessments imposed by a governmental unit. Also the act of imposing taxes or special assessment.

LEVYING BOARD. The board of supervisors of the county and any other public body or corporation that has the power to levy a tax.

LIABILITIES. Debt or other legal obligations arising out of transactions in the past which are payable but not necessarily due. An encumbrance is not a liability; it becomes a liability when the services or materials for which the encumbrance was established have been rendered or received.

LIBRARY LEVY FUND. A fund created to deposit and expend money related to providing a community library. The Library Levy Fund is a Special Revenue Fund.

LINE-ITEM BUDGET. The standard format for presenting financial plans used in most public school districts. This budget provides figures on a districtwide basis at the chart of account level, including an estimated beginning balance, expected revenues listed by source, planned expenditures listed by function, program, project, and object, and a resulting ending balance. A line-item budget is a managerial device and is not required by law. See PROGRAM BUDGET.

LOCAL EDUCATION AGENCY (LEA). An educational agency at the local level which exists primarily to operate schools or to contract for educational services. Taxes may be levied by such publicly-operated agencies for school purposes. Also called a school district. An LEA is a school corporation.

MANAGEMENT LEVY FUND. A fund created to deposit and expend money from a levy certified by the board of directors for the purpose of liability insurance, unemployment, early retirement incentives, and judgments. The Management Levy Fund is a Special Revenue Fund.

MANAGEMENT INFORMATION SYSTEM (MIS). A network of information that acquires, retrieves, and redistributes data used in managing the educational process and in supporting the individual and collective decisionmaking process.

MAXIMUM AUTHORIZED BUDGET. The amount that expenditures in a local school district cannot exceed.

MAXIMUM TUITION RATE. See DISTRICT COST PER PUPIL.

MEMORANDA ACCOUNT. An informal record of a school district transaction that cannot be recorded under the regular financial accounts but for which a record is desired.

MILL. A rate used in calculating property taxes expressed in units of one-tenth of one cent or 0.001 of one dollar. Instead of reporting tax levies in terms of millage, Iowa reports tax levies in terms of cents per thousand dollars.

MISCELLANEOUS INCOME. All revenues and receipts deposited to the General Fund but not including state foundation aid, foundation property tax, or additional property tax generated through the foundation formula.

MODIFIED ACCRUAL ACCOUNTING. Accrual accounting for governmental funds is called Modified Accrual Accounting. The main difference between accrual accounting for commercial accounting and proprietary funds and modified accrual accounting for governmental funds is the accounting measurement objectives.

MUNICIPALITY. Generally includes a township, city, county, or school corporation. Iowa Code defines municipality differently for different chapters.

NONGAAP BASIS. See CASH BASIS.

NONPUBLIC SCHOOL. A school established by an individual, institution, or agency other than the state, subdivisions of the state, or the federal government, which usually is supported primarily by other than public funds, and the operation of whose program rests with other than publicly elected or appointed officials.

NONRESIDENT STUDENT. A student whose legal residence is outside the geographic area served by a specified school district.

OBJECT. A dimension used in the Uniform Financial Accounting System for expenditures. The object is the service or commodity bought. Objects include salary, employee benefits, purchased services, supplies, property, other objects, and other uses of funds.

OBLIGATIONS. Amounts which the school system will be required to meet out of its resources, including both liabilities and encumbrances.

OPERATIONAL AUDIT. A systematic identification of ways to improve efficiency and effectiveness. Also called a performance audit. An operational audit is recommended, but not required.

PERFORMANCE AUDIT. See OPERATIONAL AUDIT.

PERMANENT FUNDS. Trust funds where the interest earned, but not the principal, may be used for purposes that support the district's program.

PETTY CASH. A small sum of money set aside for the purpose of paying small obligations for which the issuance of a formal voucher and check would be too expensive and time-consuming. Iowa schools must use an imprest system for any petty cash funds they establish. See IMPREST SYSTEM.

PHYSICAL PLANT AND EQUIPMENT LEVY FUND (PPEL). A fund created to deposit and expend money from a levy certified by the board of directors and/or a voter-approved levy. The voter-approved levy may be all property tax or a combination of property tax and income surtax. The PPEL fund is a special revenue fund limited to expenditures for facilities, grounds, and certain equipment.

POSTING. The act of transferring to an account in a ledger the detailed or summarized data contained in the cash receipts book, check register, journal voucher, or similar books or documents of original entry.

PRIVATE-PURPOSE TRUST FUND. Trust funds where the principal and interest earned may be used for purposes that benefit individuals, private organizations, or other governments rather than the district.

PROGRAM. A dimension used in the Uniform Financial Accounting system for classifying expenditures. The program is a plan of activities and procedures designed to accomplish a predetermined objective or set of allied objectives.

PROGRAM BUDGET. A technique in which expenditure plans are formulated and resources appropriated on the basis of the expected services to be performed by organizational units. Line-items are organized by functions or programs and may also be organized by facilities. See LINE-ITEM BUDGET.

PROJECT. A dimension used in the Uniform Financial Accounting System for classifying revenues, expenditures, and balance sheet accounts. The project dimension permits the accumulation of expenditures to meet a variety of specialized reporting requirements at the local, state, and federal levels.

PROPOSED BUDGET. The budget recommended based on a process of administrative planning.

PROPRIETARY FUNDS. Funds which account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the entity is that the costs of providing the goods or services be financed primarily through user charges or where a periodic determination of revenues, expense and net income is appropriate. Proprietary fund types include the School Nutrition Fund, the Day Care Fund, and Internal Service Funds.

PUBLIC EDUCATION AND RECREATION LEVY FUND (PERL). A fund created to deposit and expend money from a levy authorized by the voters. The PERL fund is a special revenue fund limited to expenditures for playgrounds and community education.

PUBLIC IMPROVEMENT. A building or other construction work to be paid for in whole or in part by the use of funds of any municipality.

PUBLIC MEASURE. Any question authorized or required by law to be submitted to the voters at an election.

PUBLIC SCHOOL. Any school directly supported in whole or in part by taxation.

PUPIL ACCOUNTING. A system for collecting, computing, and reporting information about pupils.

PURCHASE ORDER. A document which authorized the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

QUALIFIED ELECTOR: See REGISTERED VOTER.

REGISTERED VOTER. A person who is registered to vote.

RECONSTRUCTING. Rebuilding or restoring as an entity a thing which was lost or destroyed.

REFUNDING BONDS. Bonds issued to retire bonds already outstanding; usually issued at a lower interest rate.

REGIONAL ACADEMY. An educational institution established by a school district to which multiple other school districts send pupils in grades seven through twelve and which includes advanced-level courses. In addition to the advanced-level courses, the curriculum of the academy may include a virtual academy and vocational-technical programs.

REGULAR ELECTION. See SCHOOL ELECTION.

REQUISITION. A written request to a purchasing officer for specified articles or services. It is a request from one school employee to another school employee, whereas a purchase order is from a school official to a vendor.

REPAIRING. 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.

RESERVE. An amount of fund balance set aside for some specified legal purpose.

RESIDENT PUPIL. 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 federal law, or (3) lives in a juvenile detention center, foster care facility, or residential facility in the district.

SCHOOL BASED BUDGET. A budget format presenting the expenditures to be made by an individual school. This is an alternative to the traditional line-item budget. See LINE-ITEM BUDGET.

SCHOOL BOARD. A board of school directors regularly elected by the registered voters of a school corporation.

SCHOOL BUDGET REVIEW COMMITTEE (SBRC). A committee established by Iowa Code chapter 257 and appointed by the Iowa Governor with the Director of the Department of Education as the Chair, the Director of the Department of Management as the Secretary, and three lay members. This committee reviews school budgets and hears requests from school districts for additional allowable budget growth.

SCHOOL DISTRICT. See LOCAL EDUCATION AGENCY.

SCHOOL ELECTION. The election held annually on the second Tuesday in September in each school district for the election of officers of the district and merged area and for the purpose of submitting to the voters any matter authorized by law.

SCHOOLHOUSE 67.5 CENT LEVY FUND. A fund created to deposit and expend money from a levy authorized by the voters. Although districts may continue to levy this fund for the number of years authorized by the voters, the opportunity to seek any new or renewed levy has expired. The schoolhouse 67.5 Cent Levy Fund is a special revenue fund limited to expenditures for facilities and grounds.

SCHOOL NUTRITION FUND. A fund created to deposit and expend money related to the operation of the school nutrition program. No taxes are levied for this fund. The School Nutrition Fund is an Enterprise Fund.

SECRETARY'S BALANCE. A budget term referring to the General Fund unexpended ending fund balance on the budget basis.

SOURCE. A dimension of the Uniform Financial Accounting System for revenues to differentiate local, intermediate, state and federal sources of funding.

SPECIAL ELECTION. Any election other than the school election held for any purpose authorized or required by law. Some special elections may be held in conjunction with the regular school election.

SPECIAL REVENUE FUNDS. Funds which are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Special Revenue Funds include the Student Activity Fund, the Management Levy Fund, the Physical Plant and Equipment Levy Fund, the Public Education and Recreation Levy Fund, the 67.5 Cent Schoolhouse Levy Fund, and the Library Levy Fund.

SPECIAL REVENUE TRUST FUNDS. Trust funds where the principal and interest may be used for purposes that support the district's programs.

STAFF ACCOUNTING. Pertains to services rendered in connection with the systematic recording, filing, and storing of information related to staff members employed by the school system.

STAMPED WARRANTS. A warrant which is registered by the paying officer for future payment on account due to present lack of funds, and which is to be paid in the order of its registration.

STATE COST PER PUPIL. The state cost per pupil was initially established in 1971-72 and recalculated in 1990-91. The figure is used to established the combined state district cost and to establish the district cost per pupil. Each year a dollar amount is determined which is the product of the allowable growth rate set by the legislature times the state cost per pupil. This dollar amount is added to the cost per pupil of the prior year.

STUDENT ACTIVITY FUND. A fund created to deposit and expend money related to district sponsored and supervised co-curricular activities for students. No taxes are levied for this fund. The Student Activity Fund is a Special Revenue Fund.

STRATEGIC BUDGETING. A goal-oriented process for developing a resource allocation plan.

SUBSIDIARY ACCOUNTS. Related accounts which support in detail the summaries recorded in a controlling account.

SUPPLEMENTARY WEIGHTING. Additional funds for districts which send resident pupils to another school district or community college for classes, jointly employ and share the services of teachers, or use the services of a teacher employed by another school district. Also available for a district that establishes and hosts a regional academy of advance-level curriculum to which multiple other districts send students.

SURETY BOND. A written promise to pay damages or to indemnify against losses caused by the party or parties named in the document, through nonperformance or through defalcation; for example, a surety bond given by a contractor or by an official handling cash or securities.

SURTAX. A tax applied to individual income taxes to generate additional funds for local school districts.

TAXES. Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit. The term includes licenses, permits and surtaxes. It does not include special assessments.

TAX INCREMENT FINANCING (TIF). Financing secured by the incremental property tax revenues generated from a development project. The project area is designated and its property tax base frozen. Revenues from the incremental growth of the property base are used to provide additional funds for further development or for debt service on financing issued for development purposes.

TEXTBOOKS. Books and loose-leaf or bound manuals, and 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, or electronic textbooks, including but not limited to software, applications using computer-assisted instruction, interactive videodisc, and other computer courseware and magnetic media.

TRIAL BALANCE. A list of the balances of the accounts in a ledger kept by double entry, with the debit and credit balances shown in separate columns. If the totals of the debit and credit columns are equal or their net balance agrees with a controlling account, the ledger from which the figures are taken is said to be "in balance."

TRUST FUNDS. Trust funds are used to account for assets held in a trustee capacity by the school district. These include expendable trust funds, nonexpendable trust funds and pension trust funds. Expendable trust funds are used to account for trusts where both principal and earnings on principal may be expended for the trust's intended purpose.

Nonexpendable trust funds are used to account for trusts where the earnings on principal, but not the principal, may be expended. Expendable trust funds will be eliminated with the implementation of GASB Statement 34 and will be reclassified as either special revenue trust funds or private-purpose trust funds. Nonexpendable trust funds will be eliminated with the implementation of GASB Statement 34 and will be reclassified as either permanent funds or private-purpose trust funds.

TUITION. An amount of money charged by a school district or educational institution for instruction for a set period of time.

UNENCUMBERED. That portion of an appropriation, or allotment, or fund balance which has not yet been expended or encumbered; the balance remaining after deducting the accumulated expenditures and outstanding encumbrances.

UNEXPENDED. That portion of an appropriation, or allotment, or fund balance which has not yet been expended; the balance remaining after deducting the accumulated expenditures.

UNIFORM FINANCIAL ACCOUNTING. A system of accounting for financial activity and transactions which is required of all school districts and area education agencies. The system is a management information system (MIS) and is based on the Handbook II, Revised 1990, published by the National Center for Education Statistics at the U.S. Department of Education.

UNSPENT BALANCE. The unspent balance is the difference between the district's maximum authorized spending authority and its actual expenditures for a year in the General Fund. The unspent balance from the prior fiscal year is added to the district's combined budget and can be spent the following year. An unspent balance represents spending authorization under the Iowa school finance formula and might not be backed by sufficient cash.

VOUCHER. A document which authorizes the payment of money and usually indicates the accounts to be charged.

WARRANT. A written order drawn by the school board or its authorized officer directing the school district treasurer to pay a specified amount to a designated payee.

WEIGHTED ENROLLMENT. The budget enrollment plus an additional amount for the costs of providing special education services to identified students.

WHOLE-GRADE SHARING. 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. Whole grade sharing may be one-way or two-way sharing.

ZERO-BASED BUDGETING. 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 specific program.

APPENDIX B

REPRODUCIBLE FORMS

AUTHORIZED BUDGET ANALYSIS FORM

Line numbers refer to the Aid and Levy Worksheet for the Applicable Budget Year

THEORY 1 - BASED ON ACTUAL AUTHORITY TO DATE

_____ COMMUNITY SCHOOL DISTRICT
GENERAL FUND 10
20___-___ AUTHORIZED BUDGET ANALYSIS
AS OF _____, 20___

Combined District Cost (Line 17.1, A & L Wkst)	_____
Plus ACTUAL Unspent Balance carried forward from prior year Take amount for the DOM Unspent Balance History Printout If the unspent balance was negative, enter as a negative amount	_____
Plus Allowance for Construction granted by the SBRC for this budget year (Line 17.3)	_____
Plus Instructional Support Program (Line 17.4)	_____
Plus Educational Improvement Program (Line 17.5)	_____
Plus ACTUAL Miscellaneous Income TO DATE *	_____
Equals Estimated Total Maximum General Fund Budget Authority	_____
Less AEA Flowthrough (Line 16.5)	_____
Less ACTUAL Expenditures TO DATE	_____
Equals Unspent Budget Authority Balance to date	==========

* Note that miscellaneous income does not include property tax, income surtax, state foundation aid, M & E replacement, AEA flowthrough, or instructional support state aid.

AUTHORIZED BUDGET ANALYSIS FORM

THEORY 2 - BASED ON AUTHORITY PRORATED OVER THE FISCAL YEAR

Line numbers refer to the Aid and Levy Worksheet for the Applicable Budget Year

_____ COMMUNITY SCHOOL DISTRICT
GENERAL FUND 10
20___-____ AUTHORIZED BUDGET ANALYSIS
AS OF _____, 20____

Prorata = (1/12 x number of months into fiscal year)

Prorata Combined District Cost (Line 17.1, A & L Wkst)	_____
Plus Prorata ACTUAL Unspent Balance carried forward from prior year Take amount for the DOM Unspent Balance History Printout If the unspent balance was negative, enter as a negative amount	_____
Plus Prorata Allowance for Construction granted by the SBRC for this budget year (Line 17.3)	_____
Plus Prorata Instructional Support Program (Line 17.4)	_____
Plus Prorata Educational Improvement Program (Line 17.5)	_____
Plus ACTUAL Miscellaneous Income TO DATE *	_____
Equals Estimated Total Maximum General Fund Budget Authority	_____
Less Prorata AEA Flowthrough (Line 16.5)	_____
Less ACTUAL Expenditures TO DATE	_____
Equals Unspent Budget Authority Balance to date	==========

* Note that miscellaneous income does not include property tax, income surtax, state foundation aid, M & E replacement, AEA flowthrough, or instructional support state aid.

CERTIFIED BUDGET ANALYSIS FORM

THEORY 1 - BASED ON ACTUAL UNEXPENDED CERTIFIED BUDGET TO DATE

_____ COMMUNITY SCHOOL DISTRICT
20____-____ CERTIFIED BUDGET ANALYSIS
ALL BUDGETED FUNDS
AS OF _____, 20____

BUDGETED ITEM FOR FORM S-AB	ROW	BUDGETED/ AMENDED	ACTUAL TO DATE	BUDGET REMAINING
Taxes levies on property	1			
Utility replacement excise tax	2			
Income surtaxes	3			
Tuition/transportation received	4			
Earnings on investments	5			
Nutrition program sales	6			
Student activities and sales	7			
Other revenues from local sources	8			
Revenue from intermediary sources	9			
State foundation aid	10			
Instructional support state aid	11			
Machinery and equipment replacement	12			
Other state sources	13			
Title 1 grants	14			
Other federal sources	15			
Total Revenues	16			
General long-term debt proceeds	17			
Operating transfers in	18			
Proceeds of fixed asset dispositions	19			
Total Revenues & Other Sources	20			
Beginning Fund Balance	21			
Total Resources	22			
Instruction Expenditures	23			
Student support services	24			
Staff support services	25			
General administration	26			
Building administration	27			
Business administration	28			
Plant operation and maintenance	29			
Student transportation	30			
Central support services	31			
Total Support Services (Lines 24-31)	31A			
Noninstructional Programs	32			
Facilities acquisition and construction	33			
Debt service	34			
AEA flowthrough	35			
Total Other Expenditures (Lines 33-35)	35A			
Total Expenditures	36			
Operating Transfers Out	37			
Total Expenditures & Other Uses	38			
Ending Fund Balance	39			
Total Requirements	40			

If column 2 exceeds column 1 in one of the following rows: row 23, 31A, 32, or 35A, the district has exceeded its certified budget and should have amended.

CERTIFIED BUDGET ANALYSIS FORM

THEORY 2 - BASED ON CERTIFIED BUDGET PRORATED OVER THE FISCAL YEAR

_____ COMMUNITY SCHOOL DISTRICT
20____-____ CERTIFIED BUDGET ANALYSIS
ALL BUDGETED FUNDS
AS OF _____, 20____

Prorata = (1/12 x number of months into fiscal year)

BUDGETED ITEM FOR FORM S-AB	ROW	BUDGETED/ AMENDED PRORATED	ACTUAL TO DATE	BUDGETED OVER (UNDER) ACTUAL
Taxes levies on property	1			
Utility replacement excise tax	2			
Income surtaxes	3			
Tuition/transportation received	4			
Earnings on investments	5			
Nutrition program sales	6			
Student activities and sales	7			
Other revenues from local sources	8			
Revenue from intermediary sources	9			
State foundation aid	10			
Instructional support state aid	11			
Machinery and equipment replacement	12			
Other state sources	13			
Title 1 grants	14			
Other federal sources	15			
Total Revenues	16			
General long-term debt proceeds	17			
Operating transfers in	18			
Proceeds of fixed asset dispositions	19			
Total Revenues & Other Sources	20			
Beginning Fund Balance	21			
Total Resources	22			
Instruction Expenditures	23			
Student support services	24			
Staff support services	25			
General administration	26			
Building administration	27			
Business administration	28			
Plant operation and maintenance	29			
Student transportation	30			
Central support services	31			
Total Support Services (Lines 24-31)	31A			
Noninstructional Programs	32			
Facilities acquisition and construction	33			
Debt service	34			
AEA flowthrough	35			
Total Other Expenditures (Lines 33-35)	35A			
Total Expenditures	36			
Operating Transfers Out	37			
Total Expenditures & Other Uses	38			
Ending Fund Balance	39			
Total Requirements	40			

CALCULATION OF GAAP UNSPENT BALANCE FROM CASH UNSPENT BALANCE

Calculation of what the GAAP Unspent Balance would have been for a district that budgeted on the cash basis using debits and credits associated with accrued and deferred revenues and expenditures reported on the Certified Annual Report (CAR). Cell references refer to the part, row, and column on the CAR.

_____ COMMUNITY SCHOOL DISTRICT
GENERAL FUND 10
20____-____ GAAP UNSPENT BALANCE

Actual Unspent Balance on the Cash Basis
(From the Unspent Balance Calculation Worksheet received from the Department of Management _____

Plus: The credits associated with the following assets

CAR Cell Reference		
020601	Intergovernmental Receivables	_____
020701	Other receivables	_____
020801	Inventories	_____
020901	Prepaid Expenditures	_____
021001	ISCAP Investment	_____
021101	Accrued Interest Receivable	_____
021201	Other Current Assets	_____
	Subtotal of credits associated with assets	_____

Less: The debits associated with the following liabilities

022501	Intergovernmental Payables	_____
022601	Accounts Payables	_____
023001	Accrued Payroll	_____
023101	Payroll Deductions & Withholdings	_____
023201	Deferred Revenues	_____
023301	ISCAP Remainder	_____
023401	Accrued Interest Payable	_____
023501	Other Current Liabilities	_____
	Subtotal of debits associated with liabilities	_____

Unspent Balance on the GAAP Basis (Actual Unspent Balance on the cash basis, plus the subtotal of credits, less the subtotal of debits) _____

ADMISSIONS RECONCILIATION

* Should be completed by District Secretary prior to distribution.

DATE _____

PERSON RESPONSIBLE _____

GATE # _____

		Ending ticket # (adult)	_____	
*	Less:	Beginning ticket #	<_____>	
	=	Adult tickets sold	_____	
	x	Price per ticket	$_____	
	=	$ Amount of adult tickets sold		$_____
		Ending ticket # (students)	_____	
*	Less:	Beginning ticket #	<_____>	
	=	Student tickets sold	_____	
	x	Price per ticket	$_____	
	=	$ Amount of student tickets sold		$_____
		TOTAL $ Amount of tickets sold		$==========

Ending cash per count

Fives	$_____
Tens	$_____
Twenties	$_____
Checks	$_____
Coins	$_____
TOTAL Cash	$_____

*	Less:	Beginning cash	<$_____>	
	=	Difference	$_____	
	+/-	Cash short/long	$_____	
	=			$==========

(should agree with the $ amount of tickets sold calculated above)

SIGNED _____ DATED _____

Designed by Deborah Dessert, CPA

FOSTER CARE FACILITIES FORM

To be used for Claim Pursuant to Iowa Code section 282.31

Retain in District Files for Audit Purposes

	A	B	C	D	E	F	G
	NAME OF PUPIL **Nonresident and non-special education only who are residents of Iowa**	**GRADE**	**ENTRY DATE** **/ /**	**EXIT DATE** **/ /**	**AGGREGATE DAYS ENROLLED**	**INCLUDE IN CERTIFIED ENROLLMENT COUNT**	
						YES	**NO**
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
	TOTAL # PUPILS						

FORM

- List ALL Iowa students living in residential care facilities in your district for whom you provide educational services, who are NOT residents of your district and who do NOT require special education.
- Column E should include every official regular session school day from the date listed in Column C to the date listed in Column D, but not include any summer session days.
- Regular session is limited to 180 days for purposes of this report.
- Column F should include every pupil listed above who was enrolled in your district on the third Friday of September.
- If the student was enrolled on the third Friday in September, mark Column F, Yes.
- If the student was not enrolled on the third Friday in September, mark Column G, No.

CERTIFIED ENROLLMENT

- The total of column F should match the number reported on the Certified Enrollment Form.

CERTIFIED ANNUAL REPORT

- Report the total pupil count in column A above on Part 1, row 20, column 1 of the Certified Annual Report (Due July 15).
- The total in column E above should equal the total days reported on Part 1, row 20, columns 1 + 2 of the CAR.

APPENDIX C

WEB ADDRESSES FOR GOVERNMENTAL RESOURCES

A

AccuWeather	http://www1.accuweather.com/adcbin/index?partner=accuweather
ADA Information	http://www.usdoj.gov/crt/ada/adahom1.htm
American Association of School Administrators	http://www.aasa.org/
American Bar Association (homepage)	http://www.abanet.org/home.html
American Bar Association (law links)	http://www.abanet.org/lawlink/home.html
American Bar Association (tax links)	http://www.abanet.org/tax/sites.html
American Education Finance Association	http://www.ed.sc.edu/aefa
American Education Research Association	http://www.aera.net/
American Educational Research Association (fiscal issues)	http://www.ed.sc.edu/drt/fiscalsig/
American Federation of Teachers (AFT)	http://www.aft.org/
American Institute of Certified Public Accountants	http://www.aicpa.org/index.htm
American Institutes for Research	http://www.air.org/
American School Board Journal	http://www.asbj.com/
American Stock Exchange	http://www.amex.com/
Association of Government Accountants	http://www.agacgfm.org/
Association of School Business Officials (ASBO)	http://www.asbointl.org/
AuditNet	http://www.auditnet.org/

B

BanxQuote	http://www.banx.com/
Board of Governors of the Federal Reserve System	http://www.federalreserve.gov/
Bond Market Trade Association	http://www.bondmarkets.com/
Bonds On-line	http://www.bondsonline.com
Bureau of Economic Analysis (Dept of Commerce)	http://www.bea.gov
Bureau of Labor Statistics	http://stats.bls.gov/

C

Catalog of Federal Domestic Assistance	http://www.cfda.gov/
Civil Right's Commission (Iowa)	http://www.state.ia.us/government/crc/
Code of Federal Regulations	http://www.access.gpo.gov/nara/cfr
Code of Iowa (multiple versions)	http://www.legis.state.ia.us/IALaw.html
Consortium for Policy Research in Education	http://www.gse.upenn.edu/cpre/
Consumer Project Safety Commission	http://www.cpsc.gov
Cornell Law Library, Legal Information Institute	http://www.law.cornell.edu/
Council of Educational Facility Planners International	http://www.cefpi.com
Council of State Governments	http://www.csg.org
CPAnet	http://www.cpalinks.com/index.asp

D

Davis-Bacon Act (wage determinations)	http://davisbacon.fedworld.gov/
Department of Education (site map for all states)	http://www.ccsso.org/seamenu.html
Department of Labor	http://www.dol.gov/
Doppler Radar, Stormtrac, KGAN	http://www.kgan.com
Drug Free Workplace	http://www.whitehousedrugpolicy.gov/prevent/workplace/

E

Education Commission of the States	http://www.ecs.org/
Education Week (online newspaper)	http://www.edweek.org/
Educational Resources Information Center (ERIC)	http://www.eric.ed.gov

Educational Research Service	http://www.ers.org
Educational Testing Service	http://www.ets.org/
Electronic Municipal Statistics	http://www.emuni.com/nav/os.html
Electronic School (technology in school)	http://www.electronic-school.com/
Environmental Protection Agency	http://www.epa.gov/

F

Fair Labor Standards Act	http://www.dol.gov/elaws/flsa.htm
Family and Medical Leave Act (FMLA)	http://www.dol.gov/dol/esa/fmla.htm
Federal Emergency Management Agency	http://www.fema.gov/
Federal Register online via GPO	http://www.access.gpo.gov/su_docs/aces/aces140.html
Federal Reserve Board	http://www.federalreserve.gov/
FedWorld (Dept of Commerce web site)	http://www.fedworld.gov
Finance Project	http://www.financeproject.org/
Fine: First in the Nation in Education	http://www.iptv.org/FINE
Fitch Investors Services L.P.	http://www.fitchinv.com/

G

General Accounting Office (GAO)	http://www.gao.gov/
Georgetown University Law Center	http://www.law.georgetown.edu
Government Auditing Standards (the Yellow Book)	http://www.gao.gov/govaud/ybk01.htm
Government Finance Officers Association (GFOA)	http://www.gfoa.org/
Government Information (search by department and subject)	http://www.library.vanderbilt.edu/romans/gvtmain.html
Government Printing Office	http://www.access.gpo.gov/
Governmental Accounting Standards Board (GASB homepage)	http://accounting.rutgers.edu/raw/gasb/
Guidebook of Financial tools (debt reference)	http://www.epa.gov/efinpage/guidbk98/gbk2a.htm

H

Heritage Foundation	http://www.heritage.org/

I

Indiana Education Policy Center	http://www.indiana.edu/~iepc/
Inspector General's Office	http://www.ignet.gov/ig.html
Intellicast Weather	http://intellicast.com/LocalWeather/World/UnitedStates/RadarLoop/
Internal Revenue Service (IRS home page)	http://www.irs.gov
Iowa Association of School Boards	http://www.ia-sb.org
Iowa Association of School Business Officials	http://www.iowa-asbo.org
Iowa Attorney General	http://www.state.ia.us/government/ag/legal.html
Iowa Court Decisions	http://virgil.giant.net/cgi-bin/ialaw/courts/browse
Iowa Department of Education	http://www.state.ia.us/educate
Iowa Department of Management	http://www.state.ia.us/government/dom/index.htm
Iowa Department of Public Safety	http://www.state.ia.us/government/dps
Iowa Department of Revenue and Finance	http://www.state.ia.us/tax/index.html
Iowa General Assembly (index)	http://www.legis.state.ia.us/
Iowa Legislative Fiscal Bureau	http://staffweb.legis.state.ia.us/lfb
Iowa Legislative News Service	http://virgil.grant.net
Iowa Legislative Service Bureau	http://www.legis.state.ia.us/Central/LSB
Iowa OSHA	http://www.state.ia.us/government/wd/labor/iosh/
Iowa Secretary of State	http://www.sos.state.ia.us/
Iowa Society of Certified Public Accountants	http://www.iacpa.org
Iowa State Auditor's Office	http://www.state.ia.us/government/auditor/index.html
Iowa State Education Association	http://www.ISEA.org
Iowa State Treasurer	http://www.treasurer.state.ia.us/
Iowa Workforce Development	http://www.iowaworkforce.org/

J

Journal of Education Finance	http://www.uark.edu/misc/elfc/jef/home.html

L

Library of Congress (homepage)	http://lcweb.loc.gov/
Live Super Doppler, Channel 8	http://html.theiowachannel.com/des/images/weather/auto/radar_640x480.gif?2535314766

M

Mid-Continent Research for Education and Learning	http://www.mcrel.org
Minimum Wage	http://www.dol.gov/dol/esa/public/whd_org.htm
Moody's Investors Service	http://www.mrsc.org/
Municipal Securities Rulemaking Board	http://www.msrb.org

N

NASDAQ Stock Market	http://www.nasdaq.com/
National Association of Bond Lawyers	http://www.nabl.org/
National Association of College and University Business Officers	http://www.nacubo.org
National Association of State Auditors, Comptrollers & Treasurers	http://www.nasact.org
National Association of State Procurement Officials	http://www.naspo.org/
National Center on Education Finance	http://www.ncsl.org/programs/educ/NCEF.htm
National Clearinghouse for Educational Facilities	http://www.edfacilities.org/
National Conference of State Legislatures	http://www.ncsl.org
National Education Association	http://www.nea.org/
National Education Finance Statistics Center	http://nces.ed.gov/edfin/
National Institute on Education Governance, Finance, and Management	http://www.ed.gov/offices/OERI/FIS/FY96-archive/fis-gfi.html
National Institute of Governmental Purchasing	http://www.nigp.org/index1.htm
National School Boards Association (NSBA)	http://www.nsba.org/
National School Network	http://www.nationalschoolnetwork.com/
National School Safety Center	http://nssc1.org
New York Stock Exchange	http://www.nyse.com/
Nonprofit Resource Center	http://www.1800net.com/nprc
North Central Regional Education Laboratory	http://ncrel.org

O

Occupational Safety & Health Administration (OSHA)	http://www.osha.gov/
Office of Equal Employment Opportunities	http://oeeo.psc.gov/oeeo/index.html
Office of Management and Budget	http://www.whitehouse.gov/omb
Organized Weather Link	http://weather.communitycomputing.com/

P

Piper Resources (state and local governments on the web)	http://www.piperinfo.com/index.cfm

Q

Quality Education Data	http://www.qeddata.com/

R

RAND (research and analysis)	http://www.rand.org/
Road Conditions, Iowa Department of Education	http://www.weatherview.dot.state.ia.us/

S

School Administrators of Iowa	http://www.sai-iowa.org
Single Audit Act (amended 1996)	http://www.ignet.gov/single/saamend.html
Social Security Administration	http://www.ssa.gov/
Standard & Poor's Ratings Services	http://www.standardandpoors.com/
StormFax Information Page (guides, facts, warning, maps)	http://www.stormfax.com/safepage.htm#top

Swanson & King, *School Finance: Economic and Politics*(text)	http://www.gse.buffalo.edu/fas/swanson/649/reading.html

T

Tax and Accounting Sites	http://www.taxsites.com
Thomas B. Fordham Foundations (Educational Excellence)	http://www.edexcellence.net/
Thomas, Legislative Information on the Internet	http://thomas.loc.gov/

U

Urban Education Network of Iowa Department of Education	http://www.des-moines.k12.ia.us/uen
U.S. Census Bureau	http://www.census.gov/
U.S. Department of Education	http://www.ed.gov/
U.S. Securities and Exchange Commission	http://www.sec.gov/

W

Wage and Hour Division	http://www.dol.gov/dol/esa/public/whd_org.htm
White House	http://www.whitehouse.gov/
Worker's Compensation Programs	http://www.dol.gov/dol/esa/public/owcp_org.htm
Workplace Violence	http://www.osha-slc.gov/SLTC/workplaceviolence/

Y

Yellow Book	http://www.gao.gov