



FY 2021 Inequities in the Instructional Support Levy (ISL) Program Funding Levels

The Instructional Support Levy (ISL) Program provides districts the opportunity to increase district general fund dollars by allowing the district to obtain an additional 10% of their regular program dollars upon board or voter approval. Boards may approve the Program for up to five years and voters may approve the Program for up to 10 years. The ISL dollars may be used for any general fund purpose.

The ISL funding is to be based on a formula that includes a local funding portion (property tax or a combination of property tax and income surtax) and a state aid portion. The state aid portion is to be based on the taxable valuation wealth of a school district. Districts with higher taxable valuations per pupil will generate more in local tax revenues and would generate less in state aid, whereas districts with lower taxable valuations per pupil will generate less from local revenue and would generate more from state aid.

While current law and the ISL funding formula still includes a reference to state funding, the **state aid portion has not been fully funded by the legislature since FY 1992 and has not been funded at all since FY 2011**. Additionally, school districts do not receive spending authority for the unfunded state aid portion of the ISL program. In FY 2022, the unfunded state aid portion totaled \$96.3 million. This issue impacts all school districts, but the impact is greater as the taxable valuation per pupil of a school district decreases thus creating a funding inequity. The following Table provides the impact of the unfunded state aid portion by taxable valuation per pupil quartiles on a per pupil basis. The percentage of ISL program funded by quartile ranges from 64.0% (property poor districts) to 85.5% (property rich districts), thus on a per pupil basis this funding is not equitable between districts. **However, if the state aid portion was fully funded, funding on a district-to-district basis would be equitable and all districts would receive 100.0% of ISL program funding.**

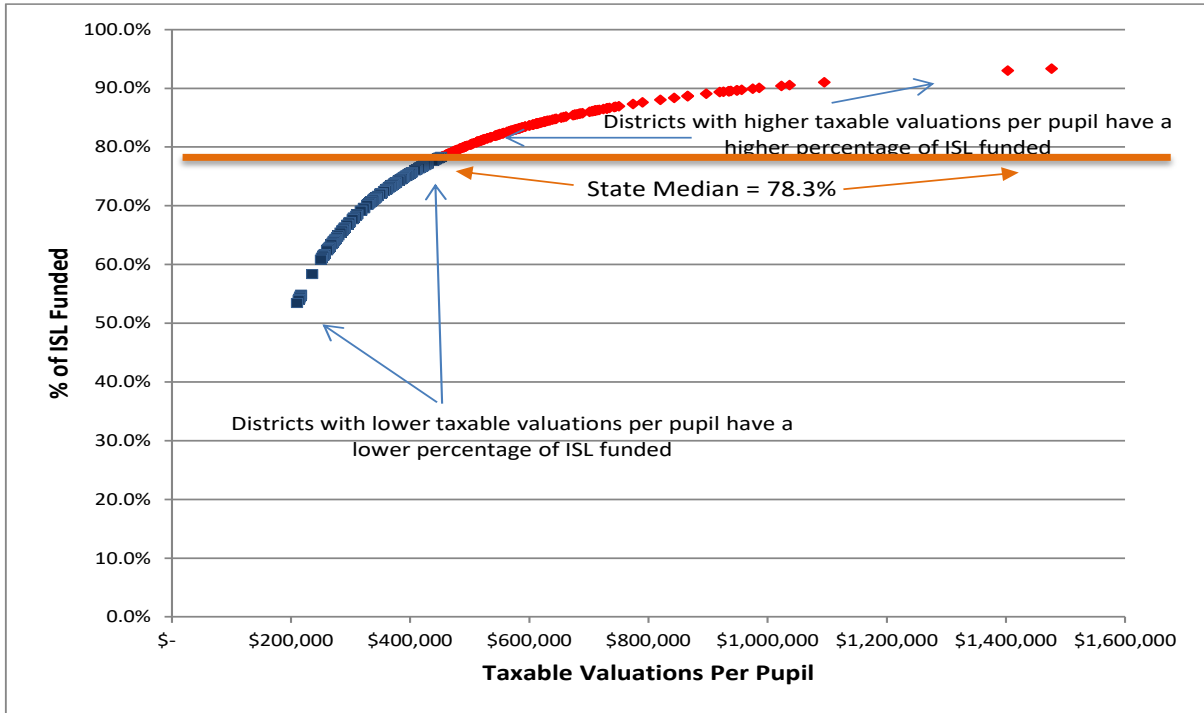
| Taxable Valuation Per Pupil Quartile | Taxable Valuations Per Pupil | ISL - Per Pupil Amounts | | | % of ISL Program Funded |
|--------------------------------------|------------------------------|-------------------------|--------------------------|---------------------------------------|-------------------------|
| | | Unadjusted ISL Amount | Actual Funded ISL Amount | Amount Unfunded (State aid Shortfall) | |
| Q1 - Property Rich Districts | \$ 705,500 | \$ 731 | \$ 626 | \$ 106 | 85.5% |
| Q2 | \$ 501,101 | \$ 729 | \$ 586 | \$ 143 | 80.3% |
| Q3 | \$ 387,935 | \$ 718 | \$ 536 | \$ 182 | 74.6% |
| Q4 - Property Poor Districts | \$ 278,840 | \$ 708 | \$ 453 | \$ 255 | 64.0% |

Note: Calculations include districts with ISL Program in place for FY 2020 (326 of the 327 school districts)

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

The following Chart shows the correlation of taxable valuation versus the unfunded portion of the ISL for FY 2022. The percentage of funded ISL increases as the taxable valuation per pupil of the district increases. Districts with lower taxable valuations per student will have a lower funded ISL portion than districts with higher taxable valuations. Statewide, the funded portion of the ISL ranges from a high of 93.4% (Okoboji – high taxable valuation per pupil) to a low of 44.9% (Ottumwa – low taxable valuation per pupil). Additional ISL data by school district is available on IASB website under the [School Finance Data](#) page.

Chart: FY 2022 Taxable Valuation Per Pupil Correlation to the Portion of the Funded ISL Program

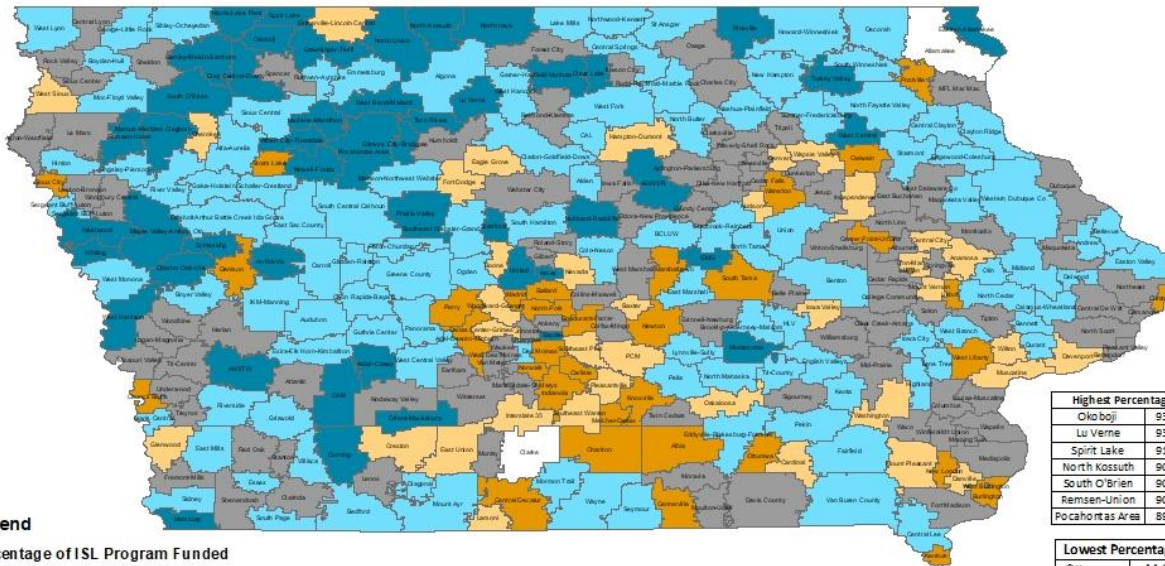


The following map provides the percentage of funded ISL by school district for FY 2022. Districts shaded in blue have a higher funded percentage while districts shaded in orange have a lower funded percentage

- [View a larger map](#)
- [Find district specific information](#)



Iowa Association of School Boards Instructional Support (ISL) Program - Percentage of Program Funded in FY 2022



Legend

Percentage of ISL Program Funded

- 44.9% to 65.9% (35 Districts)
- 66.0% to 71.9% (37 Districts)
- 72.0% to 78.4% (96 Districts)
- 78.5% to 84.9% (109 Districts)
- 85.0% to 93.4% (48 Districts)
- No Instructional Support Program (2 Districts)

Note: Districts, upon board or voter approval, may receive up to 10.0% of the district's regular program amount for the ISL Program. However, because the state portion is not fully funded (and currently not funded at all), districts only receive a portion of the amount required to fully fund the program. This map shows the percentage of the ISL program funding districts are actually receiving. If the state portion was fully funded, each participating district would be at 100.0%.

| Highest Percentages | |
|---------------------|-------|
| Okoboji | 93.4% |
| Lu Verne | 93.0% |
| Spirit Lake | 91.0% |
| North Kossuth | 90.5% |
| South O'Brien | 90.4% |
| Remsen-Union | 90.1% |
| Pocahontas Area | 89.9% |

| Lowest Percentages | |
|--------------------|-------|
| Ottumwa | 44.9% |
| Storm Lake | 49.7% |
| Sioux City | 51.0% |
| Perry | 53.4% |
| Norwalk | 53.9% |
| Centerville | 54.1% |
| Carlisle | 54.2% |

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