



[HF 2406](#) – School Operational Sharing Incentives for Social Workers (LSB5622HZ.1)
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Fiscal Note Version – Revised based on enactment of [HF 2230](#) (School Foundation Program Funding Act)

Description

[House File 2406](#) allows school districts to enter into sharing agreements for the purpose of sharing a social worker and generating operational sharing weightings in the school aid formula at a level of 3.0 weights. The Bill takes effect upon enactment and applies to the FY 2019 school year.

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The operational sharing provision in the school aid formula was originally enacted in FY 2007 and implemented beginning in FY 2008.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. Fiscal Year 2020 is the final year of the operational sharing program unless the sunset is lifted.

Assumptions

- Districts have already submitted their FY 2019 sharing agreements for review by the Department of Education. The first year districts would be able to enter into agreements under this provision would be FY 2020.
- There are an estimated 234 districts sharing various positions. Of these, 86 districts have already reached the maximum weighting of 21.0, and an additional nine districts are sharing above the 18.0 level and would not be able to generate the full 3.0 weighting. Of the districts sharing, an estimated 26.9% share in the curriculum director area and 36.8% share counselors; these are the two functions allowed for 3.0 weighting.
- Of the 234 districts currently sharing, 139 will be ineligible for sharing in FY 2020 due to the three-year limit on operational sharing in current law.
- It is estimated that between 27.0% and 37.0% of districts that have not reached maximum weighting and will still have sharing eligibility will choose to share social workers. This is an additional 25 to 34 school districts.
- The State cost per pupil is set at the FY 2019 level; \$6,736 and the Property Tax Replacement Payment (PTRP) at \$92 per student. Any change in the State cost per pupil or PTRP will affect the total cost.
- [House File 633](#) (Operational Sharing Extension) passed the House on April 18, 2017, and has passed out of the Bill subcommittee in the Senate. If enacted, more districts will be

eligible for the weighting as the three-year limit will be lifted. A fiscal estimate is provided for HF 2406 under current law (**Table 1**) and if HF 633 is enacted (**Table 2**).

Table 1

Estimated Impact of HF 2406 — FY 2020 School State Aid (Sunset and 3-Year Limit Removed)		
	<u>Low Estimate</u>	<u>High Estimate</u>
Number of Districts	40	54
Number of Weights Generated	120	162
Property Tax	\$ 90,000	\$ 121,500
State Aid	<u>\$ 718,320</u>	<u>\$ 969,732</u>
Total Estimated Revenue to Schools	<u>\$ 808,320</u>	<u>\$ 1,091,232</u>

Table 2

Estimated Impact of HF 2406 — FY 2020 School State Aid (Current Law)		
	<u>Low Estimate</u>	<u>High Estimate</u>
Number of Districts	25	34
Number of Weights Generated	75	102
Property Tax	\$ 56,250	\$ 76,500
State Aid	<u>\$ 448,950</u>	<u>\$ 610,572</u>
Total Estimated Revenue to Schools	<u>\$ 505,200</u>	<u>\$ 687,072</u>

Sources

Department of Education
Legislative Services Agency analysis and calculations

/s/ Holly M. Lyons

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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.
