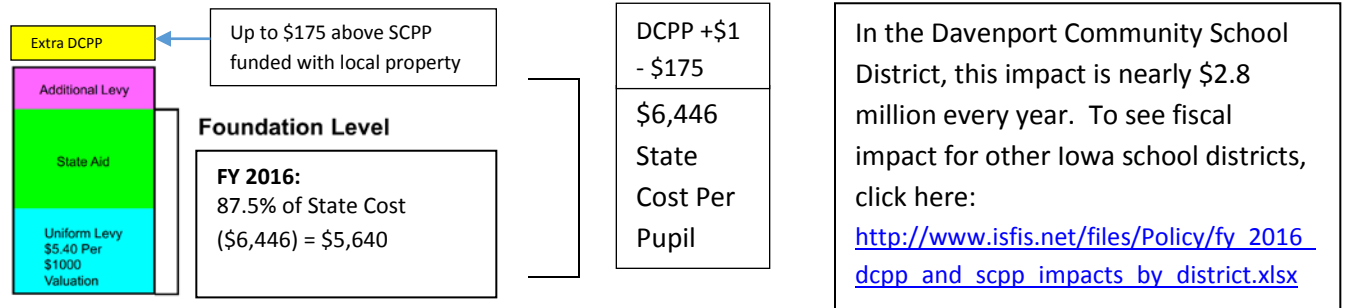


Student Inequality: State and District Cost Per Pupil

History: prior to creation of the Iowa school foundation formula in the 1970s, school districts had funded schools almost entirely with local property taxes. The level of support varied due to many factors, including community support for the priority of education and local property tax capacity. The formula defined a State Cost Per Pupil (SCPP) and brought all districts spending less than that amount up to the cost, paid for with a combination of local property tax and state foundation aid. Only those districts previously spending more than the newly defined SCPP were allowed to continue to spend more, but still paid for the difference with local property tax. This difference between the SCPP and a higher District Cost Per Pupil (DCPP) remains today. This graphic shows the property tax and state aid components of the SCPP and the DCPP above the \$6,446 (FY 2015-16 SCPP).



Current reality: In FY 2016, the State Cost per Pupil (SCPP) is \$6,446. 164 districts (48.8%) are limited to this amount as their District Cost per Pupil (DCPP). The other 172 districts (51.2%) have a DCPP ranging from \$6,446 to \$6,621, or \$1 to \$175 more. The extra is funded with property taxes. Under current law, this \$175 difference continues into the future, accessible to some districts but not others, creating an unacceptable inequality in student funding.

When the Legislature determines the increase in the SCPP, it is calculated as a dollar amount which is added to the DCPP, so the gap continues at the same dollar difference held over from the 70s. When school budgets are tight and every dollar matters, additional attention is focused on any inequity. This table shows the count of districts based on the range of authority in the formula to exceed the SCPP.

FY 2015 Count of Districts (336 total)	Amount DCPP is Greater than SCPP
164	\$0
64	\$1 to \$35
48	\$36 to \$70
26	\$71 to \$105
19	\$106 to \$140
15	\$141 to \$175

Inequality impacts students: The amount of funding generated per pupil for regular education is not the same for all districts. Thus, a student, based solely on the historical practice of the district of residence, generates more or less funding. After nearly 45 years of the practice, policy makers are asking; “Should ALL Iowa public school students generate the same amount of funding, on a per student basis, for their regular education costs?” or “should the state allow some districts to exceed the SCPP without granting the same permission to others?” When this funding pays for teachers, textbooks, curriculum, programs and opportunities, the impact of the difference per student, accumulated over years, is truly significant.

Solutions: 1) Give all local districts spending authority for the difference and allow school boards to decide locally whether to fund it. 2) Phase in the state contribution over time through the formula. Over a period of several years, the gap would be closed.

For more information, see www.isfis.net/Legislative