



The Iowa Policy Project

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World-Class on a Shoestring Budget?

Out of recession, but education funding not out of historical hole

By Andrew Cannon

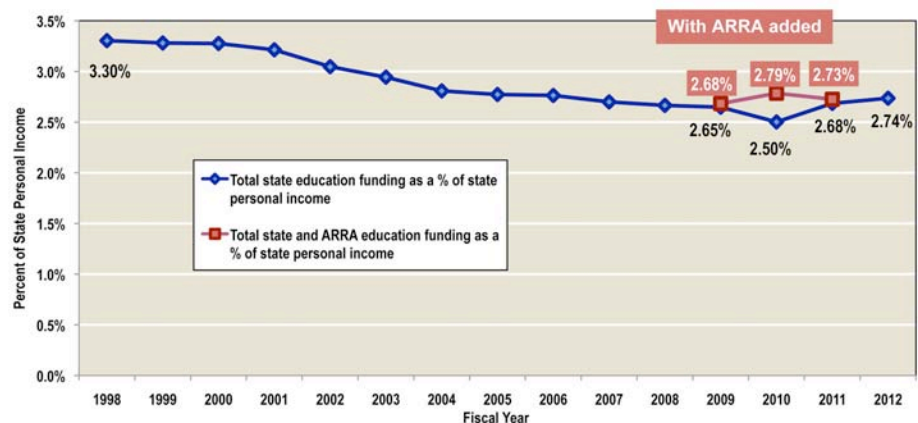
Over 1,600 people attended this week's statewide education summit, organized by Governor Branstad. The purpose of the summit is to "build consensus for how to give all [Iowa] students a world-class education,"¹ and to reposition Iowa as a leader in education among the states.² National education leaders from Secretary of Education Arne Duncan to former North Carolina Governor James Hunt and current New Jersey Governor Chris Christie noted Iowa's relative stagnation in student performance in test scores over the last two decades. They observed Iowa has moved from a leader toward the middle among states in student achievement, even at a time when the United States overall lags many countries in rankings of overall student achievement. In 2006, an Iowa Fiscal Partnership report³ presented information on student achievement very consistent with that offered at the summit. While that report indicated Iowa's decline in student scores over this period could not be attributed solely to spending on education, Iowa had experienced a relative decline in primary and secondary elementary spending over this period, relative to other states. In recent years, education officials and educators statewide have crafted curriculum standards and strategies that reflect growing recognition of the need to focus on student achievement.

While the summit stressed the importance of teacher excellence, accountability and innovation for Iowa, most speakers also stated that this will not be achieved without new investments in education. This report provides information on overall public investments in education in Iowa over time.

The widening interest in student achievement has coincided with a decrease in overall state education funding over the past 13 years. Figure 1 illustrates the steadily declining levels of state education funding. As a share of the economy, overall state education funding for education has declined by 17 percent since Fiscal Year 1998. Funding for higher education—both at community colleges and Board of Regents universities—has borne the brunt of that reduction.

Even before adjusting for inflation, higher-education funding has in recent years fallen well below earlier funding peaks. The reduction in funding is even starker after adjusting for inflation.

Figure 1. Long, Steady Decline in Overall State Education Funding



Sources: Iowa Legislative Services Agency; Bureau of Economic Analysis

The decade-long decline in K-12 funding, however, seems to have reversed course. State K-12 aid increased in FY11 and is set to increase again in FY12. The American Recovery and Reinvestment Act (ARRA) allowed Iowa, during the leanest years of the recession, to continue funding education at levels comparable to and even higher than prior years. As those Recovery Act funds expired at the end of June, the end of the state's fiscal year,

Iowa lawmakers chose to provide state funds to replace Recovery Act funds. The Recovery Act seems to have given state K-12 funding a boost, reversing the decade long trend of declining state funding.

At the same time, state expenditures represent only part of what is invested in K-12 education, as local property taxes, as well as federal funding, also contribute. Over this same period, Iowa's growth in per-pupil expenditures has lagged that for the nation as a whole, according to the National Center for Education Statistics.

State investments in education are also dependent upon the growth in the state economy. Another way to measure educational spending is to look at spending in relation to the state economy and therefore the capacity to invest in education. In this respect, state investments in K-12 education, community colleges, and universities all have declined over this period.

K-12 Schools

In general, local public school district budgets are defined by a formula based on enrollment and a state-defined cost per pupil. Districts meet those costs with a combination of property tax and state aid — appropriations from the state's general fund. In FY11, the statewide average per-pupil cost was \$5,917.⁴ State aid has typically covered just over half of the cost of education in Iowa.⁵ During the recession, however, as state revenues decreased, the Legislature reduced its state aid appropriation. As a result, state aid levels dipped well below that 50 percent mark in Fiscal Year 2009 and FY2010.

Lower state aid funding levels were not just a recessionary aberration, however. Since the 1990s, the amount of state aid has steadily declined, even when adjusted for inflation. Figure 2 (page 3) illustrates the steady decline in state funding from FY98 until recent increases supported by federal stimulus funds through the Recovery Act.

Figure 2 demonstrates the importance of the federal Recovery Act funds to K-12 education funding in Iowa during the recession — particularly in FY10. The Recovery Act provided over \$53 billion to state and local governments through the State Fiscal Stabilization Fund, a large portion of which went to fund education.⁶ Of the \$386 million in State Fiscal Stabilization Funds awarded to Iowa for education,⁷ over \$290 million replaced state aid to local schools.⁸

Thanks to those Recovery Act K-12 education funds, the state provided more aid to local schools in FY10 than it had in any single fiscal year since FY03. As Iowa has slowly emerged from the recession, its revenue stream has picked up. By FY11, state aid levels had reached their highest level yet in 2010 dollars. That upward trend will continue in FY12, as state K-12 funding will reach more than \$2.7 billion in 2010 dollars.

A Brief Note on Measures

Throughout this brief, spending levels are presented in several different ways. Figures are presented in nominal dollars, as a percent of state personal income or adjusted for inflation.

Nominal dollars are simply the dollar amounts unadjusted for inflation or the growth in the state economy.

State personal income is a measure of the overall state economy. It tracks all income earned by lowans in a year — accounting for inflation and population growth — making it possible to compare funding levels from year-to-year relative to the size of the state economy. This series is produced by the U.S. Bureau of Economic Analysis (BEA).

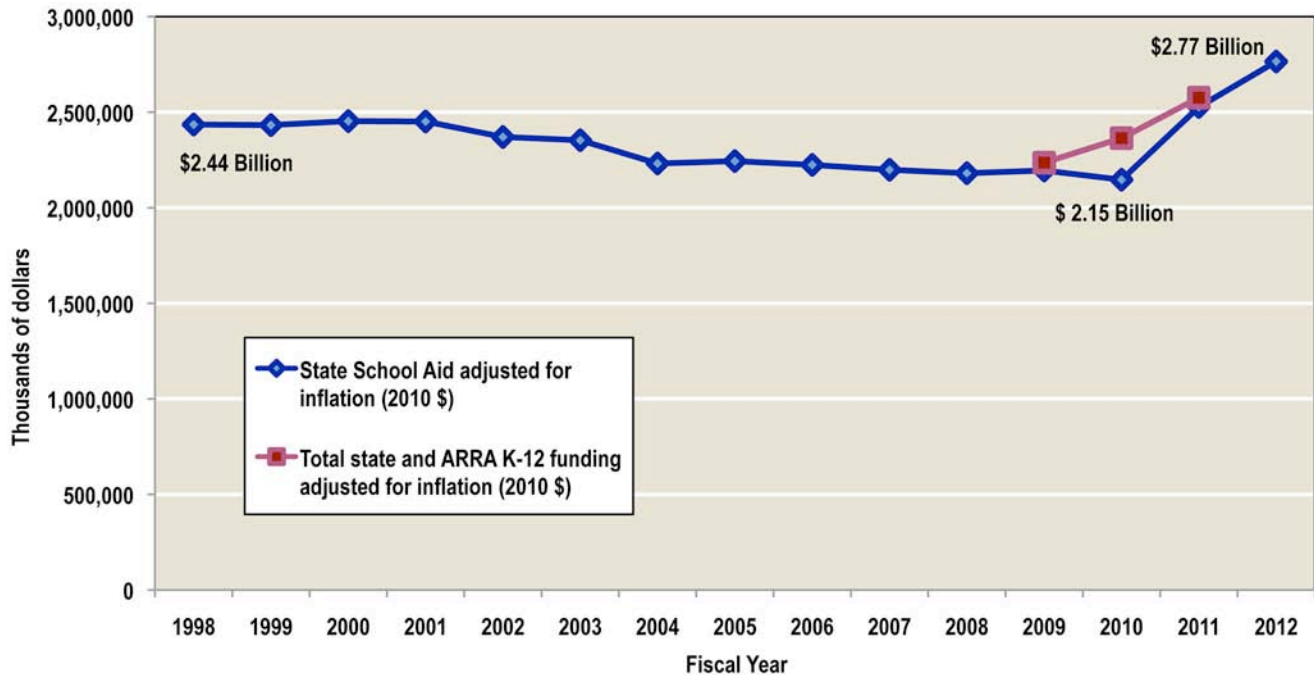
Inflation adjustments — the change in a dollar's value from year to year — are used at other times in this brief in order to accurately compare funding levels from different years.

Inflation adjustments often use the *Consumer Price Index*, which tracks the prices of a basket of consumer goods and services. Consumer prices, however, have little bearing on the costs of financing education.

This brief uses *two different price indices* that better reflect the change in prices at the governmental level. Community college funding and Board of Regents' institutions' funding have been adjusted using the *Higher Education Price Index* to more accurately capture the inflation experienced at the college level, while state aid to K-12 schools have been adjusted for inflation using the BEA's *State and Local Government Price Index* (found in BEA's National Income and Product Account tables).

See the Appendix for a look at more measures that shed light on state aid to education at the K-12, community college and Regents university levels.

Figure 2. Recovery Act (ARRA) Funds Bridged a Gap in State K-12 Funding



*Note: Adjusted to 2010 dollars with State and Local Government Price Index. Assumes 2 percent inflation in FY11 and FY12.
Sources: Legislative Services Agency; Bureau of Economic Analysis, State and Local Government Price Index.*

These figures, however, do not illustrate the full budget picture for Iowa schools. Each year, the Legislature sets the percentage by which the per-pupil cost of education may rise. This percentage is known as allowable growth,⁹ and in recent years it has become subject to wide speculation and fluctuation, leaving school districts with guesswork in their own budget-setting and uncertainty for the time beyond. For FY2011, for example, the Legislature set allowable growth at 2 percent but funded the state’s share for only half of that, leaving districts to raise property taxes to gain the full amount.

For the current budget year, the Legislature set allowable growth at zero — the first time since the current funding formula was created in 1974 that the state did not permit districts’ budgets to recognize and allow for any per-pupil increase in costs due to inflation.¹⁰ This means that local budgets and state aid in FY12 will reflect the same per-pupil cost designated for FY11.

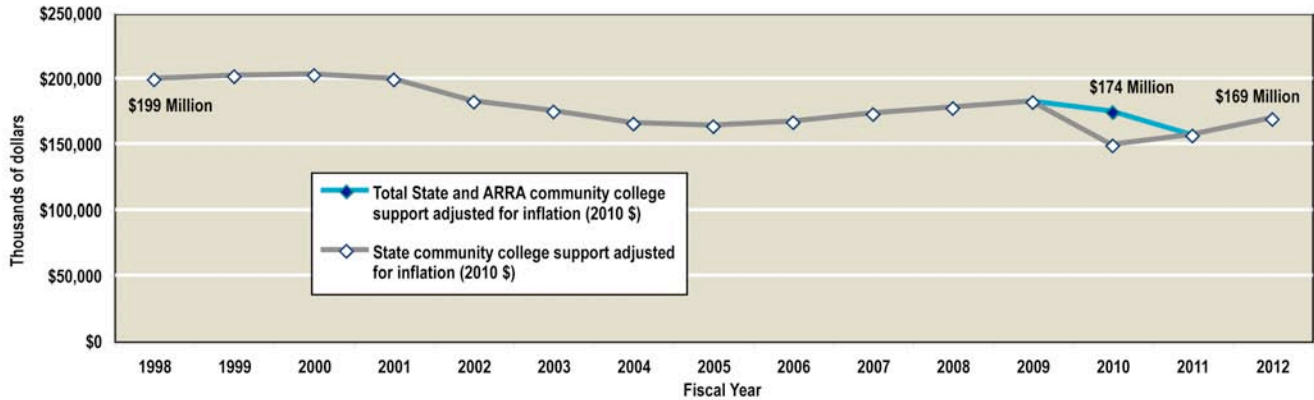
In the legislative session that ended June 30, the Legislature passed a compromise that set allowable growth for FY13 at 2 percent after the no-growth current year. Governor Branstad, who had proposed zero allowable growth for another year, signed that legislation July 27.

Community Colleges

Community colleges are an essential element of Iowa’s higher education system and economy. Since the 2001-02 school year, Iowa’s 15 community colleges have had higher combined enrollment than Iowa’s three Regents universities.¹¹ In addition to preparing traditional Iowa students for the workforce or further education at a four-year college, Iowa’s community colleges provide job training and corporate consulting to local businesses.¹² This contract training is often publicly subsidized through the Industrial New Jobs Training Tax Credit (260E).¹³

Despite the swelling enrollment and growing role of community colleges, Figure 3 illustrates the steady decline in community college funding by the state of Iowa over the past decade, adjusted for inflation.

Figure 3. Community College Funding Still Below FY98 Levels



Note: In FY10 dollars. Adjusted with the Higher Education Price Index. Assumes 2.3 percent inflation in FY11 and FY12
 Sources: Fiscal Division, Iowa Legislative Services; CommonFund Higher Education Price Index

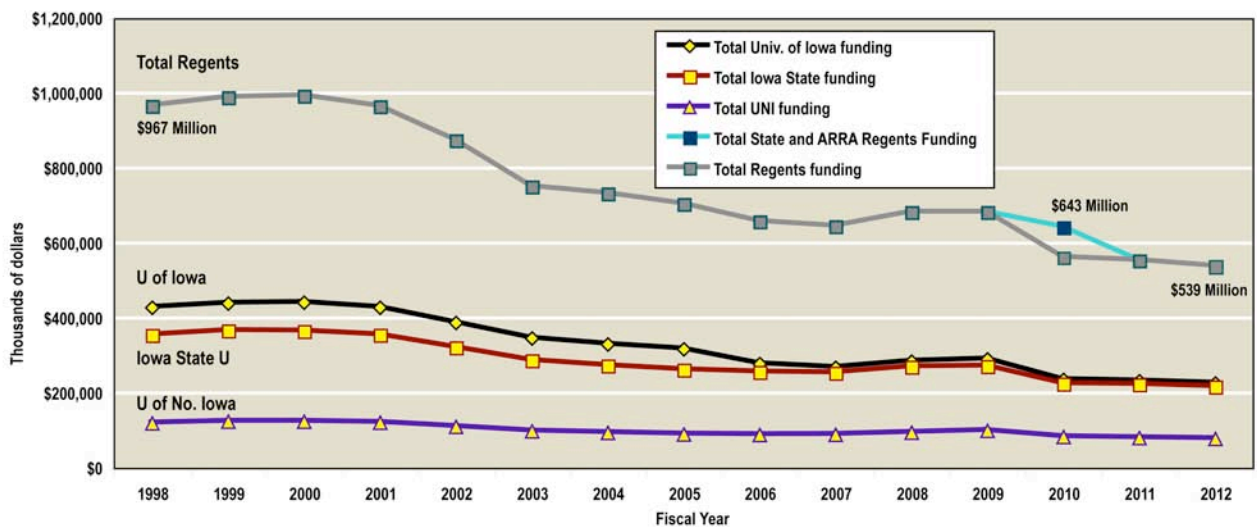
Even before the recession, funding for community colleges had slipped. In FY98, state community college funding constituted less than two-tenths of 1 percent of total personal income in the state. By FY08, it had fallen by more than 17 percent. Over the same period, community college enrollment grew by more than 45 percent.¹⁴

In FY10, Iowa’s community colleges received \$25.6 million in ARRA funds.¹⁵ Iowa did not sustain that boost after the federal funds ended; community college funding in FY11 in 2010 dollars actually declined slightly. Recent actions to increase funding in FY12 leave community colleges well short of historic levels.

Board of Regents Institutions

Iowa maintains three public universities, administered by the state Board of Regents: University of Iowa, Iowa State University and University of Northern Iowa. In addition to providing thousands of Iowans with quality higher education, the Regents institutions also make significant contributions to the state and national economies through their research, their employment and purchasing, and, in the case of Iowa State, its cooperative county extension. Despite the considerable value the Regents institutions produce for the state, funding for these institutions has also tapered off significantly, even prior to the recession. Figure 4 illustrates state funding adjusted for inflation for each individual institution as well as the Board of Regents as a whole.

Figure 4. Regents Funding Has Declined — Before and After Recession



Note: In FY10 dollars. Adjusted with the Higher Education Price Index. Assumes 2.3 percent inflation in FY11 and FY12
 Sources: Fiscal Division, Iowa Legislative Services; CommonFund Higher Education Price Index

As for the community colleges, ARRA provided a significant boost to Regents funding in FY10. Unlike the community colleges, whose funding remained basically flat from FY10, Regents funding has kept sliding in both real and nominal terms.

At the same time that the cost of higher education is rising,¹⁶ Iowa lawmakers have appropriated fewer and fewer dollars to Iowa’s universities — even before adjusting for inflation. See the Appendix for tables of education funding over time.

Amidst higher education inflation and decreased state funding, there have been substantial tuition increases.

Table 1 displays the rapid rise in tuition and fees at one of Iowa’s Regents institutions, the University of Iowa. Over the past dozen years, student tuition and fees at the University of Iowa have increased every year but one, and at a rate faster than higher education inflation. Since 1999-00, tuition has more than tripled, and in inflation-adjusted terms it has more than doubled.

Table 1. UI Tuition & Fees Growth Exceeds Inflation

School Year	Average Tuition	Yearly increase	Inflation Rate
1999-00	\$1,333	0.0%	4.1%
2000-01	\$1,655	24.2%	6.0%
2001-02	\$1,811	9.4%	1.9%
2002-03	\$2,140	18.1%	5.1%
2003-04	\$2,549	19.1%	3.7%
2004-05	\$2,750	7.9%	3.9%
2005-06	\$2,860	4.0%	5.1%
2006-07	\$3,154	10.3%	2.8%
2007-08	\$3,259	3.3%	5.0%
2008-09	\$3,506	7.6%	2.3%
2009-10	\$3,748	6.9%	0.9%
2010-11	\$4,079	8.8%	-
2011-12	\$4,358	6.8%	-

Conclusion

The growing consensus for educational reform in Iowa and nationally must necessarily be matched by a commitment to fund it. Iowa contributes a substantial share of its budget to education, and particularly to K-12 schools. But as Iowa’s general fund has lagged growth in the economy, the education share has as well, actually declining in real dollars through most of the last decade.

*Note: Inflation rate not available for 2010-11 and 2011-12.
Sources: University of Iowa Office of the Registrar and Commonfund Higher Education Price Index.*

Funding for Iowa’s education system remains well below historical levels in relation to state personal income. Iowa’s community colleges and universities have lost substantial ground in state support in nominal dollars, and even more so when adjusting for inflation.

Though the recession severely curtailed revenues and thus the state budget, the federal Recovery Act mitigated the impact of state budget cuts. Elementary and secondary education in particular benefited from the Recovery Act funding — a boost the state was able to maintain as the state recovered from the recession, in Fiscal Year 2011.

While state-funded aid to schools looks comparatively encouraging from the last few years, school districts may face a severe budget crunch, as the FY12 budget does not allow them room for growth or for rising costs. Rather than the increase suggested by the actual appropriation figures, FY12 may be yet another difficult year for local schools.

Iowa’s community colleges and public universities also benefited, though not as sharply, from the Recovery Act. However, the state has not been able to sustain these funding increases, unlike in its state aid to K-12 schools. While funding for community colleges will basically remain flat in FY12, funding for Iowa’s three Board of Regents institutions will actually decrease in both real and nominal terms.

As Iowa’s revenue situation continues to rebound from the recession and the state continues to grow its surplus, state lawmakers will have an opportunity to decide what investments are needed to create a world-class education system in Iowa.

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- ¹ Governor Terry E. Branstad and Lieutenant Governor Kim Reynolds, “Our Future Depends on World-Class Schools,” Office of the Governor, Iowa Education Summit. May 3, 2011. <<http://iowaeducation.iowa.gov/education-summit/>>.
- ² Branstad and Reynolds. See also “Iowa’s Report Card: It’s Time to Return to Greatness,” Office of the Governor of Iowa, Iowa Education Summit. Accessed July 8, 2011. <http://iowaeducation.iowa.gov/wp-content/uploads/2011/04/Iowa_Report_Card.pdf>.
- ³ <http://www.iowafiscal.org/research/061114.html>
- ⁴ District Cost Per Pupil FY11, Iowa Department of Management, Accessed July 14, 2011. <<http://www.dom.state.ia.us/local/schools/files/fy11/District%20Cost%20Per%20Pupil%20FY11.xls>>.
- ⁵ “Elementary and Secondary Education Funding Amounts for Iowa,” 2010 State Factbook. April 26, 2011. <<http://www.legis.state.ia.us/lsadocs/FCT/2010/FCTSL007.pdf>>.
- ⁶ State Fiscal Stabilization Fund, Department of Education, March 7, 2009. <<http://www2.ed.gov/policy/gen/leg/recovery/factsheet/stabilization-fund.html>>.
- ⁷ “ARRA Overview – Spent Funds – Education.” Iowa’s Economic Recovery. Accessed July 13, 2011. <<http://www.iowa.gov/recovery/spending>>.
- ⁸ “ARRA (Stimulus) Funding,” 2010 Session Fiscal Report, Fiscal Services Division, Legislative Services Agency, August 2010. <http://www.legis.iowa.gov/DOCS/IsaReports/graybook/fiscal_info.pdf>.
- ⁹ Amanda Krief, “Education Finance – Allowable Growth Programs,” Legal Background Briefing, Iowa Legislative Services Agency, December 2010. <http://www.legis.state.ia.us/lsadocs/Legal_Briefing/2011/BFLSL005.PDF>.
- ¹⁰ Allowable Growth History Spreadsheet, Iowa Association of School Boards, Accessed July 14, 2011. <http://www.iasb.org/uploadedFiles/IASB/Info_Center/Finance/Allowable_Growth_History10.19.10.xls>.
- ¹¹ “Iowa Community College Student Enrollment” and “Enrollment at Iowa Regents Institutions,” 2005-2010 Iowa Factbook, Fiscal Services Division, Legislative Services Agency. 2005-2010. <<http://www.legis.iowa.gov/LSAReports/factbook.aspx>>.
- ¹² See “Custom Training” and “Corporate Consulting,” Kirkwood Training & Outreach Services, Kirkwood Community College, <<http://www.kirkwood.edu/kto>>.
- ¹³ For a description of this program, see “Iowa Industrial New Jobs Training (260E),” Iowa Department of Economic Development, Accessed July 13, 2011. <<http://www.iowalifechanging.com/business/260e.aspx>>.
- ¹⁴ Author’s calculations, based on “Iowa Community College Student Enrollment,” 2005-2010 Iowa Factbook, Fiscal Services Division, Legislative Services Agency. 2005-2010. <<http://www.legis.iowa.gov/LSAReports/factbook.aspx>>.
- ¹⁵ “ARRA (Stimulus) Funding,” 2010 Session Fiscal Report, Fiscal Services Division, Legislative Services Agency, August 2010. <http://www.legis.iowa.gov/DOCS/IsaReports/graybook/fiscal_info.pdf>.
- ¹⁶ 2010 Higher Education Price Index Update, Commonfund Institute, Accessed July 14, 2011. <http://www.commonfund.org/CommonfundInstitute/HEPI/HEPI%20Documents/2010/CF_HEPI_2010.pdf>.

Appendix

Table A-1. Total State and Recovery Act Education Funding as Percent of Personal Income

Fiscal Year	Total State Education Spending	Total State and ARRA Funding	Total State Personal Income	Total state education funding as a % of state personal income	Total state and ARRA education funding as a % of state personal income
1998	\$2,322,691,585		\$70,294,000,000	3.30%	
1999	\$2,411,462,691		\$73,500,800,000	3.28%	
2000	\$2,532,731,629		\$77,318,000,000	3.28%	
2001	\$2,610,209,999		\$81,226,300,000	3.21%	
2002	\$2,523,471,026		\$82,818,000,000	3.05%	
2003	\$2,518,769,107		\$85,577,000,000	2.94%	
2004	\$2,515,918,121		\$89,598,000,000	2.81%	
2005	\$2,623,536,625		\$94,615,500,000	2.77%	
2006	\$2,704,537,045		\$97,873,500,000	2.76%	
2007	\$2,804,348,283		\$103,881,000,000	2.70%	
2008	\$2,980,500,515		\$111,835,000,000	2.67%	
2009	\$3,008,756,407	\$3,048,756,407	\$113,649,000,000	2.65%	2.68%
2010	\$2,858,200,597	\$3,181,731,252	\$114,244,000,000	2.50%	2.79%
2011	\$3,171,461,117	\$3,219,409,004	\$118,127,000,000	2.68%	2.73%
2012	\$3,341,609,853		\$121,298,461,117	2.74%	

*Note: assumes FY12 income grows 3.4%, same rate as FY11
Sources: Legislative Services Agency, Fiscal Division; Bureau of Economic Analysis*

Table A-2. State School Aid in Unadjusted and Adjusted Dollars

Fiscal Year	State School Aid - Unadjusted for Inflation	State School Aid - Adjusted for Inflation (2010 \$)
1992	\$1,093,800,000	\$1,951,402,941
1993	\$1,178,500,000	\$2,052,232,130
1994	\$1,231,700,000	\$2,088,257,701
1995	\$1,266,300,000	\$2,090,432,549
1996	\$1,330,900,000	\$2,150,815,618
1997	\$1,489,200,000	\$2,361,429,027
1998	\$1,558,251,824	\$2,435,278,909
1999	\$1,611,900,000	\$2,432,554,437
2000	\$1,696,505,094	\$2,453,270,351
2001	\$1,747,300,000	\$2,451,325,086
2002	\$1,725,100,000	\$2,370,248,848
2003	\$1,784,100,000	\$2,353,315,206
2004	\$1,776,700,000	\$2,231,586,240
2005	\$1,881,273,764	\$2,243,889,282
2006	\$1,963,203,523	\$2,224,259,092
2007	\$2,048,018,186	\$2,198,478,734
2008	\$2,145,600,000	\$2,180,814,834
2009	\$2,151,100,000	\$2,194,953,055
2010	\$2,146,457,965	\$2,146,457,965
2011	\$2,476,600,000	\$2,476,600,000
2012	\$2,655,800,000	\$2,655,800,000

Notes: Adjusted using the State and Local Government Price Index; in 2010 \$; Inflation adjustment unavailable for FY11 and FY12

FY10 and FY11 totals estimated; FY12 is final legislative action

Sources: Fiscal Division, Legislative Services Agency; Bureau of Economic Analysis

Table A-3. State Community College Support in Unadjusted Dollars, Adjusted Dollars, and as a Percent of State Personal Income

Fiscal year	State community college support - unadjusted for inflation	State community college support - adjusted for inflation (2010 \$)
1998	\$130,582,051	\$199,231,305
1999	\$135,366,156	\$201,724,922
2000	\$141,577,403	\$202,623,221
2001	\$147,577,403	\$199,268,386
2002	\$137,585,680	\$182,283,238
2003	\$138,585,680	\$174,735,770
2004	\$136,127,396	\$165,561,934
2005	\$139,779,244	\$163,578,866
2006	\$149,579,244	\$166,540,620
2007	\$159,579,244	\$172,760,011
2008	\$171,962,414	\$177,375,579
2009	\$180,316,478	\$181,930,482
2010	\$148,754,232	\$148,754,232
2011	\$152,825,911	\$152,825,911
2012	\$163,774,647	\$163,774,647

*Notes: Adjusted using the Higher Education Price Index; in 2010 \$; Inflation adjustment unavailable for FY11 and FY12
FY10 and FY11 totals estimated; FY12 is final legislative action*

Sources: Fiscal Division, Legislative Services Agency; Commonfund Higher Education Price Index

Table A-4. State General Fund Support for Board of Regents Institutions, Unadjusted for Inflation

Fiscal year	Univ. of Iowa	Iowa State	UNI	Total Regents
1998	\$281,320,919	\$233,006,511	\$78,989,447	\$633,857,710
1999	\$295,414,512	\$246,550,573	\$83,947,007	\$664,196,535
2000	\$309,388,397	\$255,751,224	\$87,545,357	\$694,649,132
2001	\$317,970,929	\$263,817,797	\$90,895,185	\$715,332,596
2002	\$293,531,453	\$243,306,839	\$83,973,268	\$660,785,346
2003	\$275,639,165	\$228,322,987	\$78,803,203	\$596,083,427
2004	\$272,439,398	\$225,208,711	\$78,216,407	\$603,090,725
2005	\$271,983,732	\$224,712,708	\$78,043,679	\$602,483,617
2006	\$250,874,039	\$230,700,423	\$80,850,421	\$591,754,278
2007	\$248,368,483	\$235,100,423	\$83,402,921	\$596,750,853
2008	\$276,883,988	\$262,499,776	\$92,714,764	\$662,938,101
2009	\$288,876,556	\$270,459,868	\$100,110,115	\$677,339,929
2010	\$236,630,240	\$225,703,321	\$84,200,992	\$562,988,400
2011	\$227,961,871	\$218,910,992	\$79,661,689	\$542,035,206
2012	\$220,168,219	\$210,964,059	\$76,769,800	\$522,035,206

*Notes: FY10 and FY11 totals estimated; FY12 is final legislative action
Source: Fiscal Division, Legislative Services Agency*

Table A-5. State General Fund Support for Board of Regents Insitutions, Adjusted for Inflation (2010 \$)

Fiscal year	Univ. of Iowa	Iowa State	UNI	Total Regents
1998	\$429,216,215	\$355,502,083	\$120,515,572	\$967,087,724
1999	\$440,231,674	\$367,413,810	\$125,099,242	\$989,796,846
2000	\$442,791,520	\$366,026,891	\$125,293,457	\$994,170,266
2001	\$429,344,551	\$356,223,551	\$122,732,454	\$965,887,521
2002	\$388,891,225	\$322,350,105	\$111,253,723	\$875,455,150
2003	\$347,539,672	\$287,881,064	\$99,359,027	\$751,571,856
2004	\$331,348,392	\$273,905,113	\$95,128,975	\$733,495,754
2005	\$318,293,254	\$262,973,593	\$91,331,847	\$705,065,960
2006	\$279,321,629	\$256,860,447	\$90,018,367	\$658,855,613
2007	\$268,882,975	\$254,519,013	\$90,291,752	\$646,040,685
2008	\$285,599,955	\$270,762,946	\$95,633,311	\$683,806,577
2009	\$291,462,275	\$272,880,740	\$101,006,196	\$683,402,764
2010	\$236,630,240	\$225,703,321	\$84,200,992	\$562,988,400
2011	\$227,961,871	\$218,910,992	\$79,661,689	\$542,035,206
2012	\$220,168,219	\$210,964,059	\$76,769,800	\$522,035,206

*Notes: Adjusted using the Higher Education Price Index; in 2010 \$; Inflation adjustment unavailable for FY11 and FY12
FY10 and FY11 totals estimated; FY12 is final legislative action*

Sources: Fiscal Division, Legislative Services Agency; Commonfund Higher Education Price Index

Table A-6. Higher Education Enrollment

Fiscal Year	Univ. of Iowa	Iowa State	Univ. of Northern Iowa	Total	Community Colleges
1997	27,871	25,384	13,108	66,363	60,473
1998	28,705	25,585	13,329	67,619	61,480
1999	28,846	26,110	13,553	68,509	63,809
2000	28,311	26,845	13,774	68,930	65,473
2001	28,768	27,823	14,070	70,661	68,790
2002	29,697	27,898	13,926	71,521	73,947
2003	29,745	27,380	13,441	70,566	78,281
2004	29,745	26,380	12,824	68,949	81,803
2005	29,642	25,741	12,513	67,896	82,499
2006	29,979	25,462	12,260	67,701	84,961
2007	30,409	26,160	12,609	69,178	87,072
2008	30,561	26,856	12,908	70,325	88,104
2009	30,328	27,945	13,080	71,353	100,736
2010	30,825	28,682	13,201	72,708	106,597

Source: Iowa Legislative Services Agency, State Factbook

Table A-7. Cost-Per-Pupil Growth and Allowable Growth Rates

Fiscal Year	State Average Cost Per Pupil	State Average Cost Per Pupil, in 2010 \$	Allowable Growth Rate
1998	\$3,877	\$6,059	3.5%
1999	\$4,013	\$6,056	3.5%
2000 *	\$4,171	\$6,032	3.0%
2001	\$4,338	\$6,086	4.0%
2002	\$4,512	\$6,199	4.0%
2003	\$4,557	\$6,011	1.0%
2004	\$4,648	\$5,838	2.0%
2005	\$4,741	\$5,655	2.0%
2006	\$4,931	\$5,587	4.0%
2007	\$5,128	\$5,505	4.0%
2008	\$5,333	\$5,421	4.0%
2009	\$5,546	\$5,659	4.0%
2010	\$5,768	\$5,768	4.0%
2011	\$5,883	\$5,883	2.0%
2012	\$5,883	\$5,883	0.0%

**Legislative action in addition to the allowable growth that added additional dollars to the State cost per pupil.*

Notes: Adjusted using the State and Local Government Price Index; in 2010 \$;

Inflation adjustment unavailable for FY11 and FY12

FY10 and FY11 totals estimated; FY12 is final legislative action

Sources: Fiscal Division, Legislative Services Agency; Bureau of Economic Analysis

Table A-8. Total Per-Student Spending, All Sources

Fiscal Year	Total State Expenditure per Pupil	Total State Expenditure per Pupil in 2010 \$
1996	5,481	8,858
1997	5,738	9,099
1998	5,998	9,374
1999	6,243	9,421
2000	6,564	9,492
2001	6,930	9,722
2002	7,338	10,082
2003	7,574	9,990
2004	7,626	9,578
2005	7,962	9,497
2006	8,355	9,466
2007	8,791	9,437
2008	9,520	9,676

*Sources: National Center for Education Statistics, Common Core of Data, <http://nces.ed.gov/ccd/bat/index.asp>
Bureau of Economic Analysis, NIPA tables, Gross Domestic Product, Table 1.1.4; State and Local Government Price Index, <http://www.bea.gov/national/nipaweb/DownSS2.asp#XLS>*