**Description of the Formula**

Basic Education program based on instructional, administrative and classified formula staff units. The state defines a basic education in terms of course offerings, minimum contact hours and staffing ratios and provides funding for this program. State support includes an amount per formula staff unit based on the average salary levels in school districts and non-employee related expenses. Local school districts may supplement the basic program with local levies.

**District-Based Components**

**Density/Sparsity of Small Schools**
For remote and necessary elementary schools and small school districts with less than 100 pupils and high schools with less than 300 pupils, additional units are allocated depending on grade level and required pupil-staff ratio.

**Grade Level Differences**
Additional instructional units of 7.2 are provided per 1,000 (K-3) students in the basic education formula for those districts that can demonstrate that they have hired additional teachers in these grades.

**Declining Enrollment or Growth**
Does not apply.

**Capital Outlay and/or Debt Service**
Approved projects on percentage equalizing basis, with 50% aid in district with average assessed value per student; minimum 20%, maximum 100%; uniform space criteria is basis of need. Total debt limit is 5% of assessed property, 2.5% of this is for capital construction.

**Transportation**
Each school district electing to provide student transportation to and from school is entitled to state pupil transportation funding at the rate provided by the state. The allocation basis is “ridership,” which means allocations to districts are based on the number of students eligible to ride who actually do ride buses during the fall count week.
The allocation formula uses the following factors:

- Number of pupils transported.
- Distance weighting factors determined by distance from pickup location to schools location (measured along a straight line between the two locations).
- A minimum load factor for certain school districts, which cannot achieve cost-effective bus operation.
- Variable load factor ratios for bus routes that serve the special programs. I.E. Special Education, Bilingual, Gifted etc.
- A standard allocation rate. The 2010-11 rate for each weighted student unit is set at $48.70.

**Student-Based Components**

**Special Education**
The special education formula provides funding for students ages 0-5 at 115% of the basic education amount per student. Funding is provided for students age K-21 at 93.09% of the basic education funding amount. A district will receive funding based upon reported number of age K-21 special education students up to a maximum level of 12.7% of the reported basic education population. In addition a safety net process is in place to award additional funding for districts with students costing above 2.3 of the state average prior year APPE.

**Compensatory Education**
A learning assistance program is available to students identified as deficient in basic skills. Allocations are based on the number of students in grades K-12 qualifying for free and reduced price lunch (FRPL). Districts with a percentage over 40% FRPL or over 20% qualifying for English language services receive an additional amount based upon their percentage over 40%. The funding rate is $282.13 per FRPL student.

**English Language Learner/Bilingual Education**
A transitional bilingual program provides funds to school districts to implement bilingual education programs. Allocations are based upon the headcount of pupils served in the program. The funding rate for the 2001-11 school year is $885.91 per pupil.

**Gifted and Talented Education**
A program for highly capable students is funded in an amount equal to 2.314% of the school district enrollment multiplied by $400.32.

**Revenue and Expenditure Information**

**State Mandates Restricting Revenue or Expenditure Increases**
Local levies generally may not exceed 28% of the previous year’s levy base. The levy base consists of most state and federal funding for K-12 education. Districts previously above 28% may continue to have levies above 28%
The state provides additional funding to school districts with above average tax rates. The funding is intended to reduce district tax rates. The funding is intended to reduce district tax rates to the state average for 14% of their levy base (provided they pass a levy).

**Property Assessment Ratios Used/Legal Standards For Property Assessment**
One hundred percent of true and fair value is used.

**Measure of Local Ability To Support Schools**
Property valuation per pupil.

**School District Budget and Tax Rate Procedures/Sources of Local Revenue**
The state’s 295 public school districts are fiscally independent. Local levies generally may not exceed 28% of the previous year’s state and federal funding. For calendar 2010, 281 had maintenance and operation levies with an average tax rate of $2.03 per thousand. Local levies account for approximately 17% of all maintenance and operation revenue.

**State Support for Nonpublic Schools**
Does not apply.