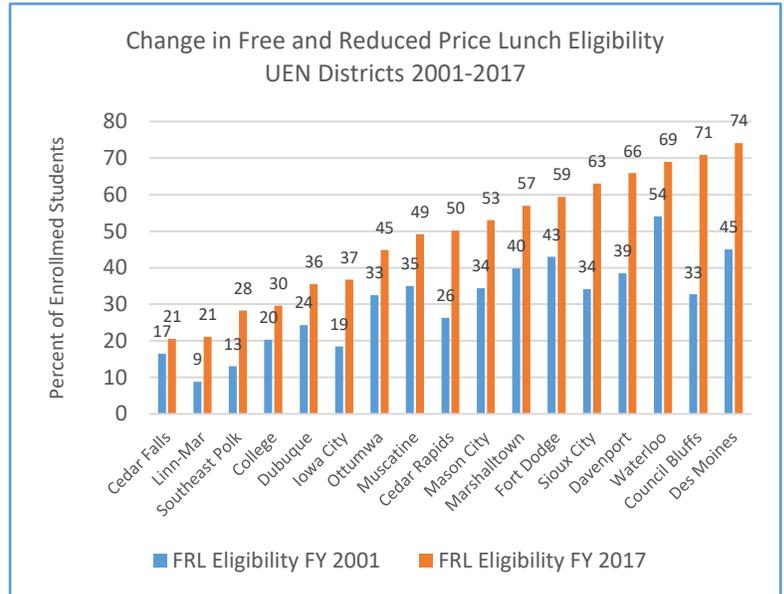


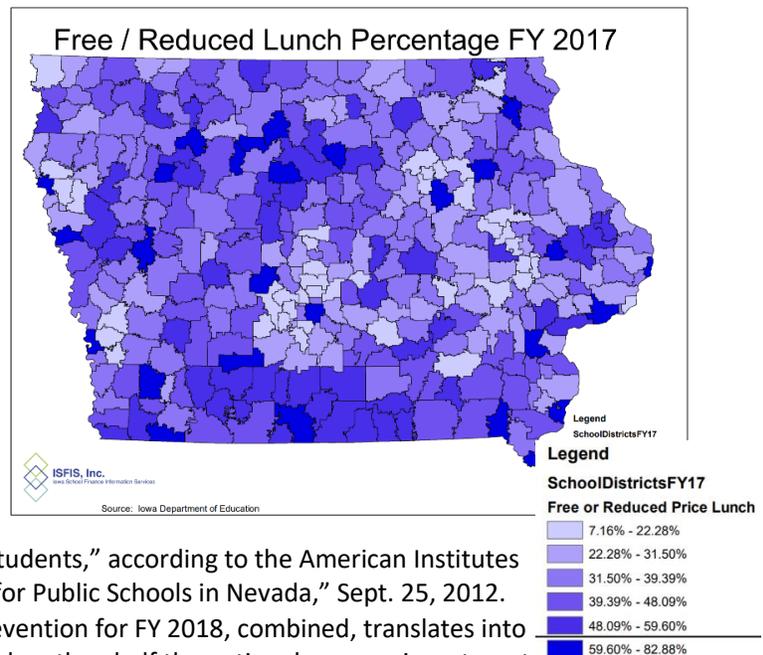
Issue Brief 2018
Childhood Poverty/At-Risk Students and School Funding

Background: Iowa used to be a homogenous state with relatively low poverty. In 2001, about 28% of students were eligible for Free & Reduced Lunch. In 2017, over 41% of students are eligible. Iowa's funding formula does not sufficiently identify low income as a driver of at-risk student programming. Dropout Prevention (DoP) funding is based on total enrollment count, not the percent of students at-risk, and is limited to between 2.5% and 5% of regular program district cost based on historical practice. Most UEN districts are at the maximum, yet their percentage of students from low-income families is much higher. Flexibility for using DoP funds was expanded in the 2015 and 2017 Legislative Sessions, but did not address the variance in the DoP cap.



Current Reality:

- Students in poverty are more likely to begin school behind peers academically, struggle with health, exhibit attendance challenges, have nonproficient literacy skills, especially in early elementary, and fall further behind over summer breaks, unless schools have the resources, staff and programs to meet their needs.
- Poverty is no longer concentrated in Iowa's urban centers. The darkest color in the map shows districts with more than 59% of their students eligible. In FY 2017, 62 school districts in Iowa had more than half of their students eligible, Postville at 82.9%. Of those 62 districts, 8 are UEN member districts.
- The national average investment is an additional 29% above the base for low-income students. Weights vary but range from an additional 0.05 in Mississippi to 0.97 in Maryland. The average weight is 0.29—or an additional 29% funding per low-income pupil. "Most states provide about an additional 0.20 to 0.25 in funding for low-income students," according to the American Institutes for Research, "Study of a New Method of Funding for Public Schools in Nevada," Sept. 25, 2012.
- Iowa's funding for at-risk students and dropout prevention for FY 2018, combined, translates into just short of 10% funding commitment for poverty, less than half the national average investment.



The UEN calls on the Iowa Legislature to fund districts based on student need. Give districts flexibility to identify students and direct funds to educate them. Invest early, increasing access to quality preschool programs, to prevent higher costs later.