**Whole Grade Sharing/Reorganization Incentives:**

**A 2019 RSAI Legislative Priority**

**Background:** Whole Grade Sharing and Reorganization Incentives are currently available to school districts through the budget year beginning July 1, 2019. These incentives provide an impetus for districts to work together to deliver greater educational opportunities for students through whole grade sharing, either one-way, which 38 districts utilized in the 2017-18 school year or with two-way agreements, which 22 districts utilized that year.

Historically, these incentives have helped ease the financial burden of sharing, which sometimes, but does not always lead to reorganization. However, school districts have experienced significant reorganization in Iowa, which originally had over 4,600 school districts decades ago, now with 330 in the 2018-19 school year and three more pending for 2019-20.

**Current Reality:**

* Sharing incentives create the capacity for districts to discuss efficiencies that may not otherwise be politically viable. These incentives promote good working relationships with neighboring districts and help smaller districts continue to meet accreditation demands with limited general fund resources while giving students access to more program offerings. Sharing also allows expertise and facilities to be concentrated in neighboring districts.
* WGS between districts may save on staff costs but typically increases transportation costs. The incentives help to offset those costs to get students to the programs they need to be successful. The reorganization incentives timeline encourages school boards to work together in a timely fashion to provide what’s best for students, but harmonious reorganization can take many years.
* Without the incentives after reorganization, since transportation costs have already been incurred through WGS, additional efficiencies are not as significant. This hurdle can create a barrier to reorganization absent the incentive.
* Property tax rate differences can be significant between neighboring districts. Three years of property tax incentive following reorganization helps to ease that transitional impact on taxpayers.

**Sharing Incentives and Efficiencies:**Rural students benefit from opportunities to achieve efficiencies, share capacity to operate, and redirect resources to educational programs.  RSAI calls on the 2019 Legislature to extend Whole Grade Sharing Incentives and Reorganization Incentives.

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