



AEA Reform Bill Summary (HF 2612)

The House passed what is being touted as an agreement on reform of the AEAs, combined with proposals on school funding and teacher compensation. Whether or not the Senate will agree to these changes remains to be seen. Republican senators have expressed a variety of concerns with the “agreement” ranging from not doing enough to change the AEA system to spending too much money through the SSA and the teacher compensation package. Based on information from the House Republicans, the SSA and teacher compensation portion would provide \$187 million in new money. It’s unclear what the impact would be on the state budget with the 61 additional staff that would be added to the department of education.

From a 20,000-foot perspective, the amendment is a mixed bag. It certainly includes more of the governor’s original proposal than the bill that originally passed the House did. Additionally, the teacher compensation package is the governor’s original proposal spread over two years instead of one. One of IASB’s key messages to legislators throughout this process is that the continuity of the special education system must be preserved, which is somewhat accomplished in the agreement. Districts will ultimately retain 90% of the special education funds, but they must use their AEA for special education services. The remaining 10% can be used by the school district for any special education purpose.

We anticipate that the Senate will take up HF 2612 next week. Under the rules, the Senate can only vote to accept or reject the House amendment. When the Senate amended the original house bill (on which we were registered undecided), IASB changed its registration to opposed. With this latest action that provides a sizeable investment of new money for teacher compensation as well as many of the protections we requested to maintain the sustainability of AEA services, IASB is again registered undecided.

Components of the bill, as amended by the House, include:

- **Division of Special Education:** This division within the Department of Education (DE) will include 13 additional staff in Des Moines and 40 additional staff spread throughout the AEAs. The Director of Special Education of each AEA will also be a DE employee.
 - The current nine employees of the AEAs who serve as special education directors would immediately become employees of the DE on July 1, 2024. Their role would be reduced to that of oversight, eliminating their functions of supervisory and directing activities by those employees provided to special education students.

- This move also fails to consider that the 9 special education directors currently employed by the AEAs are under contract that would be terminated with this legislation, violating the rights of those employees to due process for contract termination.
- **Special Education:** No changes in the first year—100% of funding would go to the AEA. In year two, 90% of special education dollars would be sent to the AEA, in the same way they are currently. 10% of special education dollars would remain with each school district to purchase services provided by the AEA or another provider. The language makes it clear that a school district does not have to specify which services it will receive, and they will receive those services regardless of the financial contribution of the district.
- **Media and Education Services:** In the first year, 60% of funding will go to the school district, while 40% will remain with the AEA. In the second year, all the money will go to the school district. The money retained by the school district can be used for any general fund purpose.
- **AEA Choice:** A school district may choose to receive services from the AEA in which they are geographically located, or they may choose to receive services from another, contiguous AEA. It also allows school districts who share a superintendent to choose from which AEA to receive services from even if they aren't contiguous.
- **AEA Boards:** These boards become advisory. The board will have the power to hire and sign employment contracts. The chief administrator will sign all other contracts. In addition, the makeup of the board will change effective, July 1, 2024. The board will be comprised of five members who are elected residents of the AEA region. Four of the members must be superintendents in the region, elected by all the superintendents in said AEA region.
- **Task Force:** A task force is established under the legislature's jurisdiction with recommendations to be done by Dec. 2024.
- **Professional Development:** AEAs can only provide professional development approved by the DE. However, the money formerly generated by the professional development levy and sent to the AEAs is eliminated, so it's unclear how they will fund these services.
- **AEA chiefs' Salaries:** Their salaries would be limited to no more than 125% of the average salaries of all superintendents in the AEA region. Note that this does not distinguish between full and part time superintendents, which will bring down the average in those regions that have shared superintendents.
- **Teacher Compensation:** The minimum teacher salary would be set at \$47,500 in year 1 and \$50,000 in year 2. The minimum salary for veteran teachers (those with 12 years of experience) would be set at \$60,000 in year 1 and \$62,000 in year 2. Money for these increases would be provided through the Teacher Salary Supplement (TSS). A tiered system based on enrollment will determine the average amount of TSS provided to each district within an enrollment tier. TSS amounts would be adjusted to ensure that districts receive enough state funding to reach the requirement minimums. The amount provided to districts will increase each year by the amount of SSA. Additionally, \$14 million would be provided for increased wages for educational support personnel. It is unclear what the actual district impact will be as the department of management has not released this information.

- **Supplemental State Aid (SSA):** Sets the SSA rate at 2.5% for the upcoming school year.