

## FISCAL TOPICS

Fiscal Services Division

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# School Aid — District Cost Per Pupil Differences Between School Districts

## District Cost Per Pupil

The regular school aid State cost per pupil (SCPP) is used as the basis for school aid funding. In FY 2020, the SCPP is \$6,880. The SCPP is used when calculating the supplemental State aid (SSA) by determining per pupil costs after applying the product of the State percent of growth rate set by legislation times the SCPP from the prior budget year. The SSA was previously referred to as allowable growth.

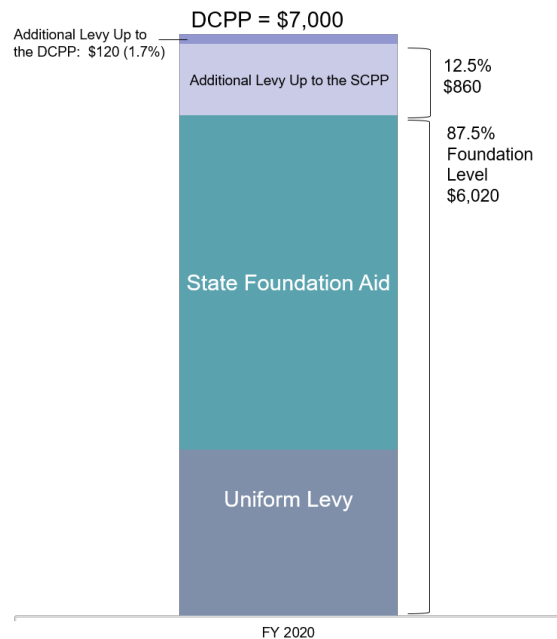
Additionally, the SCPP serves as a basis for determining the State aid portion and property tax portion of school district funding based on the school aid foundation level and sets a floor for the district cost per pupil (DCPP).

Fewer than half the school districts in Iowa have a DCPP higher than the SCPP. The difference is a relic of the origination of the school aid formula from the 1970s, when the SCPP was set at the statewide average of spending per student. State funding for school districts with per pupil spending below this level was increased to the statewide average. However, districts that spent more per pupil than the statewide average were not required to reduce spending. Since the 1970s, the maximum difference between the SCPP and the DCPP has decreased due to legislation and school district consolidations.

## Funding

The chart to the right shows the makeup of the DCPP amount for a hypothetical school district with a DCPP of \$7,000 (\$120 above the SCPP) in FY 2020.

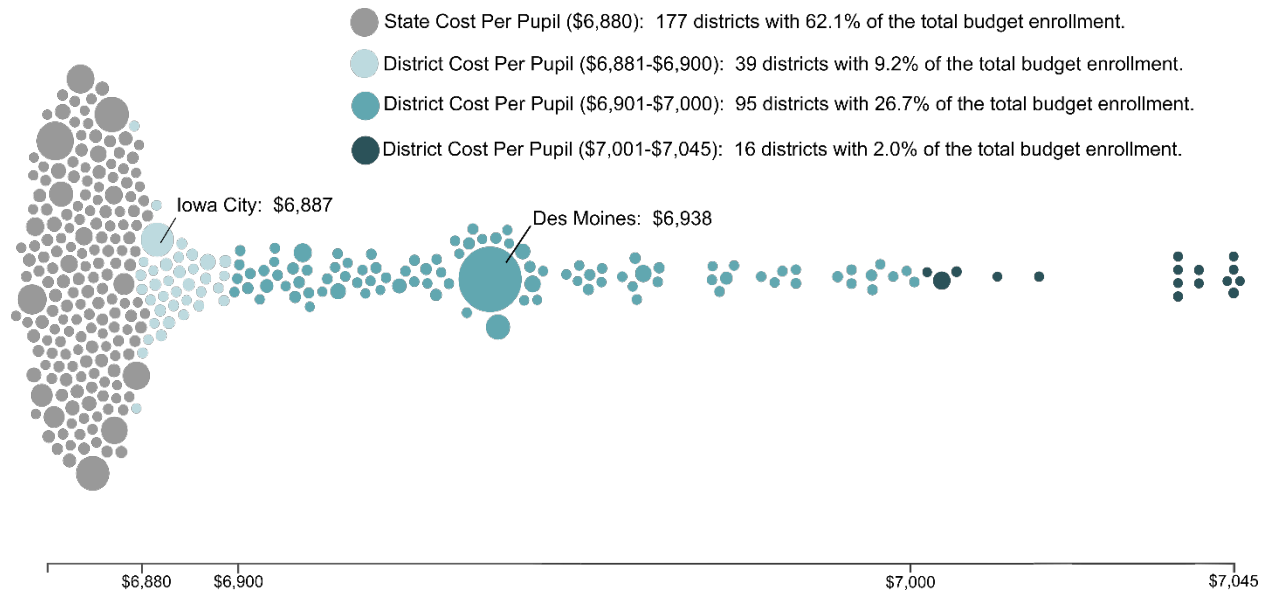
- The uniform levy: This levy is applied statewide at a rate of \$5.40 per \$1,000 of taxable property valuation.
- State aid: State aid and the uniform levy fund the first 87.5% of the SCPP amount. This is referred to as the State foundation level. The amount of State aid a school district receives on a per pupil basis is impacted by the taxable property valuation within the school district. On a per pupil basis, school districts with a higher taxable valuation per pupil will generate more uniform levy and less State aid than school districts with a lower taxable valuation per pupil.
- The additional levy: This levy is the portion that funds the remainder of the DCPP over the 87.5% foundation level amount. This includes the 12.5% amount to fund up to the SCPP amount and the difference between the SCPP and the DCPP (1.7%).



## More Information

Department of Management: [www.dom.iowa.gov/document/district-cost-pupil-fy2019](http://www.dom.iowa.gov/document/district-cost-pupil-fy2019)  
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In FY 2020, of the 327 school districts, 177 (54.1%) school districts had a DCPP that was equal to the SCPP (\$6,880), while the remaining 150 (45.9%) districts had a DCPP that was greater than the SCPP. The following chart shows the range of DCPP by district and the percentage of the total budget enrollment by district.



In FY 2020, there were five districts that received the maximum DCPP of \$7,045, which represents 0.3% of the total FY 2020 budget enrollment:

- Delwood Community School District
- Hudson Community School District
- Lu Verne Community School District
- Stratford Community School District
- Twin Rivers Community School District

The maximum DCPP is a \$165 difference (2.4%) compared to the minimum SCPP. Iowa Code section [257.10](#) requires that the difference between the highest DCPP and the SCPP amount cannot exceed 5.0%.

### Recent Legislation

2018 Iowa Acts, chapter [1007](#) (School Finance — State School Foundation Program Modifications — Transportation Equity Program), added an additional \$5 to the SCPP for FY 2019, separate from the SSA. This adjustment reduced the difference between the SCPP and the DCPP from \$175 to \$170 by raising the floor of the SCPP by \$5. Districts that had a higher DCPP received State aid replacement for funds that would have been generated through property taxes. Districts at the SCPP received additional spending authority.

2019 Iowa Acts, chapter [2](#) (School Finance — Regular State Cost Per Pupil — School Transportation Funding), further reduced the difference between the SCPP and the DCPP from \$170 to \$165 in FY 2020.

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