

FISCAL TOPICS

Fiscal Services Division

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School Aid — District Cost Per Pupil Differences Between School Districts — FY 2023

District Cost Per Pupil

The regular school aid State cost per pupil (SCPP) is used as the basis for school aid funding. In FY 2023, the SCPP is \$7,413. 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.

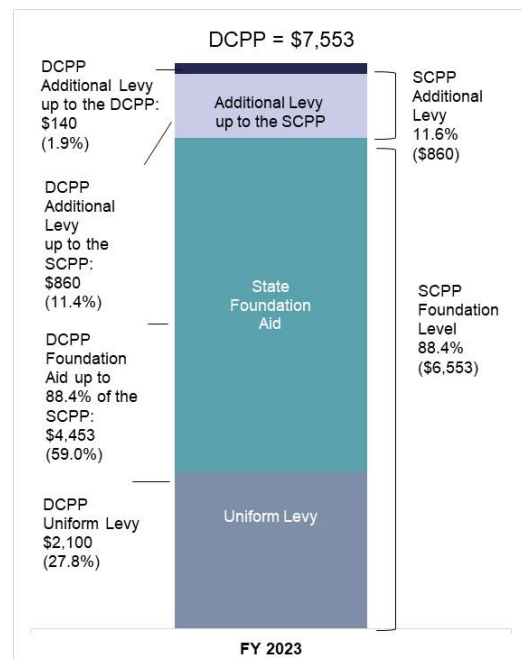
Additionally, the SCPP serves as a basis for determining the State aid portion and property tax portion of school district funding based on the school aid foundation level and sets a floor for the district cost per pupil (DCPP).

Fewer than half of the school districts in Iowa have a DCPP higher than the SCPP. The difference is a remnant from 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. 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 \$7,553 (\$140 above the SCPP) in FY 2023.

- **The uniform levy:** This levy is applied statewide at a rate of \$5.40 per \$1,000 of taxable property valuation.
- **State foundation aid:** State aid and the uniform levy fund the first 88.4% 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 88.4% foundation level amount. This includes the 11.6% amount to fund up to the SCPP amount and the difference between the SCPP and the DCPP (1.9% of the DCPP).



More Information

Department of Management: www.dom.iowa.gov/document/all-school-district-data-and-reports-fy2023

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In FY 2023, of the 327 school districts, 224 (68.5%) school districts have a DCPD that is equal to the SCPP (\$7,413), while the remaining 103 (31.5%) districts have a DCPD that is greater than the SCPP. The following shows the DCPD range by district and the percentage of the total budget enrollment by district.

- SCPP (\$7,413): 224 districts with 68.5% of the total budget enrollment.
- DCPD (\$7,414-\$7,450): 49 districts with 15.0% of the total budget enrollment.
- DCPD (\$7,451-\$7,490): 29 districts with 8.9% of the total budget enrollment.
- DCPD (\$7,491-\$7,532): 20 districts with 6.1% of the total budget enrollment.
- DCPD (\$7,553): 5 districts with 1.5% of the total budget enrollment.

In FY 2023, there are five districts receiving the maximum DCPD of \$7,553, which represents 0.3% of the total October 2022 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 DCPD is a \$140 difference (1.9%) compared to the minimum SCPP.

Recent Legislation

Since 2018, the General Assembly has reduced the difference between the maximum DCPD and the SCPP by a total of \$35 per pupil through the following legislation:

- 2018 Iowa Acts, chapter [1007](#) (School Transportation Equity Act)
- 2019 Iowa Acts, chapter [2](#) (School Transportation Equity Act)
- 2020 Iowa Acts, chapter [1002](#) (School Transportation Equity Act)
- 2021 Iowa Acts, chapter [2](#) (School Supplemental State Aid and Equity Act)
- 2022 Iowa Acts, chapter [1001](#) (Supplemental State Aid Act)

Districts that have a higher DCPD received State aid replacement for funds that would have been generated through property taxes. Districts whose DCPD is the same as the SCPP received additional spending authority.