



Dropout Prevention Program (DOP) Funding Inequity

School districts can request a modified supplemental amount for approved programs for at-risk students, for secondary students who attend alternative programs or alternative schools, or programs for returning dropouts and dropout prevention. Prior to FY 2014, the maximum amount a school district could request for the Dropout Prevention Program (DOP) funding was 5.0% of the district's regular program cost less any prior year's carryover funds for the DOP. With enactment of SF 451 during the 2012 legislative session, the maximum rate was changed and was limited to the maximum percentage a district implemented between FY 2010 and FY 2013. If a district's maximum percentage was less than 2.5%, their maximum rate was set at 2.5%. The result of this legislation created a per pupil funding inequity by establishing different maximum percentages between districts. Statewide the maximum percentages range from 2.5% to 5.0%.

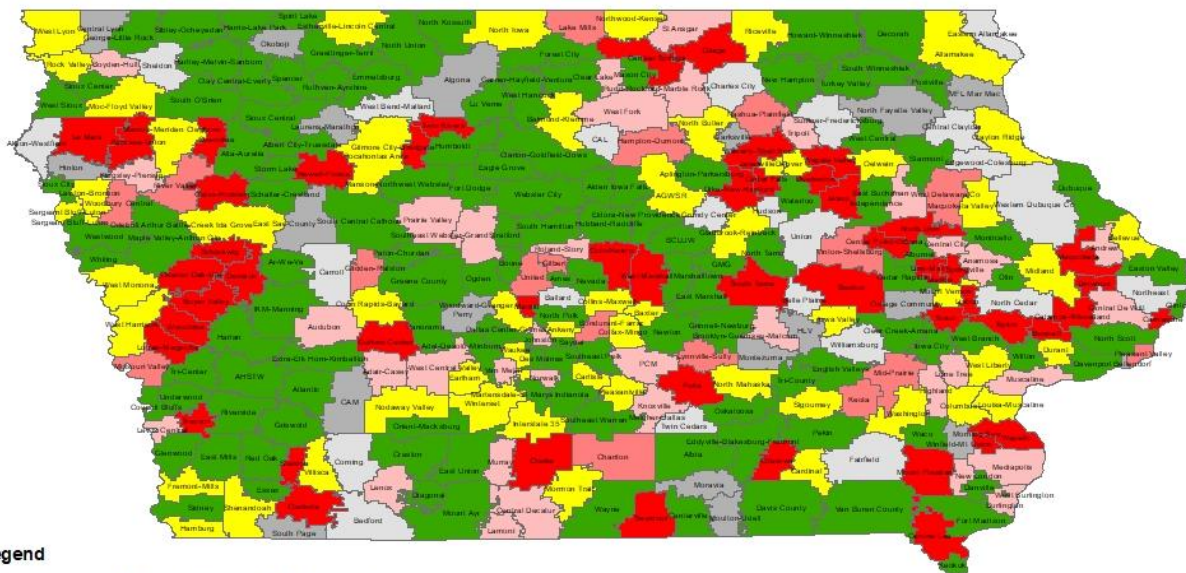
The following map provides the variation in the maximum DOP between districts in FY 2021. Districts in red (51) are at the minimum rate of 2.5% while districts in green (128) are at the maximum rate of 5.0%. To quantify this inequity in terms of dollars, in FY 2021 districts at the maximum rate may receive up to \$352 per student while districts at the minimum rate may only receive up to \$176 per student, a difference of \$176. Additional information can be obtained from the following tools:

- [View a larger map](#)
- [See the list of all school districts information](#)
- [Financial Focus Dropout Prevention Program Funding tool](#)



Iowa Association of School Boards FY 2021 Maximum Allowed Dropout Prevention Program Funding Percentage

Note that this statutory requirement has created a per pupil funding inequity across the state



Legend

FY 2021 Statutory Maximum Dropout Prevention Program %

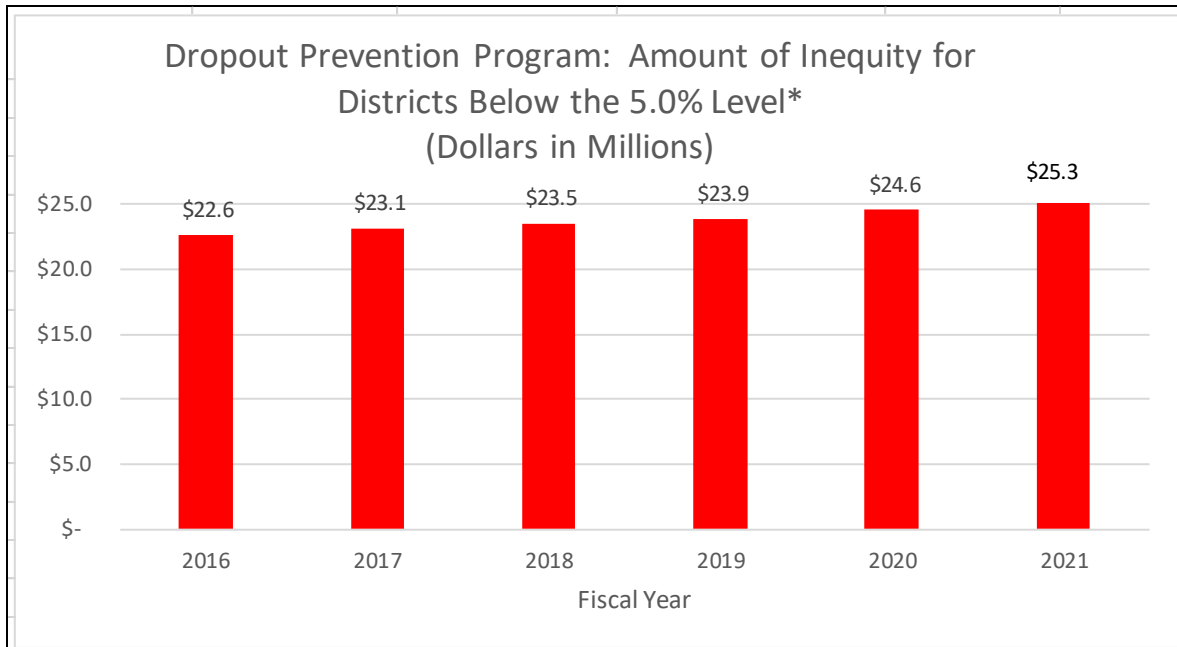
- 2.5% (51 Districts)
- 2.6% to 3.0% (17 Districts)
- 3.1% to 3.5% (36 Districts)
- 3.6% to 4.0% (54 Districts)
- 4.1% to 4.5% (23 Districts)
- 4.6% to 4.9% (19 Districts)
- 5.0% (128 Districts)

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

Estimated Loss of Funding Capacity for Districts with a Maximum Dropout Prevention of Less than 5%

Although 128 districts are at the statutory maximum level capacity of 5.0%, the remaining 199 districts (60.9% of districts) are below that level, including 51 districts that can only levy for half the amount. In FY 2021, the 199 districts that were below the 5.0% level lost out on the ability to levy \$25.3 million for the program if those districts were allowed to levy up to the 5.0% level. The following chart shows the inequity amount (loss of potential revenue for districts that have a percentage of less than 5.0%) for the past five years. While the number of districts below the 5.0% level has decreased (due to reorganizations), the total inequity amount, average amount per district, and the per pupil amount continues to increase. Note that the average amount per district and the per pupil amount are based on the districts that are below the 5.0% maximum level.



Fiscal Year	Number of Districts at 5.0% Maximum	Number of Districts Below 5.0% Maximum Level	Amount of Inequity for Districts Below the 5.0% Level	Average Inequity Amount Per District	Per Pupil Inequity Amount
2016	132	204	\$ 22,612,365	\$ 110,845	\$ 103.23
2017	131	202	\$ 23,113,098	\$ 114,421	\$ 105.55
2018	131	202	\$ 23,540,381	\$ 116,537	\$ 106.77
2019	130	200	\$ 23,856,254	\$ 119,281	\$ 107.83
2020	128	199	\$ 24,559,402	\$ 123,414	\$ 110.14
2021	128	199	\$ 25,291,060	\$ 127,091	\$ 112.79

*Amounts represent annual capacity totals and do not include any carry-forward balances.

Recent Legislation to Address the Inequity Issue

During the 2020 legislative session, the House Education Committee passed HF 2497 (Modified Supplemental Amount for Dropout Prevention Programs Bill). In general, this bill would have allowed school districts that were below the 5.0% maximum rate to request an additional modified supplemental amount up to the 5.0% maximum rate (upon board approval) and use those additional funds for dropout prevention and at-risk student purposes. While the bill did pass the education committee, it did not advance any further.

In essence, the process of getting legislation to address this issue will be starting over for the next Iowa General Assembly. Strong advocacy for an equalization of the dropout prevention funding will be needed. Although this provision is funded through local property taxes, it does provide for local discretion and the legislature should allow all local school boards the ability to make the decision to levy up to the 5.0% maximum rate.