



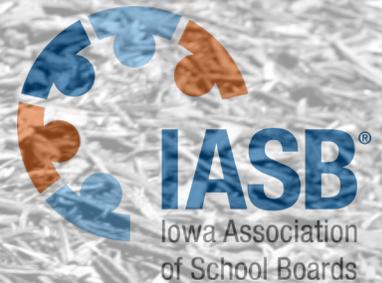
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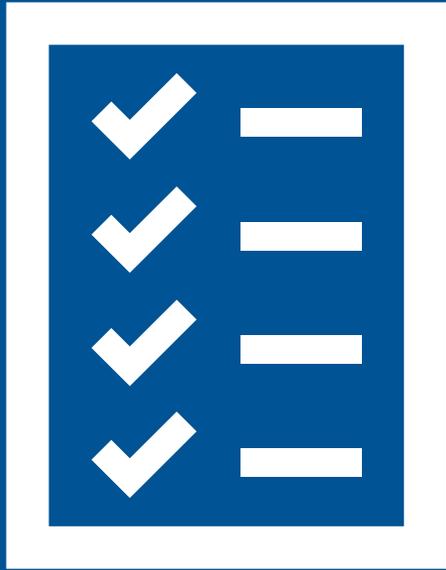
Iowa Association
of School Boards

School Finance Formula Review Committee

Teacher

12 | 16 | 2024





Goals for Today

- Overview of Proposed Changes to Statewide Voluntary Preschool Program
- District Cost per Pupil Variances
- Dropout Prevention Program Funding

July 1, 2025: Provide districts and nonpublic schools the option to expand hours of instruction from 10 hours per week (0.5 weighting) to a minimum of 645 hours of total instruction during the school instructional year (0.75 weighting)

- Additional weighting only applies to students at or below 185% of the federal poverty level (free and reduced lunch calculation)
- Students above that level may receive the additional instruction but will only generate .50 weighting
- Districts and nonpublic schools are not required to offer additional hours of instruction
- Parents/guardians are not required to enroll their children in the voluntary preschool program

- July 1, 2026: Provide districts and nonpublic schools the option to expand hours of instruction from 10 hours per week (0.5 weighting) to a minimum of 860 hours of total instruction during the school instructional year (1.0 weighting)
 - Additional weighting only applies to students at or below 185% of the federal poverty level (free and reduced lunch calculation)
 - Students above that level may receive the additional instruction but will only generate 0.5 weighting
 - Districts and nonpublic schools are not required to offer additional hours of instruction
 - Parents/guardians are not required to enroll their children in the voluntary preschool program

Overview of Proposed Changes to Statewide Voluntary Preschool Program



- School districts shall enter into an agreement with community-based providers of preschool services who request such an agreement
 - Community-based providers must meet the same standards as required of public school districts.
 - Districts may reject a request for such an agreement for good cause as determined by rules adopted by the state board of education.
- Districts and community partners will inform families of students at or below 185% of the federal poverty level about other early childhood options (Head Start) available in the district.

The Fiscal Impact for Increased Weightings to the Statewide Voluntary Preschool Program is Reasonable.



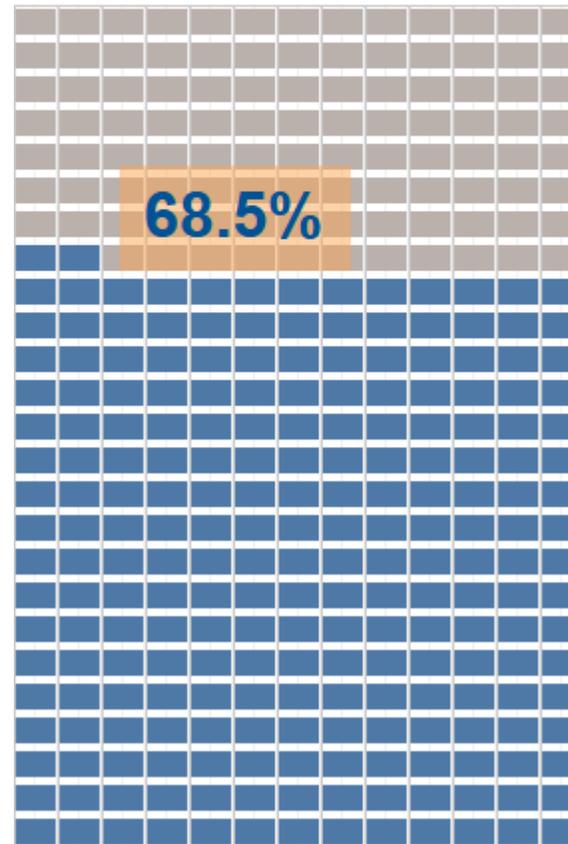
- Fiscal Impact: Based on a 78% factor applied to all eligible 4-year-olds, the potential fiscal impact is \$7.6 million in the first year of implementation and \$7.6 million in the second year.
 - This presumes that all eligible districts and nonpublic schools provide increased hours of instruction.
 - This presumes that all eligible students (185% FPL) participate.

\$140 gap remains between the SCPP and the highest DCPP.

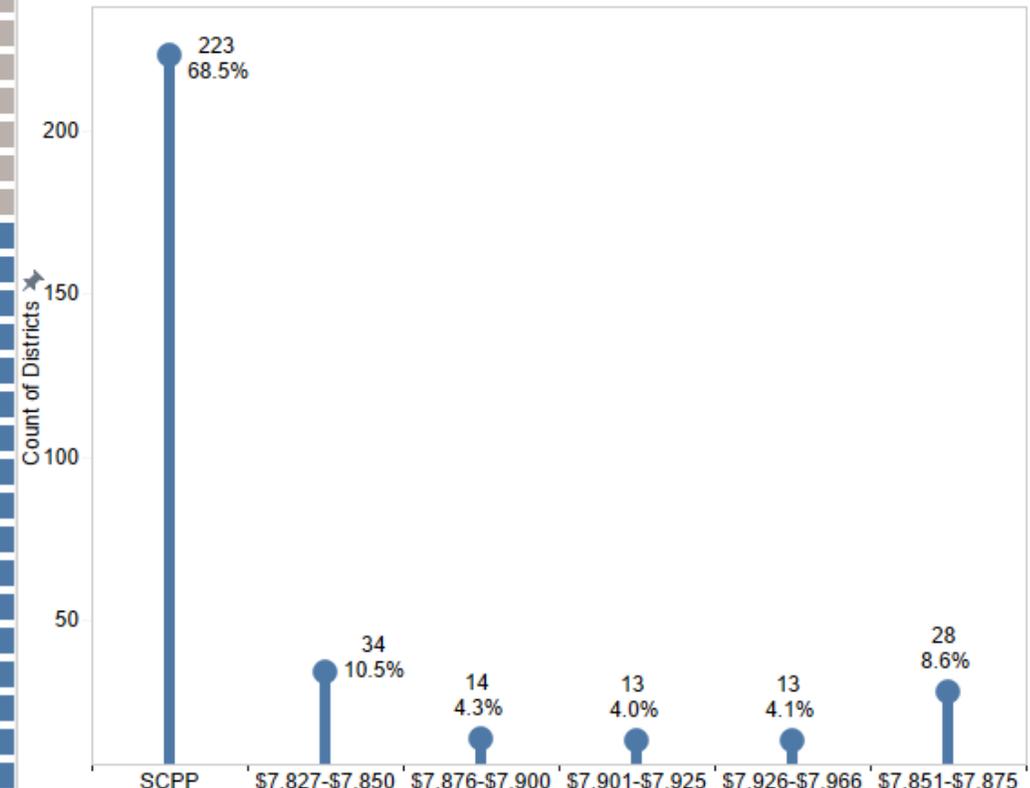


- Not all districts' total per pupil amount is the state cost per pupil.
- Variances are due to the origination of the school aid formula back in the 1970s.
- While most district total per pupil amount is the SCPP (\$7,826), some district's DCPP is higher, up to \$7,966.
- The legislature has worked to close the gap between the lowest districts' DCPP and the highest amount. Last done in FY 2023
 - FY 2018 | 162 Districts at SCPP
 - FY 2025 | 223 Districts at SCPP

Statewide, in 223 Districts (68.5%), the DCPP is at the minimum (SCPP).



District Cost Per Pupil Above SCPP



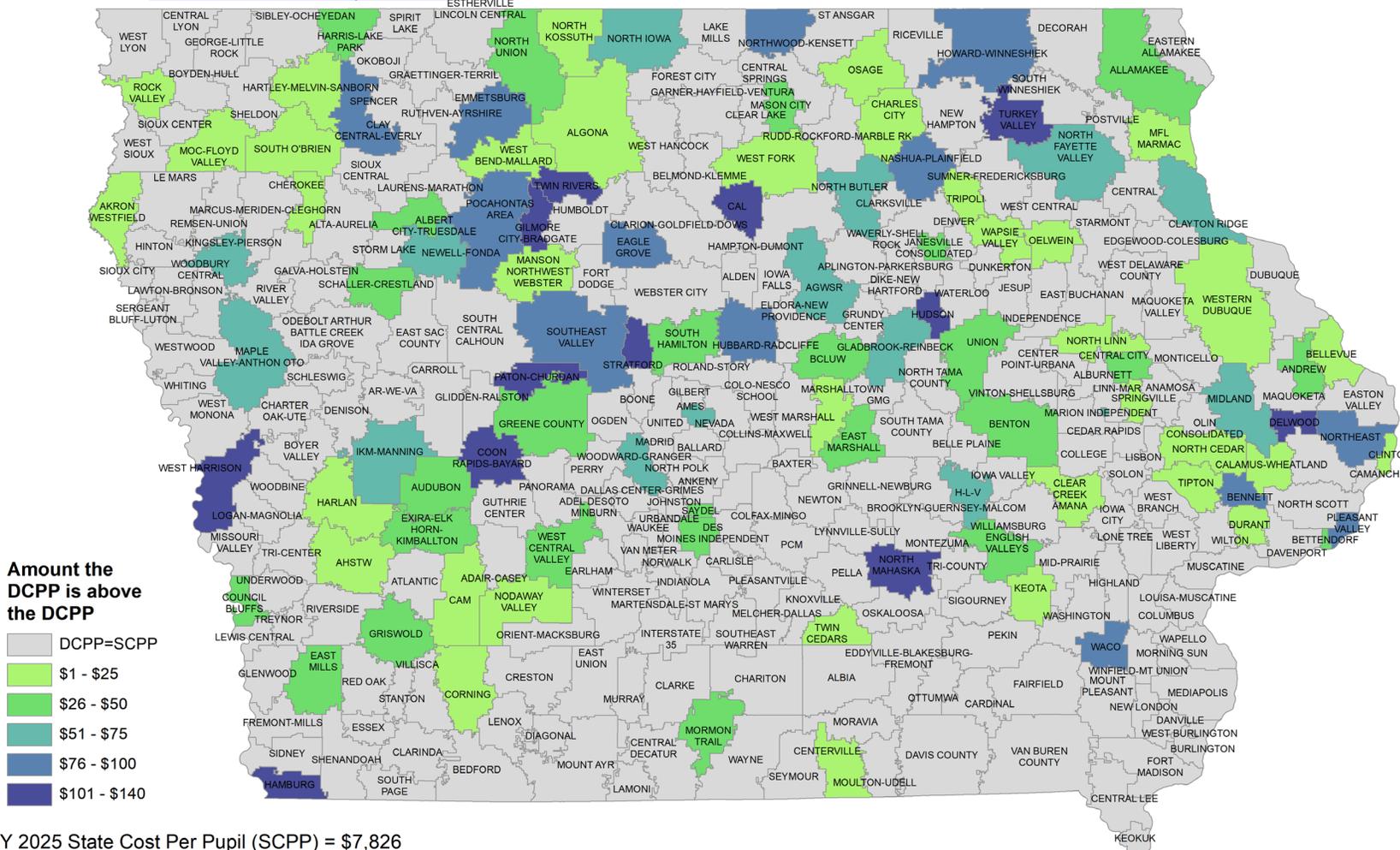


Iowa Association of School Boards

FY 2025 District Cost Per Pupil (DCPP) Differentials

Amount the DCPP is above the State Cost Per Pupil (SCPP) - By District

[Click Here for District Specific Data](#)



FY 2025 State Cost Per Pupil (SCPP) = \$7,826

FY 2025 Maximum District Cost Per Pupil (DCPP) = \$7,966

FY 2025 DCPP Range = \$140

Note: Since the 2018 Legislative Session, the General Assembly has reduced the DCPP range from \$175 to \$140 by adding an additional dollar amount each year (except FY 2024) to the SCPP and providing that increase to the eligible school districts as well.

Sources:
Iowa Department of Management, School Aid file
IASB analysis and calculations

Differentials in the District Per Pupil State Categorical Supplement Funding Amounts were Primarily Calculated by Program Allocations.



2009	2013
Professional Development (PD)	Teacher Leadership Supplement (TLS)
Early Intervention (EI)	
Teacher Salary Supplement (TSS)	
Originally, allocations were based on previous program allocations, not a per-pupil amount.	Based on a uniform per-pupil amount.
Revenue Source State Aid	Revenue Source State Aid

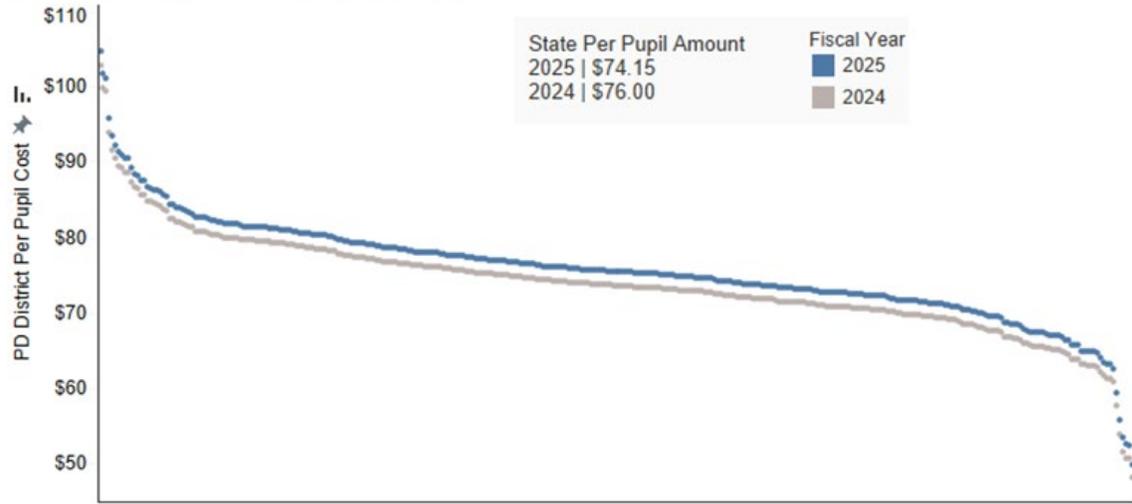
A state cost per pupil amount was established for each of the categorical amounts based on the statewide total for each supplement allocation total divided by the statewide budget enrollment.

Growth in per pupil amounts in future years was based on the state percent of growth rate applied to each state per pupil amount for each state categorical supplement.

These variances in the district per pupil amounts still exist today.



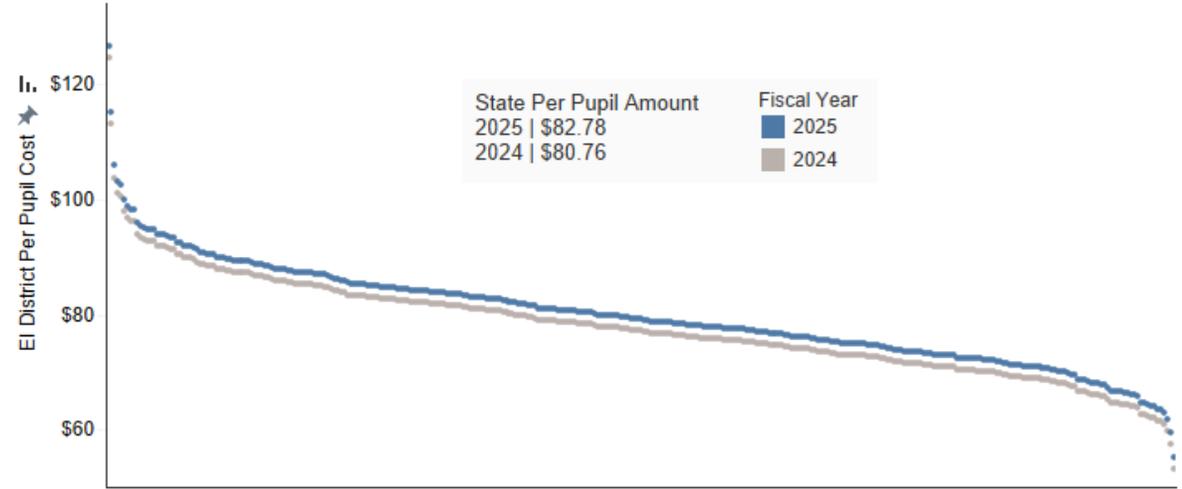
Professional Development Supplement (PD) Per Pupil Amounts by District and Fiscal Year *(each dot = one school district)*



Professional Development Supplement (PD) Per Pupil Amounts

Fiscal Year	Median PD	Max PD	Min PD	Range PD
2024	\$73.61	\$102.85	\$48.10	\$54.75
2025	\$75.46	\$104.70	\$49.95	\$54.75

Early Intervention Supplement (EI) Per Pupil Amounts by District and Fiscal Year *(each dot = one school district)*



Early Intervention Supplement (EI) Per Pupil Amounts

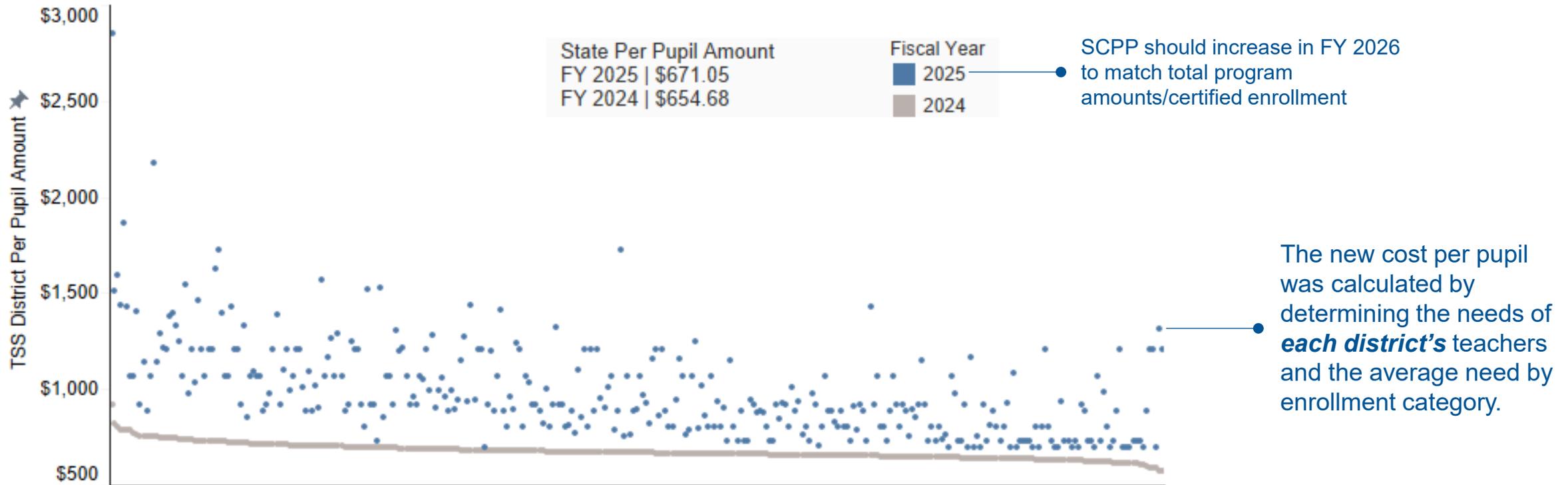
Fiscal Year	Median EI	Max EI	Min EI	Range EI
2024	\$77.22	\$124.78	\$53.16	\$71.62
2025	\$79.24	\$126.80	\$55.18	\$71.62

The variances with teacher Salary Supplement per pupil amounts increased in FY 2025 based on district need.



Teacher Salary Supplement (TSS) Per Pupil Amounts by District and Fiscal Year

(each dot = one school district)



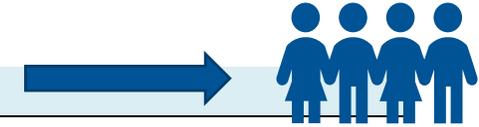
Teacher Salary Supplement (TSS) Per Pupil Amounts

Fiscal Year	Median	_Max TSS	Min	Range
2024	\$669.79	\$917.81	\$574.34	\$343.47
2025	\$917.80	\$2,852.23	\$699.19	\$2,153.04

New TSS dollars were calculated only for a district's teachers and should continue to remain with the district in order to fund the salary increases.



Open Enrollment - Money Follows the Student



	the Student?	Notes	Tuition in FY 2025
Regular Program	YES	Amount is equal to the budget year's State Cost Per Pupil (SCPP)	\$ 7,826.00
Special Education	YES	Amount is the cost incurred for appropriate special education	varies on situation
Teacher Salary Supplement (TSS)	No		
Professional Development Supplement (PDS)	YES	Amount is equal to the budget year's PD cost per pupil (New in FY 2025)	\$76.00
Early Intervention Supplement (EIS)	YES	Amount is equal to the budget year's EIS cost per pupil (New in FY 2025)	\$82.78
Teacher Leadership Supplement (TLS)	YES	Amount is equal to the budget year's TLS cost per pupil	\$ 377.74
Secure an Advanced Vision for Education (SAVE)	No		

Notes:

Districts also will pay tuition for supplementary weighting costs resulting from concurrent enrollments and for supplementary weighting costs associated with Limited- English-proficient (LEP) supplementary weighting.

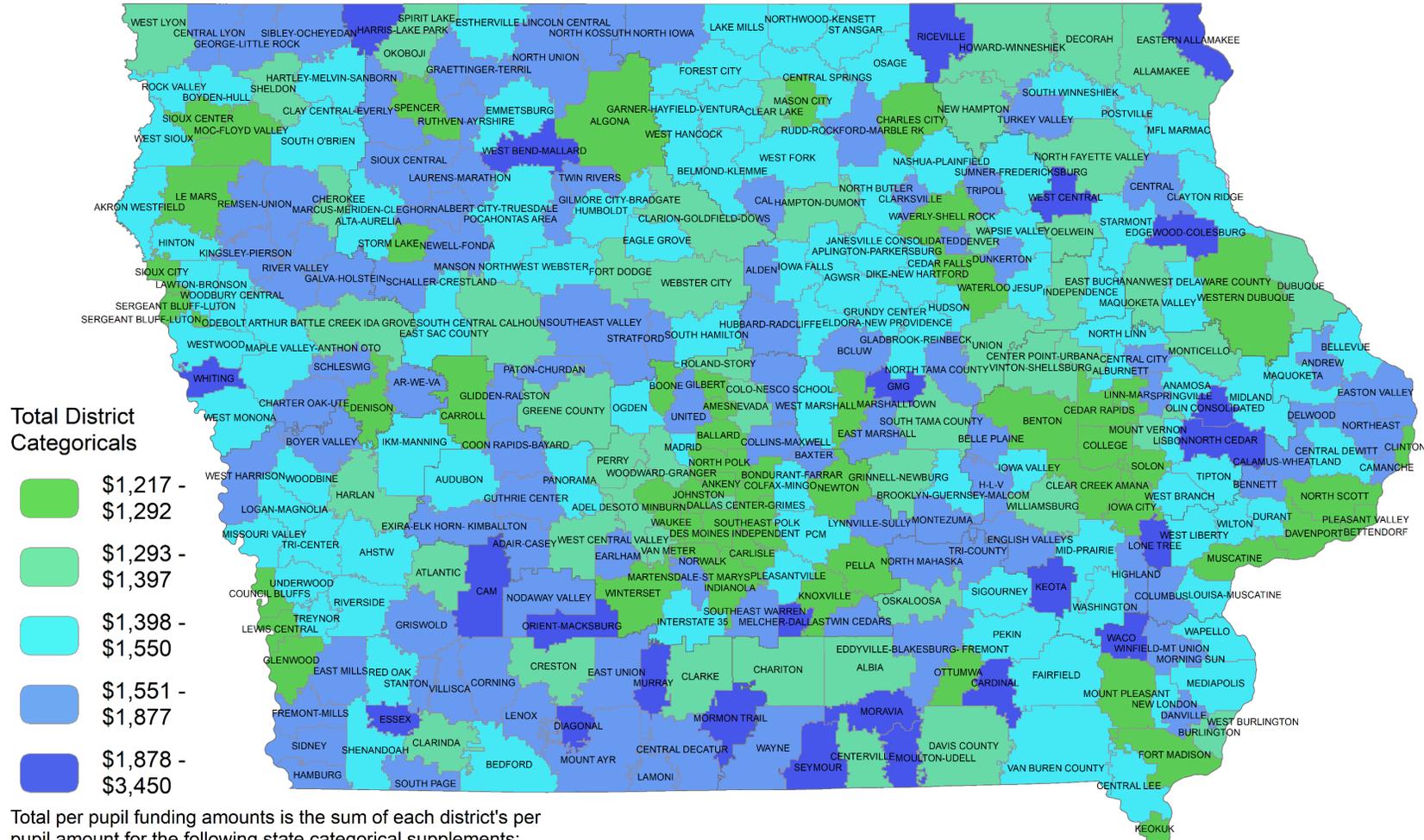
Open enrollment tuition for regular program, PD, EIS and TLS is the budget year's state cost per pupil amount.

Charter Schools - Money Follows the Student

	Follows the Student?	Notes	Charter Tuition in FY 2025
Regular Program	YES	Amount is equal to the budget year's State Cost Per Pupil (SCPP)	\$ 7,826.00
Special Education	YES	Amount is the cost incurred for appropriate special education	varies on situation
Teacher Salary Supplement (TSS)	No		
Professional Development Supplement (PDS)	YES	Amount is equal to the budget year's PD cost per pupil (New in FY 2025)	\$76.00
Early Intervention Supplement (EIS)	YES	Amount is equal to the budget year's EIS cost per pupil (New in FY 2025)	\$82.78
Teacher Leadership Supplement (TLS)	YES	Amount is equal to the budget year's TLS cost per pupil	\$ 377.74
Secure an Advanced Vision for Education (SAVE)	No		



Iowa Association of School Boards FY 2025 Total Per Pupil State Categorical Supplement Funding Amounts by District



Total per pupil funding amounts is the sum of each district's per pupil amount for the following state categorical supplements:

- Teacher Salary Supplement (TSS)
- Professional Development Supplement (PD)
- Early Intervention Supplement (EI)
- Teacher Leadership Supplement (TLS)

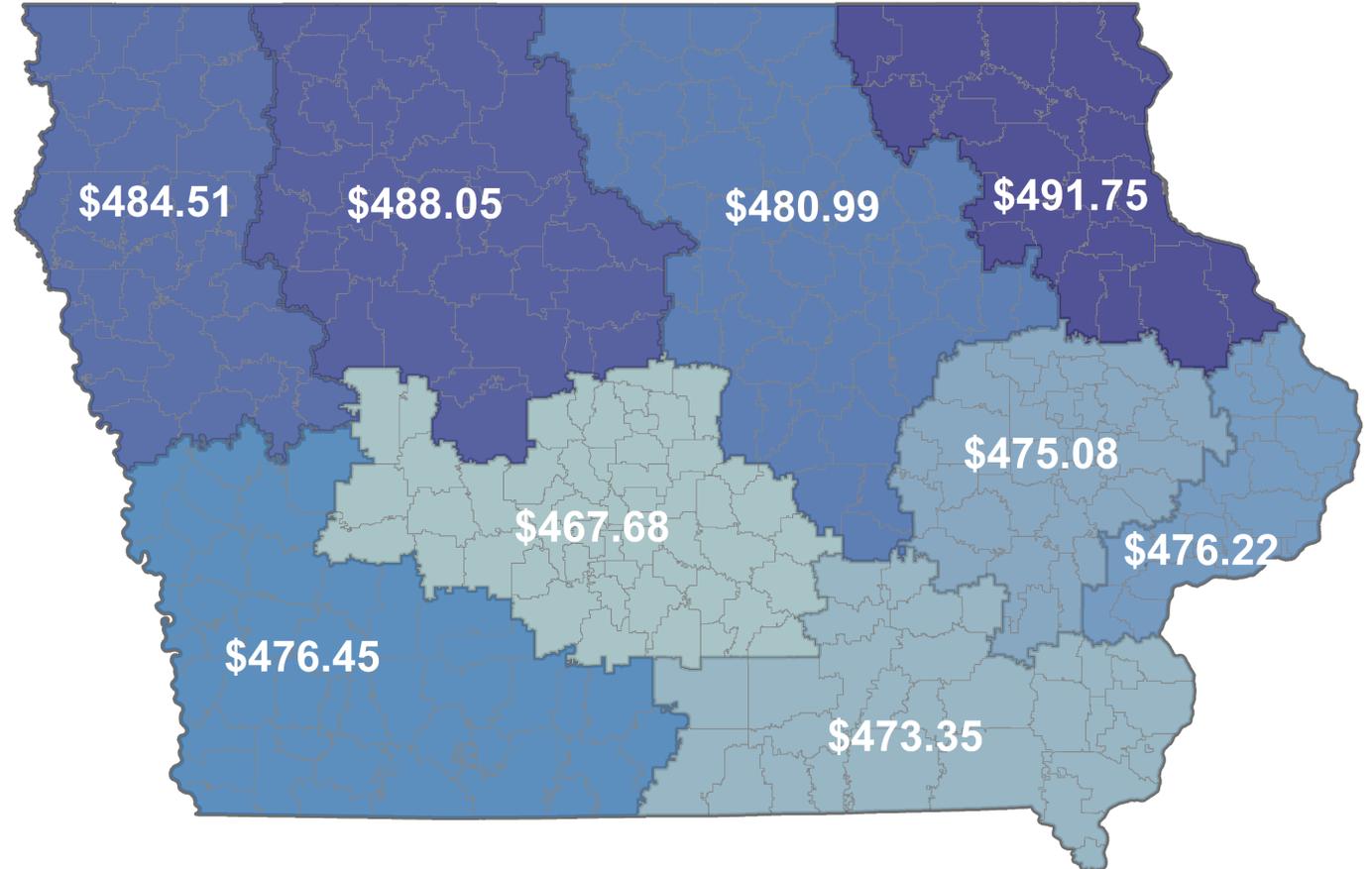
Sources: Department of Management, Aid and Levy Files, IASB Calculations

As fee for services costs become consistent statewide, FY 2025 AEA Cost per Pupil Amount by District still vary.



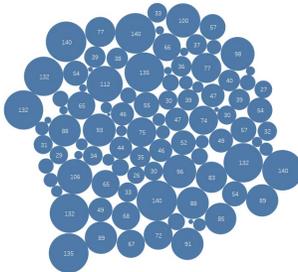
Iowa Association of School Boards
 FY 2025 Total of AEA Special Education, Media and Education Services
 District Cost Per Pupil (DCPP)

	AEA SPED DCPP	AEA Media DCPP	AEA Edu. DCPP
Max	\$ 356.48	\$ 64.07	\$ 71.75
Min	334.22	63.53	69.45
Range	22.26	0.54	2.30
Revenue Source	State Aid/ Prop. Tax	Prop. Tax	Prop. Tax

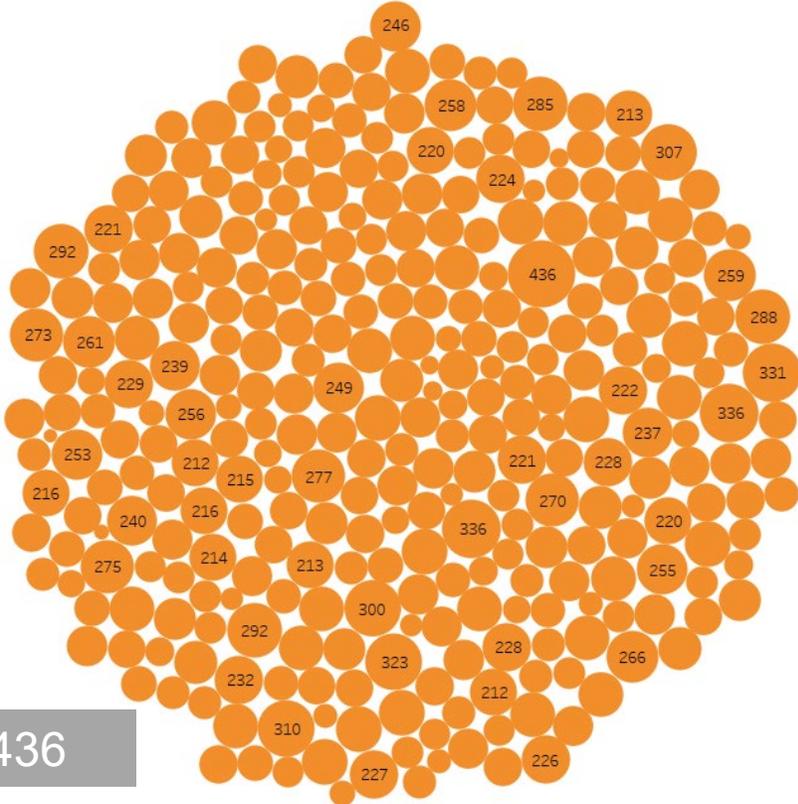


FY 2025 — Variances by District *w/o Additional TSS Dollars*

Maximum DCPD Range | \$140



Maximum Total Cost per Pupil Range | \$436



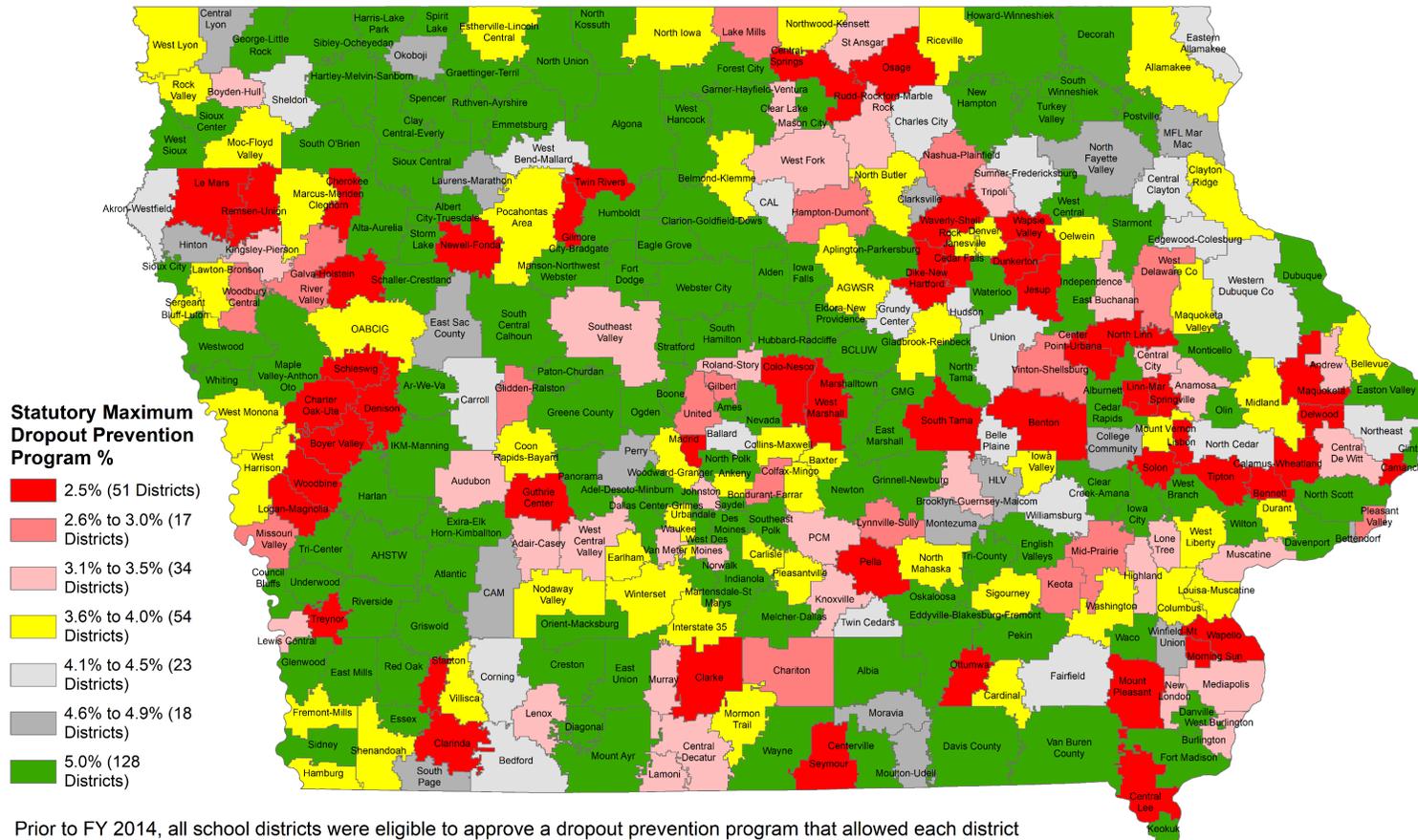
Equity Issue – Dropout Prevention Funding



Iowa Association of School Boards

FY 2025 Maximum Allowed Dropout Prevention Program Funding Percentage

Note that this statutory requirement has created a per pupil funding inequity across the state. The per pupil difference range in FY 2024 is about \$190.



- Before FY 2014, all districts could levy up to 5.0% of the regular program dollars for DoP.
- After FY 2014, districts capped between 2.5% and 5.0%

Prior to FY 2014, all school districts were eligible to approve a dropout prevention program that allowed each district the ability to levy up to 5.0% of the district's regular program amount to support programs for returning dropouts and dropout prevention programs. However, enactment of SF 451 during the 2012 legislative session set new maximum rates, based on the district's maximum percentage used between FY 2010 and FY 2013. If a district had not implemented the program during those years or the district's maximum percentage was less than 2.5%, the maximum rate for those districts was set at 2.5%.

Sources:
Iowa Department of Management, School Aid file
IASB analysis and calculations

There continue to be opportunities for the Legislature to equalize the district cost per pupil variances.



- Support additional preschool weightings, as research demonstrates that children participating in early childhood education and early literacy programs are more likely to succeed.
- Continue to equitably fund public education on a per-pupil basis by equalizing districts' cost-per-pupil amounts for categoricals and AEAs; and increase the SCPP for the teacher salary supplement to better fund annual salary and benefit changes.
- Increase the Dropout Prevention cap for each district below five percent to equalize the ability of all districts to generate dropout prevention funds.



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