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[HF 633](#) – School Shared Operational Functions (LSB1572HZ.1)  
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Fiscal Note Version – Revised with FY 2019 data

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**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The operational sharing provision in the school aid formula was originally enacted in FY 2007 and implemented beginning in FY 2008.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. Because school districts have now completed their Operational Sharing plans for FY 2019, a complete count of the number of districts that will not be eligible in FY 2020 is available. Previously, this number had been estimated.

**Assumptions**

- State Cost Per Pupil has been set for FY 2019 at \$6,736 per student. The Property Tax Replacement Payment is set at \$92 per student and will remain at this level in FY 2020 unless action is taken by the Legislature. Changes in these totals will affect the total cost of the operational sharing provision.
- Under current law, in FY 2020, 133 of the 232 districts that are currently sharing will be ineligible to participate in operational sharing because they will have reached the maximum number of years allowed by the program.
- If the operational sharing sunset is repealed, operational sharing across districts will increase by 4.0% in FY 2020.
- School districts that are currently sharing operational functions will continue to do so in future fiscal years.

**Fiscal Impact**

**Table 1** shows both the current impact of operational sharing for FY 2019 and the estimated changes for FY 2020. The FY 2019 operational sharing has already been submitted by school districts and verified by the Department of Education. **Table 2** shows the changes from estimated current law and estimated FY 2019 under the provisions of [HF 633](#).

**Table 1: Current Law Estimates**

<i>Current Law</i>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Estimated FY 2020</u>
<b>Operational Weighting</b>	1,650	2,269	2,794	3,232	3,472	1,412
<b>Percent Change</b>		37.5%	23.1%	15.7%	7.4%	-59.3%
<b>State Cost Per Student</b>			\$ 6,591	\$ 6,664	\$ 6,736	\$ 6,736
<b>State Aid Cost</b>			\$ 16,319,754	\$ 19,114,048	\$ 20,783,392	\$ 8,452,232
<b>Property Tax</b>			\$ 2,095,500	\$ 2,424,000	\$ 2,604,000	\$ 1,059,000

**Table 2: HF 633 Estimates**

<i>Extension of Operational Sharing</i>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Estimated FY 2020</u>
<b>Operational Weighting</b>	1,650	2,269	2,794	3,232	3,472	3,611
<b>Percent Change</b>		37.5%	23.1%	15.7%	7.4%	4.0%
<b>State Cost Per Student</b>			\$ 6,591	\$ 6,664	\$ 6,736	\$ 6,736
<b>State Aid Cost</b>			\$ 16,319,754	\$ 19,114,048	\$ 20,783,392	\$ 21,614,728
<i>Change from FY 2019</i>						831,336
<i>Change from Current Law</i>						13,162,496
<b>Property Tax</b>			\$ 2,095,500	\$ 2,424,000	\$ 2,604,000	\$ 2,708,160
<i>Change from FY 2019</i>						104,160
<i>Change from Current Law</i>						1,649,160

**Sources**

Department of Education  
 Department of Management  
 LSA 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.