**Whole Grade Sharing/Reorganization Incentives:**

**A 2020 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 43 districts are using in the 2019-20 school year or with two-way agreements, in which 14 districts are engaged. Three districts that previously participated in whole grade sharing were reorganized effective July 1, 2019, lowering the total number of school districts in Iowa to 327. In the 2019-20 school year, 239 districts also received operational sharing supplementary weighting. Of those, 93 districts qualified for the full 21 student weighting, or $144,480.

Historically, these incentives have helped ease the financial burden of sharing. They sometimes, but not always, lead to reorganization. School districts have experienced significant reorganization in Iowa, which originally had over 4,600 school districts decades ago, now with 327 in the 2019-20 school year. Continued low SSA increases contribute to financial pressures leading to both sharing and reorganization necessity for rural schools.

**Current Reality:**

* Operational 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. In 2017, the legislature extended these incentives through June 30, 2024, added a social worker position to qualify for operational sharing. Rural school leaders will continue to stress the importance of these incentives as that sunset draws closer.
* WGS between districts may save on staff costs, typically increases transportation costs, but most importantly, provides additional opportunities for students. The incentives help 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 and staff savings 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 ease that transitional impact on taxpayers.

**Sharing Incentives and Efficiencies:**RSAI supports extension of sharing and efficiency incentives.Rural students benefit from opportunities to achieve efficiencies, share capacity to operate, and redirect resources to educational programs. Whole Grade Sharing, Reorganization, and Operational Sharing Incentives should be extended and expanded.

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