**RSAI 2023 Legislative Priority:**

**Sharing Incentives & Efficiencies**

**Background:** Whole Grade Sharing and Reorganization Incentives are currently available to school districts through the budget year beginning July 1, 2024 (HF 566 enacted in the 2019 Session extended for five years) and Operational Sharing Incentives are available through the 2024-25 school year (HF 633 enacted in the 2018 Session extended Operational Sharing Incentives through FY 2024-25). Whole Grade sharing incentives provide an impetus for districts to deliver greater educational opportunities for students, either one-way, which 27 districts used in the 2022-23 school year or with two-way agreements, in which 10 districts were 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. Two more reorganizations have been approved beginning July 1, 2023, bringing to total to 325. In the 2021-22 school year, 264 districts also received operational sharing supplementary weighting. Of those, 115 districts qualified for the full 21 student weighting, or $151,767.

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 325 beginning July 1, 2023. 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. In 2021, the legislature added three new positions eligible for operational sharing (special education director, work-based learning coordinator, and another level of social worker). In 2021, the supplementary weighting for all positions except shared superintendent were lowered by one student, effective for the 2023 budget year. With the 21-student cap, this action required districts to expand operational sharing to avoid a budget reduction. In 2022, the superintendent weighting was increased from 8 to 9.
* **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. Some districts have found long-term success in whole-grade sharing that expanded opportunities but has not led to consolidation at the district level.
* 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.
* Maintained legislative commitment to transportation equity payments has lessened a major barrier to reorganization in years past, for rural districts with larger than average transportation costs.
* Property tax rate differences can be significant between neighboring districts. Three years of property tax incentives following reorganization helps ease that transitional impact on taxpayers.

**Sharing Incentives/Efficiencies:** extension of Whole Grade Sharing, Reorganization and Operational Sharing Incentives. Expand the 21-student cap to allow access to new flexibility. Weightings should be sufficient to encourage and support sharing opportunities, with a 3-student weighting at a minimum. The addition of new positions over the last few years, such as the work-based learning coordinator and school resource officer, demonstrates the value of continuing sharing incentives for both efficiency and extended opportunities for students.

**Find out more:**DE’s Whole Grade Sharing Handbook, Sept. 2020, explaining funding, enrollment operations, negotiated agreements and other critical procedures for districts to follow is posted on DE’s website: <https://educateiowa.gov/sites/files/ed/documents/Whole%20Grade%20Sharing%20Handbook-%202020.pdf>

Download this "[ISFIS Operational Function Sharing - Description and Explanation of the Program](https://www.iowaschoolfinance.com/system/files/members/Operational%20Function%20Sharing%20Program%20Description%20-%202022.docx)" information here, which can be used to describe and share the Operational Sharing program, history and requirements. (Updated July 2022)