



## IOWA

### Description of the Formula

This is a foundation program based on FTE pupil units. The state guarantees 87.5% of the state cost per pupil, which is \$4,487 per pupil from a combination of state aid and a uniform local property tax levy (2006-07). State aid is the difference between a district's total foundation cost and the amount a school district raises from the uniform property tax levy of \$5.40 per \$1000 of taxable valuation. The foundation program allows districts to levy an additional property tax for the difference between the 87.5% foundation guarantee and 100% of the district's cost per pupil. Every district's cost per pupil is between 100% and 105% of the state cost per pupil (\$5,128 in 2006-07). The rate of growth in the state per pupil cost is set as a percentage annually by the legislature.

### District-Based Components

#### Density/Sparsity of Small Schools

Additional pupil FTE is provided for .48 of the time that pupils attend classes in another school district, attend classes in a community college, attend classes taught by a teacher jointly employed by two or more school districts, or attend classes taught by a teacher who is employed by another school district. There is also supplementary weighting of .1 provided for a school district that establishes a regional academy to which two or more other districts send students. The total amount of supplementary weighting provided for a regional academy cannot exceed the equivalent of 15 additional pupils and is guaranteed a minimum of 10 additional pupils.

#### Grade Level Differences

Does not apply.

#### Declining Enrollment or Growth

For enrollment growth, a school district can request an on-time budget adjustment of 100% of the difference between the actual (current) and budget (prior year enrollment) amounts, multiplied by district cost per pupil. The school district board of directors must adopt a resolution and apply to the School Budget Review Committee by November 1 annually to receive the on-time budget adjustment. When a district experiences a decline

in enrollment, its budget for the next fiscal year may be increased or adjusted to a guaranteed level compared to either its prior year or to its FY2004 budget. The local school board must adopt a resolution to receive the budget adjustment.

**Capital Outlay and/or Debt Service**

Debt is limited to 5% of assessed property valuation.

Capital outlay is provided by local property tax levy/income surtax, a local bond issue, or a countywide local option sales and services tax for school infrastructure. No supplemental state aid is provided.

**Transportation**

Transportation is not categorically funded but is included in the foundation program funding.

**Student-Based Components**

**Special Education**

Three levels of additional pupil FTE weighting are provided for special education pupils.

**Pupil Weights for Special Education Programs**

<b>Categories</b>	<b>Weight</b>
Resource teaching program, special class with integration, supplemental assistance. Receive all or part of instructional program in the general education curriculum	1.72
Self-contained special class with little integration, limited participation in the general education curriculum with non-handicapped pupils	2.21
Self-contained special class. Pupils with similar educational needs who are severely handicapped and special education instructional program provided on a full-time basis.	3.74

**Compensatory Education**

Formula supplementary weighting is provided for at-risk programs and alternative schools and is determined partially on the percentage of pupils enrolled in grades one through six eligible for free and reduced price meals in a school district and partially on the budget enrollment of the school district. Spending authorization for returning dropout and dropout prevention programs is funded on the basis of 25% or more from the combined district cost of the school district and up to 75% through modified allowable growth approved by the School Budget Review Committee. Modified allowable growth is an increase in budget authority and is funded with balance on hand or a local property tax levy.

**English Language Learner/Bilingual Education**

Students identified as limited English proficient are assigned an additional pupil FTE weighting of .22. The supplementary weighting may be assigned for up to four years. A school district may apply to the School Budget Review Committee for an adjustment to

budget authority for the cost of providing the program in excess of the funding generated from the weightings or the cost to continue providing the program beyond the four years of weighting.

### **Gifted and Talented Education**

A portion of the district cost per pupil in the foundation formula is earmarked for the gifted and talented program. Forty-eight dollars per pupil is incorporated in the regular program cost to fund 75% of the gifted and talented program budget. The local district must provide the remaining 25% of the budget, or \$16 per pupil.

### **Other**

Supplementary weighting carry forward is provided as an incentive for districts that reorganized during an incentive period that ended on July 1, 2006.

## **Revenue and Expenditure Information**

### **State Mandates Restricting Revenue or Expenditure Increases**

Increase in the district cost per pupil is limited by a state growth factor set annually by the legislature for the subsequent budget year.

### **Property Assessment Ratios Used/Legal Standards for Property Assessment**

The property tax due and payable in a fiscal year is determined by taking the property's assessed value determined as of January 1 of the year preceding the year in which the fiscal year begins (18 months) prior adjusted by statutory exemptions and the applicable rollback), and multiplied by the total levy rate. The tax levy rates are expressed in dollars and cents per \$1,000 of assessed valuation.

Real property is placed in one of four classes: agricultural, residential (including agricultural dwellings), commercial, or industrial. Taxable real property is assessed at 100 percent of market value, except for agricultural property. The assessment for agricultural property, excluding agricultural dwellings, is based on productivity, or net earning capacity, capitalized at a set rate. The assessment procedures in valuing property for property tax purposes of entities involved in the generation, delivery, and transmission of electricity and natural gas in the state were replaced by excise taxes on generation, delivery, and transmission effective for the assessment year beginning January 1, 1999.

The assessed value of property may be a percentage of the assessed value as a result of statewide limitations, or rollback provisions, on annual growth in assessed values. The rollback percentage is multiplied by the assessed value to obtain the taxable value of the property. Increases in the assessment of residential and agricultural property are tied to each other. The annual increase in each class of property is limited to the smaller of the two increases in either class of property. The state is required to fully reimburse local governments for all newly enacted property tax credits granted to taxpayers on or after January 1, 1997, and for certain credits that existed prior to that time. If full

reimbursement is not made, the amount of the credits granted to taxpayers will be prorated.

### **Measure of Local Ability to Support Schools**

Property valuation per pupil.

### **School District Budget and Tax Rate Procedures/Sources of Local Revenue**

All school districts are fiscally independent. Voter approval is not required for budget certification, but local taxpayers can appeal local tax levies to a state appeals board. Special levies or bond issues are voted by the local taxpayers. The School Budget Review Committee reviews budgets and reduces each cash reserve levy that it determines is excessive.

### **State Support for Nonpublic Schools**

A state appropriation is distributed to public school districts in which accredited nonpublic schools are located to provide textbook services to the students enrolled in that nonpublic school. The nonpublic school makes its request for textbooks services when it certifies its enrollments to the state. Students in accredited nonpublic schools may enroll part-time for coursework in the public school district in which the nonpublic school is located. The public school district may include the part-time FTE of these students in its public enrollment count within the foundation formula. Transportation aid is provided to public school districts that provide transportation, or transportation reimbursement to parents, for nonpublic students. The amount of aid is determined by statute based on the district's average transportation cost per pupil in the prior year or based on a reimbursement formula.