**RSAI Position Paper**

**Operational Sharing Incentives: A 2018 Legislative Priority**

**Background:** Operational sharing incentives were extended during the 2014 legislative session in [HF 2271](https://www.legis.iowa.gov/legislation/BillBook?ga=85&ba=HF2271). Changes were made to both the positions covered and the amount of funding received by districts beginning with the 2013-14 school year and through the 2019-20 school year. (Although the 2019-20 school year is the final year for the incentives, the 2018-19 school year is effectively an end for many of the sharing positions that were limited to 5 years of weighting per position for those districts that shared in the first year of the incentives.) The fixed amount per position is as follows:

* Superintendent - 8 students,
* Human Resources, Business Manager, Operations and Maintenance, and Transportation Positions - 5 students, and
* Counselors and Curriculum Directors – 3 students.
* The combined total additional students generated per district is further limited to 21 students, which equates to a total of $139,934 per district in FY 2018.

The Fiscal Note written when HF 2271 was created estimated a maximum of $46.5 million in FY 2016, of which $40.8 million would be state aid and $5.7 million funded through local property tax. The FY 2018 actual supplementary weighting, equal to 3,245 students, is an estimated $21.4 million, less than half of the total capacity estimated which further indicates that this program primarily serves rural schools (228 school districts utilize these sharing incentives.)

**Current Reality:**

* Sharing incentives create the capacity for districts to discuss efficiencies that may not otherwise be politically viable. The incentives promote good working relationships with neighboring districts and help smaller districts continue to meet accreditation demands with limited general fund resources. Sharing also allows expertise to be concentrated in positions and provides more oversight and capacity for complying with Iowa laws.
* Although districts may share other positions, there are no incentives available for those positions.
* This program has been a life line for rural school districts, especially those with declining enrollment, during several years of low per pupil funding increases in the formula.

**RSAI calls on the Iowa Legislature to maintain a commitment to and extend the timeline for** **Operational Sharing:** Rural students benefit from opportunities to achieve efficiencies, share capacity to operate, and redirect resources to educational programs. The Operational Sharing Incentives and Reorganization Incentives should be at least maintained and preferably expanded to provide additional capacity to school districts to improve educational outcomes for students. *HF 633 was approved by the House 99:0, April 17, assigned to the Senate Appropriations Committee, April 18, and remains there for consideration in the 2018 Session. RSAI supports this bill and requests the Senate to act on it quickly.*