



HF 633 – School Shared Operational Functions (LSB1572HZ.3)
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Fiscal Note Version – As amended by [S-5232](#) and [S-5312](#) and passed by the Senate
(REVISED – corrected a miscalculation in Table 2)

Description

[House File 633](#), as amended by Senate Committee Amendment [S-5232](#) and second degree amendment [S-5312](#) and passed by the Senate, lifts the five-year limit on operational sharing for school districts, extends the additional weighting program until FY 2024, and 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 as amended is effective upon enactment.

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The operational sharing provision in the school aid formula was originally enacted in FY 2007 and implemented beginning in FY 2008.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. Under current law, in FY 2020, 139 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.

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 the new social worker provision would be FY 2020.
- There are an estimated 234 districts sharing various positions in the districts' FY 2019 budget. 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.
- 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. These costs per pupil will remain at this level in FY 2020 unless action is taken by the General Assembly. Changes in these totals will affect the total cost of the operational sharing provision.
- Operational sharing across districts will increase by 5.0% in FY 2020 under the extension provision and the inclusion of social workers as an allowable shared operational function.

- 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](#) as amended.

**Table 1
Current Law Estimates**

<i>Current Law</i>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Estimated FY 2020</u>
Operational Weighting	2,269	2,794	3,232	3,459	1,412
Percent Change	37.5%	23.1%	15.7%	7.0%	-59.2%
State Cost Per Student		\$ 6,591	\$ 6,664	\$ 6,736	\$ 6,736
State Aid Cost		\$ 16,319,754	\$ 19,114,048	\$ 20,705,574	\$ 8,452,232
Property Tax		\$ 2,095,500	\$ 2,424,000	\$ 2,594,250	\$ 1,059,000

**Table 2
HF 633 As Amended Estimates**

<i>Operational Sharing as Amended by HF 633 Proposed Amendment S-5232.5312</i>					
	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Estimated FY 2020</u>
Operational Weighting	2,269	2,794	3,232	3,459	3,632
Percent Change from Previous Year	37.5%	23.1%	15.7%	7.0%	5.0%
State Cost Per Student		\$ 6,591	\$ 6,664	\$ 6,736	\$ 6,736
State Aid Cost		\$ 16,319,754	\$ 19,114,048	\$ 20,705,574	\$ 21,740,853
<i>Change Compared to Previous Year</i>					1,035,279
<i>Change Compared to Current Law</i>					13,288,621
Property Tax		\$ 2,095,500	\$ 2,424,000	\$ 2,594,250	\$ 2,723,963
<i>Change Compared to Previous Year</i>					129,713
<i>Change Compared to Current Law</i>					1,664,963

Sources

Department of Education
 Department of Management
 LSA analysis and calculations

/s/ Holly M. Lyons

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.
