

2024 Priority Issue Brief: Opportunity Equity for High-Poverty Students

Student Opportunity Equity

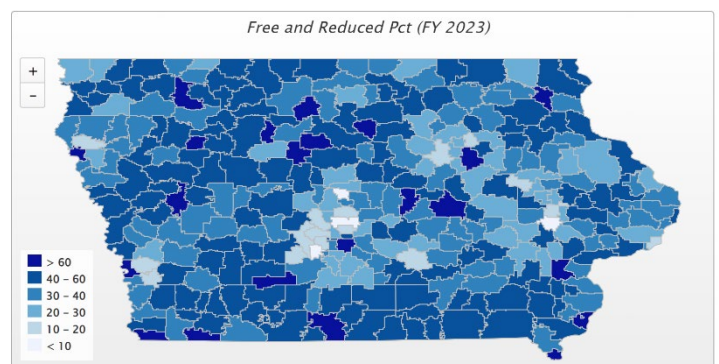
Many Iowa students start school behind their peers, some by several grade levels. With the near doubling of free and reduced-priced lunch participation, an education marker for poverty, the needs of many of Iowa's students are intense. Iowa's funding formula should include targeted funding based on the actual costs of closing achievement gaps for at-risk students living in poverty.

Background: Iowa's funding formula does not sufficiently recognize poverty as a driver of at-risk student programming. Historically, Iowa schools served a more homogenous, middle-class population. In 2001, about 27% of students were eligible for Free/Reduced Price Lunch (FRPL). Dropout Prevention funding is based on total enrollment, not the percentage of students at risk. Although flexibility for the use of DoP funds has been expanded, DoP capacity is still limited to 2.5% of the total regular program district cost or up to 5% of regular program district cost based on historical practice.

The December 2019 School Finance Interim Committee passed a unanimous bipartisan recommendation to study the impact of poverty on educational outcomes. The Committee saw a presentation by ISFIS reporting on other states, the national average of 29%, and the shortfall in Iowa compared to best practice (access the Committee's Website showing the [ISFIS presentation](#)). The study was directed to review other states' formulas to provide resources for students from low-income families which are showing successful student achievement outcomes for at-risk students. [HF 2490](#) Poverty Weighting Study was approved with strong bipartisan support in the House Education Committee in the 2020 Session, but the issue has received no action since. This bill serves as a good starting point for continued conversation.

Current Reality: In FY 2023, 42.3% of students were eligible for FRPL. Of the 74 districts with more than half of their students on FRPL, 13 are urban. 22 school districts have more than 60% of students eligible for FRPL. Poverty is now found throughout the state, regardless of district size or geography, as the map demonstrates.

Districts above 70% include Postville, Waterloo, South Page, Clay Central-Everly, and Des Moines, which was the state high of 77.2%.



The 24 UEN member districts, which collectively educate 42% of Iowa's public school students, enroll 103,923 of Iowa's 203,607 low-income students, or 51.0%.

Impact of Poverty on Student Outcomes and School Resources

- Iowa's funding for at-risk (.48%) and dropout prevention (2.5-5%) combined are well short of the national average 29% weighting for low-income students (AIR, [Study of a new Method of Funding for Public Schools in Nevada](#), Sept. 2012). Since Iowa spends \$1,536 less per student than the national average ([US Census data](#) from May 2022), the weighting per low-income Iowa student, applied to a lower base, is inadequate to provide needed supports.
- Students from low-income families are more likely to begin school academically behind, exhibit 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.
- Low-income students are an important piece of Iowa's workforce puzzle, will stay in Iowa, and will either be the backbone of our communities' potential or a drain on future resources.
- Districts must waive fees for FRPL-eligible families, meaning districts with concentrated poverty have fewer resources for textbooks and drivers' education, further stressing the general fund.
- High-poverty School Investments boost achievement. Education Week, [Student Outcomes: Does More Money Really Matter?](#) Fresh research bolsters the case for K-12 cash—and a rough road without it, Daarel Burnette II, June 4, 2019 reports: "More money does, in fact, make a difference, they (researchers) say—provided that you spend enough, and in the right manner. They point to research in the past five years that provides examples of instances where politicians and taxpayers invested more money in teacher salaries, school construction, and schools with high populations of low-income students and saw students' test scores jump."
- The McCourt School of Public Policy, Georgetown, FutureEd, [State Education Funding: The Poverty Equation](#), March 2020, states, "What's more, when poverty is concentrated in a school—that is, when a significant portion of students in a school come from low-income households—the impact on performance is compounded. [A body of research](#) suggests that there is a 'tipping point,' somewhere between 50 to 60 percent of a school's students living in poverty, where performance for all students there drastically declines."
- Participation in Free and Reduced Price Lunch echoes other indicators of poverty, such as lower property value supporting students and/or concentration of refugees and English-language learners. The [Final Report of the ELL Task Force in 2013](#) stated, "Note that property tax pressures are significant in most school districts with high concentrations of ELL students." Resources such as additional modified supplemental amount for excess ELL expenses beyond the formula weighting and dropout prevention funding are paid entirely with property taxes, already stressed in lower-income communities.