

Fiscal Note

Fiscal Services Division



HF 633 – School Shared Operational Functions (LSB1572HZ)

Analyst: Jocelyn Gerriets (Phone: (515) 725-2249) (josie.gerriets@legis.iowa.gov)

Fiscal Note Version – New

Description

[House File 633](#), successor to [HF 29](#) and [HF 508](#), lifts the three-year maximum on operational sharing for school districts and extends the additional weighting program indefinitely.

Background

The operational sharing provision in the school aid formula was originally enacted in FY 2007 and implemented beginning in FY 2008. It was continued and expanded during the 2013 and 2014 Legislative Sessions and currently includes the following positions:

- Superintendent management functions, at a weighting factor of 8.0 pupils per position.
- Business management, human resources, transportation, and operation and maintenance functions, at a weighting factor of 5.0 pupils per function.
- Curriculum director and guidance counselor functions, at a weighting factor of 3.0 pupils per function.

School districts may accrue up to 21.0 additional weights in total through this provision.

Assumptions

- State Cost Per Pupil has been set for FY 2018 at \$6,664 per student. The Property Tax Replacement Payment is set at \$83 per student and will remain at this level in FY 2019 and FY 2020 unless action is taken by the Legislature. Change in these totals will affect the total cost of the operational sharing provision.
- School districts that are currently sharing operational functions will continue to do so in future fiscal years.
- School districts will continue to increase their sharing functions at a similar rate to that of the past three years until they reach the maximum sharing potential.

Fiscal Impact

Table 1 shows both the current impact of operational sharing for FY 2018 and the expected changes over FY 2019 and FY 2020. The FY 2018 operational sharing has already been submitted by school districts and verified by the Department of Education.

Table 1

<i>No Change</i>	FY 2015	FY 2016	FY 2017	FY 2018	Estimated FY 2019	Estimated FY 2020
Operational Weighting	1,650	2,269	2,794	3,232	3,264	3,428
Percent Change		37.5%	23.1%	15.7%	10.0%	5.0%
State Cost Per Student			\$ 6,591	\$ 6,664	\$ 6,664	\$ 6,664
State Aid Cost			\$ 16,319,754	\$ 19,114,048	\$ 19,305,188	\$ 20,270,448
Property Tax			\$ 2,095,500	\$ 2,424,000	\$ 2,448,240	\$ 2,570,652

<i>Extension of Operational Sharing</i>	FY 2015	FY 2016	FY 2017	FY 2018	Estimated FY 2019	Estimated FY 2020
Operational Weighting	1,650	2,269	2,794	3,232	3,649	3,936
Percent Change		37.5%	23.1%	15.7%	12.9%	7.9%
State Cost Per Student			\$ 6,591	\$ 6,664	\$ 6,664	\$ 6,664
State Aid Cost			\$ 16,319,754	\$ 19,114,048	\$ 21,580,186	\$ 23,277,504
<i>Change</i>				0	2,274,998	3,007,056
Property Tax			\$ 2,095,500	\$ 2,424,000	\$ 2,736,750	\$ 2,952,000
<i>Change</i>				0	288,510	381,348

Sources

Department of Education
Department of Management
LSA analysis and calculations

/s/ Holly M. Lyons

April 14, 2017

The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.