Description of the Formula

Foundation Program allocations based on teachers and instructional support staff earned as determined by the prior year ADM of students for the first 20 days after Labor Day. Allocations include salaries and benefits for teachers and instructional support staff, classroom instructional support materials, technology, educational media, professional development, textbooks, and other current expense funds based on the number of earned units. The Foundation Program allocations for each LEA consist of state funds and a local funding requirement determined by the value of 10 equivalent mills of ad valorem tax for the LEA.

District-Based Components

Density/Sparsity of Small Schools
Does not apply.

Instructional Unit Weights For Grade Level Differences

<table>
<thead>
<tr>
<th>Grades</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>K-3</td>
<td>13.8 students per teacher unit</td>
</tr>
<tr>
<td>4-6</td>
<td>21.4 students per teacher unit</td>
</tr>
<tr>
<td>7-8</td>
<td>20.0 students per teacher unit</td>
</tr>
<tr>
<td>9-12</td>
<td>18 students per teacher unit</td>
</tr>
</tbody>
</table>

Declining Enrollment or Growth
Use of prior year pupil count as floor, with current year growth in ADM earning additional teacher units.

Capital Outlay and/or Debt Service
Amount per student adjusted for wealth of LEA as determined by the value of 1 mill of ad valorem tax per student.

Transportation
Reimbursement of allowable transportation expenditures for the fiscal year preceding the prior fiscal year adjusted by inflation factor and increased costs for salaries and fringe benefits.
Funding for school bus purchases provided on a 10 year depreciation schedule.

**Student-Based Components**

**Special Education**
Some additional funding is provided for catastrophic expenditures and preschool special education. Grade divisors in the Foundation Program are adjusted to provide additional teaching units for special education. The grade level divisors are adjusted by a weight of 2.5 applied to 5% of ADM count.

**Low Income / At-Risk**
Funding for at-risk students are calculated based on the number of free and reduced price applications and the number of students scoring at lower levels of required tests. Funds are also provided for additional education services for high school students failing portions of the high school graduation exam.

**English Language Learner/Bilingual Education**
State allocations for ESL students are provided according to the ESL student count in the prior year.

**Gifted and Talented Education**
Does not apply.

**Other**
State funds are also provided for school nurses and technology coordinators.

**Revenue and Expenditure Information**

**State Mandates Restricting Revenue or Expenditure Increases**
Property (ad valorem) taxes up to 15 mills are allowed by a vote of the citizens with a requirement that each school tax district provide a minimum of 10 mills of ad valorem tax. Ad valorem tax rates exceeding 15 mills require a constitutional amendment which usually requires an additional authorizing vote by the local citizens.

**Property Assessment Ratios Used/Legal Standards for Property Assessment**
Class 1—Utilities used in business, 30%; Class 2—Property not otherwise classified, 20%; Class 3—Agriculture, forest, and residential, 10%; Class 4—Private passenger autos and pickup trucks, 15%.

**Measure of Local Ability to Support Schools**
The value of one mill of school district ad valorem tax is used to determine the value of ten equivalent mills required for participating in the Foundation Program.

**School District Budget and Tax Rate Procedures/Sources of Local Revenue**
All school boards are required to approve a balanced budget after holding two public hearings. The budget must be approved by the State Superintendent of Education before it is considered an
official budget. The State Superintendent may require changes to the school board budget before
approval. School boards are required to approve a policy to establish and maintain a minimum
of one-month’s operating balance.

School boards have no authority to levy taxes. All taxes must be levied by a county or city
government. Sales taxes for schools are usually approved by a local government without a vote
of the citizens. Ad valorem taxes may be approved by a municipal government without a vote of
the citizens. County-wide and school district ad valorem taxes require a vote of the citizens.
Sources of local revenue for schools are property tax (61%), sales tax (26%) and other (13%).

**State Support for Nonpublic Schools**
Limited to special education students.
Description of the Formula

The Foundation Formula for Alaska is based on enrollments following a 20-day count period ending the 4th Friday in October. State Foundation Program determines a "basic need" by adjusting the average daily membership [ADM] of each school, except correspondence, for school size. The total of all schools in the district is then multiplied by several steps: the area cost differential, 20% add-on for Special Education needs, and for those ADM that qualify for Intensive needs they are given a multiple of 13 per ADM. The resulting adjusted ADM is then multiplied by the base student allocation as laid out in state statute to derive the "basic need" for each district. The state may consider P.L. 81-874 Impact Aid revenues at 90% of aid eligible for adjustment. Municipalities with taxing powers are required to provide their coterminous school district with the local contributions to assure the equivalent of four mills of the Educational full assessed values or 45% of prior year basic need, which ever is less. Local contributions have been capped to assure state compliance with federal Impact Aid disparity test.

District-Based Components

Density/Sparsity of Small Schools
The formula is weighted in favor of the small, isolated sites.

Grade Level Differences
Does not apply.

Declining Enrollment or Growth
Enrollments have seen an increase of 16% since 1990.

Capital Outlay and/or Debt Service
State reimburses municipalities up to 70% of debt service costs for pre-approved construction projects over $25,000. Direct construction appropriations are made for schools outside organized municipalities.
Transportation
State reimburses districts through a grant process on a per-child cost basis. The per-child costs are multiplied by the ADM to derive the grant amount. The grants are disbursed in three installments throughout the fiscal year and funded separately from the foundation program.

Student-Based Components

Special Education
Vocational education, special education (except intensive special education), gifted/talented education, and bilingual/bicultural education are block funded. A district must file a plan with the department indicating the special needs services that will be provided, Section 14.17.420(2)(b), to qualify for special needs funding.

Low Income / At-Risk
Does not apply.

English Language Learner/Bilingual Education
Bilingual/bicultural education is block funded in the foundation program.

Gifted and Talented Education
Gifted/Talented education is block funded in the foundation program.

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
Foundation program caps local contribution to the equivalent of two mills of the full assessed values or 23% of current year basic need, whichever is greater. Local contributions are capped to assure state compliance with the federal Impact Aid disparity test.

Property Assessment Ratios Used/Legal Standards For Property Assessment
Full and true value of real and personal property, and property used for gas and unrefined oil production and transportation.

Measure of Local Ability To Support Schools
The equivalent of a 4-mill tax levy on the Full and True Value of the taxable real and personal property in the district not to exceed 45% of the district's Basic Need for the preceding fiscal year. However, beginning in FY02, only 50% of the increase in real and personal property over the 1999 Full and True Value is used for the 4 mill equivalent calculation. If the latest Full and True Value doesn't exceed the 1999 Full and True Value, then the latest value is utilized.

School District Budget and Tax Rate Procedures/Sources of Local Revenue
School districts cannot tax. Local revenue sources include municipal appropriations, interest earnings under school district control, municipal “in-kind” services, state tuition payments and 10% of federal impact aid eligible for adjustments by the state.
State Support for Nonpublic Schools
Does not apply.
Description of the Formula

*Education Equalization Formula:*
The State Equalization Formula is the main frame for determining state funding to school districts and Charters. The formula serves two purposes, the state aid payment calculation and budget expenditure limit for districts.

District equalization formula is made up of the following main components:

*The lesser of districts support level or Revenue control limit:* this is the amount that is described as the general fund or the maintenance of operation fund, the budget expenditure limit for district is always the revenue control limit. This component is calculated using the weighted student count multiplied by the base level. The base level amount is set by state legislatures in the Arizona Revised Statutes and it equals $3,267.72 per weighted student count for FY2011. The weighted count is the outcome of the student count multiplied by certain weights set by state legislatures in statute, those weights varies depending on the number of student count. Student count for districts is defined as, as the prior year’s 100th day Average Daily Membership and for charters, as the current year’s 100th day Average Daily Membership.

Districts can increase their expenditure budget limit and state aid payment by budgeting for:
- Transportation,
- Teacher’s Compensation Index of 1.25% of the base level amount approved yearly by the State Board of Education,
- Teacher Experience Index calculated from teacher experience data submitted to ADE by the district,
- Career Ladder increase the base level amount by up to 5%
- 200 days calendars increases the base level amount by 5%

The following items affects districts budget limit to expend but not necessarily their state aid as they are all funded by local taxes
- Small Schools Adjustment,
- Desegregation (if they have an agreement with the Office of Civil Rights)
- Maintenance and Operations override as approved by the local district’s governing board
- K-3 Maintenance and Operations override as approved by the local district’s governing board
Unrestricted Capital and Soft Capital Funds for Districts

As part of the equalization formula, districts are funded on a student count basis for their capital expenditures. Soft capital amount is $225 per student count. Unrestricted capital amount is $225.76 for K-8 students and $337.62 for 9-12 (9-12 unrestricted capital amount includes $69.68 per student count for textbooks).

Qualifying Levies: This amount is calculated based on the assessed valuations of the properties within the boundaries of each district multiplied by a qualifying levy rate set by legislatures then divide the outcome by a 100.

County Equalization Tax: This amount is calculated based on a county qualifying rate set by state legislatures.

Both Qualifying levies and County Equalization Tax are deducted from the equalization formula to determine the state aid portion of the formula.

Charter funding is different than district as they have no budget limit, additionally Charter formula does not include any of the ADD on components except for the 200 days calendars, and Charter formula does not include soft capital or unrestricted capitals.

In lieu of transportation, soft capital and unrestricted capital, Charters receive additional M&O monies calculated with an additional assistance amount of $1607.50/elementary student and $1873.52/high school student in FY 2011. This additional assistance amount is also yearly set by the state legislature. These dollar amounts are meant to equalize the charter school funding to be more consistent with the district funding because charters cannot levy taxes.

Classroom Site Fund

This special fund was established in FY2002 to account for the portion of state sales taxes collection provided to school districts as an additional source of funding for teacher salary increases, teacher compensation expenditures, providing a pay for performance fund for teachers and for meeting additional school requirements such as dropout prevention, class size reduction and teacher development. The dollar amount per attending weighted student count is set yearly by the Joint Legislative Budget Committee. In FY 2011, the amount set was $220/weighted attending student count. In FY 2011, is estimated $300 million to be paid from this fund?

Revenues are generated from a statewide sales tax increase and state land trust revenues.

Instructional Improvement Fund

This fund is also known as the Indian Gaming fund. These revenues are collected from proceeds from the Native American Indian Reservation Gaming Operations. This is a cash based fund and is paid out twice a year based on the student counts. In 2011, estimated amount of $40, million will be paid from this fund to school districts and charter schools.

District Based Components
Density/Sparsely of Small Schools
Districts with less than 600 average daily memberships (ADM) are considered small and receive special weightings. If they are also isolated, they receive additional weightings. In addition, if they have less than a 100 student count, they are eligible to budget for a small schools adjustment. This small schools adjustment is paid directly from the local tax payer through the primary property tax.

Grade Level Differences
The weights included below represent the minimum weights. They are increased dependent upon the size of the district or charter school.

Instructional Unit Weight for Grade Level Differences
Grade = K-3
One Unit For = .06 additional weights

Weights for District/School Size
Small isolated and small school districts with less than 600 ADM receive special weighting for K-8 and 9-12 enrollments.

Growth in enrollment
Additional funding due to growth is available for School districts only because they are funded based on prior year Average Daily Membership (or student count). Growth is not available to charter schools as they are funded based on current year Average Daily Membership. Current year student growth based on a weighted student count in comparison to the prior year is paid in the current year up through the 100th day. This growth increase also increases districts available Expenditure Budget Limit.

Transportation
Districts calculate a Transportation Support Level and in most cases receive state aid based on prior year’s daily route miles per student transported. Rates are $2.35 per mile for districts with .5 miles or less per student, $1.91 for .501 to one mile and $2.35 for greater than one mile per student. Additional support is allowed for academic, vocational and technical education and athletic trips. This increase is determined by a factor based on district type and mile per student and varies from 15% to 30% over the support level calculated above. Approved daily route miles are multiplied by 180 days.

<table>
<thead>
<tr>
<th>Grade</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSD</td>
<td>1.450</td>
</tr>
<tr>
<td>K-3</td>
<td>1.218</td>
</tr>
<tr>
<td>4-8</td>
<td>1.158</td>
</tr>
<tr>
<td>9-12</td>
<td>1.268</td>
</tr>
</tbody>
</table>

Student-Based Components
Special Education
Funding is provided through 11 weighted categories per the table included below. Additional M&O budget capacity could be given if district/charter is eligible for Federal impact aid revenues.

Weights for Special Education Programs

<table>
<thead>
<tr>
<th>Category</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hearing Impairment</td>
<td>4.771</td>
</tr>
<tr>
<td>K-3</td>
<td>0.060</td>
</tr>
<tr>
<td>English Learners (ELL)</td>
<td>0.115</td>
</tr>
<tr>
<td>MD-R, A-R, and SMR-R (2)</td>
<td>6.024</td>
</tr>
<tr>
<td>MD-SC, A-SC and SMR-SC (3)</td>
<td>5.833</td>
</tr>
<tr>
<td>Multiple Disabilities Severe Sensory Impairment</td>
<td>7.947</td>
</tr>
<tr>
<td>Orthopedic Impairment (Resource)</td>
<td>3.158</td>
</tr>
<tr>
<td>Orthopedic Impairment (Self Contained)</td>
<td>6.773</td>
</tr>
<tr>
<td>Preschool-Severe Delayed</td>
<td>3.595</td>
</tr>
<tr>
<td>ED, MIMR, SLD, SLI, &amp; OHI (4)</td>
<td>0.003</td>
</tr>
<tr>
<td>Emotionally Disabled (Private)</td>
<td>4.822</td>
</tr>
<tr>
<td>Moderate Mental Retardation</td>
<td>4.421</td>
</tr>
<tr>
<td>Visual Impairment</td>
<td>4.806</td>
</tr>
</tbody>
</table>

Low Income / At-Risk
Does not apply.

English Language Learner/Bilingual Education:
Weight included in basic state aid calculations to provide additional funds. In FY 2011, the weight is 0.115.

Gifted and Talented Education
There is no special equalization formula increase dependent upon the gifted and talented school enrollments.

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
Does not apply.

Property Assessment Ratios Used/Legal Standards for Property Assessment
The prior year's assessed values are determined and the legislature sets a qualifying tax rate. In FY 2011, the qualifying tax rate was 1.4797 for HS and Elementary districts and double that for Unified school districts. The total Assessed Value is divided by 100 and then this tax rate is applied to determine the local contribution to the equalization formula need for each school district.
Measure of Local Ability to Support Schools
Property valuation.

School District Budget and Tax Rate Procedures/Sources of Local Revenue:
County Equalization Tax rate is established by state legislatures to account for local county contributions to fund school districts. The tax rate is 0.3564 for FY2011

State Support for Nonpublic Schools
An appropriation to fund Arizona students that are placed in a Residential Treatment Facility by a state placing agency, where funding is based on a daily rate calculated using the grade level weights as well as the special education weights for the student’s disability. A voucher program for students with a disability to attend a private school uses the lesser of the base support level for that student or the student’s tuition and educational fees.
Description of the Formula

6-20-2305 School funding: (a)(1) For each school year, a school district shall receive state foundation funding aid computed as the difference between the foundation funding amount pursuant to subdivision (a)(2) of this section and the sum of 98% of the uniform rate of tax multiplied by the property assessment of the school district plus miscellaneous funds of the school district (the average of the five years prior to the prior year of the categories of miscellaneous funds received in the most recent year used in the average, multiplied by the ratio of the uniform rate of tax of 25 mills to the total mills for the district). (B) For the 2010-2011 school year, the foundation funding amount is equal to $6,023 multiplied by the ADM of the previous school year.

(a)(4) By the end of each school fiscal year, for a school district whose local wealth per student was less than $6,023 based on the foundation funding formula, if the district actual net revenues are less than 98% of the uniform rate of tax multiplied by the property assessment, additional funding is distributed to ensure the district receives $6,023 per student. For a district whose local wealth per student was less than $6,023 based on the foundation funding formula, if the district actual net revenues are more than 98% of the uniform rate of tax multiplied by the property assessment, the district must repay to the ADE the amount received in excess of $6,023 per student.

District-Based Components

Density/Sparsity of Small Schools (2010-11):
6-20-601 Qualifications for receiving isolated funding: (a) As used in this section, "isolated school district" means a school district that meets any 4 of the following 5 criteria: (1) There is a distance of 12 miles or more by hard-surfaced highway from the high school of the district to the nearest adjacent high school in an adjoining district; (2) The density ratio of transported students is less than 3 students per square mile of area; (3) The total area of the district is 95 sq. mi. or greater; (4) Less than 50% of bus route miles is on hard-surfaced roads; and (5) There are geographic barriers such as lakes, rivers, and mountain ranges which would impede travel to schools that otherwise would be appropriate for consolidation, cooperative programs, and shared
An isolated school district shall be eligible to receive isolated funding if: (1) The district's budget is prepared by the local district with Department of Education approval; (2) The district has an ADM of less than 350; and (3) The district meets the minimum standards for accreditation of public schools prescribed by law and regulation. (c) Any school district designated as an isolated school district for the 1996-1997 fiscal year that used geographic barriers as one (1) of the 4 criteria necessary to receive isolated funding shall be allowed to continue to use geographic barriers as a criterion for future allocations of isolated funding. (2) There shall be 2 categories of isolated funding: (A) Category I isolated funding shall be provided to all school districts that qualify under this section; and (B) Category II isolated funding shall be further provided to those school districts that qualify under this section and have an ADM density ratio of less than 1.2 students per square mile and shall be calculated at 50% of Category I funding.

6-20-603 Continued support of isolated school districts: (a) Upon the effective date of consolidation, annexation, or reorganization, the districts listed in statute… shall become isolated school areas for the sole purpose of receiving isolated funding and shall have a per student isolated funding amount as provided in legislation. (b) Each school year, state financial aid in the form of isolated funding shall be provided to school districts containing an isolated school area in an amount equal to the prior-year three-quarter ADM of the isolated school area multiplied by the per student isolated funding amount for the isolated school areas as set forth under column "C" of subsection (a) of this section. (c) A school district may not receive isolated funding under this section for an isolated school area if the prior year three-quarter ADM of the isolated school area exceeds 350. (d) A school district receiving isolated funding for an isolated school area shall expend the funds solely for the operation, maintenance, and support of the isolated school area. (e) A school district or isolated school area that may qualify under other law to receive additional state aid because its ADM is less than 350 shall not be eligible to receive funding under this section except that a district qualifying under other law for such aid and qualifying for funds under this section may elect to receive funds under this section in lieu of aid under the other law. (i) (1) Except as provided under § 6-20-604(g), a school district eligible to receive isolated funding under this section shall continue to receive partial funding even if all or part of an isolated school is closed. (2) If all or part of an isolated school in a school district is closed, the school district shall receive funding based on the prior year's three-quarter ADM of the isolated school or the part of the isolated school that remains open.

6-20-604 Additional funding: (b) A school district shall receive special needs funding if the school district meets the requirements of subsections (c), (d) or (e) of this section, and if: (1) The school district was consolidated or annexed or received an annexed school under § 6-13-1601 et seq.; (2) The local board of directors by majority vote determines that the isolated school is so isolated that to combine its operation to 1 district campus would be impractical or unwise; and (3) The isolated school or district: (A) Filed an affidavit of isolated school status with the state board during the consolidation or annexation process and the facts of the affidavit are verified by the state board or its designee, to meet the requirements of § 6-20-601; (B) Filed an affidavit of isolated school status with the state board after the consolidation or annexation process or August 12, 2005, and the facts of the affidavit are verified by the state board or its designee to meet the requirements of § 6-20-601; or (C) Filed an affidavit of isolated school status with the state board after the consolidation or annexation process or August 12, 2005, and
the facts of the affidavit are verified by the state board or its designee to meet the requirements of § 6-20-601 but for the ADM requirements 350 students or fewer. (f) A school district shall receive an amount equal to 5% of the foundation funding received by the school district under § 6-20-2305(a)(2) based on the three-quarter ADM of the school district if the school district has a: (1) Three-quarter ADM of less than 500 students; and (2) Density ratio of 2 students or less per square mile. (g) A school district eligible for special needs funding under this section shall continue to be eligible to receive isolated school funding provided under § 6-20-603 but shall only receive funding under one (1) of the categories established under subsections (c)-(f) of this section. (h) (1) This section is contingent on the appropriation and availability of funding for its purposes. (2) (A) Undistributed funds under this section and § 6-20-603 allocated to a school district that is no longer eligible to receive the funding shall be distributed on an equal basis per school district to each remaining school district that is eligible to receive funds under subsections (c)-(e) of this section. (B) Funds distributed under subdivision (h)(2)(A) of this section shall be used by the school district only for transportation costs of the isolated schools in the school district.

Grade Level Differences (2010-11)
Does not apply.

Declining Enrollment or Student Growth (2010-2011):
Declining Enrollment - Arkansas Code § 6-20-2305(a)(3)(A) A school district that has experienced a decline in ADM over the two immediately preceding years shall receive: (i) Declining enrollment funding equal to the difference between the average of the two (2) immediately preceding years’ ADMs and the ADM for the previous school year multiplied by $6,023; or (ii) Special needs isolated funding under § 6-20-604.

Student Growth - Arkansas Code § 6-20-2305(c)(2)(A), is calculated as the sum of the following amounts: One quarter of the per student foundation funding for the school district multiplied by the increase, if any, of each of the following: (a) The school district's quarterly ADM for the first quarter of the current school year over three-quarter ADM of the previous school year; (b) The school district's quarterly ADM for the second quarter of the current year over the three-quarter ADM of the previous school year; (c) The school district's quarterly ADM for the third quarter of the current school year over the three-quarter ADM of the previous school year; and (d) The school district's quarterly ADM for the fourth quarter of the current school year over the three-quarter ADM of the previous school year.

Capital Outlay and/or Debt Service (2010-11):
6-20-2503 Bonded debt assistance: (b)(1) … the state shall provide eligible school districts with financial assistance for the purpose of retiring outstanding bonded indebtedness in existence as of January 1, 2005. (2) The amount of financial assistance under this section is based on: (A) The total amount required to satisfy a school district's outstanding bonded indebtedness in existence as of January 1, 2005; (B) The annual amount due on a fiscal year basis from the school district in accordance with the principal and interest payment schedule in effect and on file with the Department of Education on January 1, 2005, for the outstanding bonded indebtedness identified under subdivision (b)(2)(A) of this section; and (C) The calculation in subdivision (b)(3)(A) or (b)(3)(B) of this section. (2)(A) In addition to the financial assistance
provided under subsection (b) of this section, a school district shall receive in accordance with subdivision (e)(2)(B) of this section state financial assistance equal to all or a portion of the general facilities funding that the school district received or would have received under the Supplemental School District Funding Act of 2003, § 6-20-2401 et seq. [repealed], during Fiscal Year 2005. (B) The commission shall phase out state financial assistance under this subsection over a ten-year period by reducing the amount received by a school district under this subsection after Fiscal Year 2006 by 1/10 in each year of the ten-year period with the savings distributed through the Educational Facilities Partnership Fund Account in accordance with rules promulgated by the commission. (f)(1) If a school district elected to receive supplemental millage incentive funding under the Supplemental School District Funding Act of 2003, § 6-20-2401 et seq. [repealed], during Fiscal Year 2005, the commission shall compute the difference between the amount of supplemental millage incentive funding that a school district received in Fiscal Year 2005 and the amount of debt service funding supplement and general facilities funding that the school district would have received under the Supplemental School District Funding Act of 2003, § 6-20-2401 et seq. [repealed], in Fiscal Year 2005. (2)(A) In addition to the financial assistance provided under subsection (b) of this section, a school district that elected to receive supplemental millage incentive funding under § 6-20-2401 et seq. [repealed], shall receive in accordance with subdivision (f)(2)(B) of this section state financial assistance equal to all or a portion of the amount of supplemental millage incentive funding that exceeded the amount that the school district would have received under debt service funding supplement and general facilities funding under § 6-20-2401 et seq. [repealed]. (B) The commission shall phase out the state financial assistance under this subsection over a ten-year period by reducing the amount received by a school district under this subsection after Fiscal Year 2006 by 1/10 in each year of the ten-year period with the savings distributed through the Educational Facilities Partnership Fund Account in accordance with rules promulgated by the commission.

Projects after January 1, 2005 may receive funding under Arkansas Code § 6-20-2501 - the "Arkansas Public School Academic Facilities Funding Act".

**Transportation (2010-11)**

Does not apply except for certain isolated school districts. Undistributed funds under § 6-20-604 and § 6-20-603 shall be distributed as transportation funding (h) on an equal basis per school district to each school district that receives funding under § 6-20-604 (c)-(e).

**Student-Based Components**

**Special Education (2010-011)**

In 2004, the Arkansas General Assembly reformulated public school funding at the direction of the Arkansas Supreme Court to devise a funding system to assure school “adequacy”. Although Arkansas Special Education funding based on weighted averages had been abolished in the mid-1990s, this approach was actually reconsidered during the discussions of school funding adequacy for special populations, including students with disabilities, English language learners, students in Alternative Learning Environments, and high poverty students.

Ultimately, the funding adequacy needs of these special populations were addressed through categorical funding systems providing state aid in addition to that provided through the basic Foundation Formula. For Special Education, the General Assembly increased the funding levels
of existing state line item appropriations to reimburse districts for specific types of excess costs associated with providing services. These include annual targeted Catastrophic Occurrences aid for individual high cost/high need students, reimbursement for residentially placed students, and reimbursement for students with disabilities receiving extended school year services.

Low Income / At-Risk (2010-11)

6.04.2 The amount of national school lunch state categorical funding under Ark. Code Ann. § 6-20-2305(b)(4)(A) shall be increased or decreased in each year of a three-year transition period by one-third (1/3) of the difference between the amount of national school lunch state categorical funding per student for the current year and the amount of national school lunch state categorical funding per student for the immediately preceding year, adjusted for changes to the funding rates in Ark. Code Ann. § 6-20-2305(b)(4)(A).

6.04.3 The method of transition for a school district that experiences a decrease in the amount of national school lunch state categorical funding per student under Ark. Code Ann. § 6-20-2305(b)(4)(A) is detailed using the following example of a decrease in national school lunch state categorical funding per student from $1,488 in the immediately preceding year to $992 in the current year:

For illustrative purposes:
- Year one (current year) of transition (decrease 1/3) - the transitioned amount of national school lunch state categorical funding per student is $1,322.67 ($1,488 - $165.33).
- Year two of transition (decrease 1/3) - the transitioned amount of national school lunch state categorical funding per student is $1,157.34 ($1,322.67 - $165.33).
- Year three (final year) of transition (decrease 1/3) - the transitioned amount of national school lunch state categorical funding per student is $992 ($1,157.34 - $165.34).

6.04.4 The method of transition for a school district that experiences an increase in the amount of national school lunch state categorical funding per student under Ark. Code Ann. § 6-20-2305(b)(4)(A) is detailed using the following example of an increase in national school lunch state categorical funding per student from $992 in the immediately preceding year to $1,488 in the current year:

For illustrative purposes:
- Year one (current year) of transition (increase 1/3) - the transitioned amount of national school lunch state categorical funding per student is $1,157.33 ($992 + $165.33).
- Year two of transition (increase 1/3) - the transitioned amount of national school lunch state categorical funding per student is $1,322.66 ($1,157.33 + $165.33).
- Year three (final year) of transition (increase 1/3) - the transitioned amount of national school lunch state categorical funding per student is $1,488 ($1,322.66 + $165.34).

6.04.5 The method of transition for a school district that, within a three-year period, experiences both a decrease and an increase in the amount of national school lunch state categorical funding per student under Ark. Code Ann. § 6-20-2305(b)(4)(A) is detailed using the following two examples:
6.04.5.1 In the first example, a school district experiences an increase in national school lunch state categorical funding per student from $992 in the immediately preceding year to $1,488 in the current year, and a decrease to $992 in the following year. In this instance, the transition is completed in two years rather than three.

For illustrative purposes:
- Year one (current year) of transition (increase 1/3) - the transitioned amount of national school lunch state categorical funding per student is $1,157.33 ($992 + $165.33).
- Year two (final year) of transition (decrease 1/3) - the transitioned amount of national school lunch state categorical funding per student is $992 ($1,157.33 - $165.33).

6.04.5.2 In the second example, a school district experiences a decrease in national school lunch state categorical funding per student from $992 in the immediately preceding year to $496 in the current year, no change in the second year, and an increase to $992 in the third year. In this instance, the transition is completed in four years rather than three.

For illustrative purposes:
- Year one (current year) of transition (decrease 1/3) - the transitioned amount of national school lunch state categorical funding per student is $826.67 ($992 - $165.33).
- Year two of transition (decrease 1/3) - the transitioned amount of national school lunch state categorical funding per student is $661.34 ($826.67 - $165.33).
- Year three of transition (increase 1/3) - the transitioned amount of national school lunch state categorical funding per student is $826.67 ($661.34 + $165.33).
- Year four (final year) of transition (increase 1/3) - the transitioned amount of national school lunch state categorical funding per student is $992 ($826.67 + $165.33).

6.03 National School Lunch State Growth Funding
6.03.1 The ADE shall use the Cycle 2 enrollment data for the previous four years to calculate a three-year trend in district enrollment.

6.03.2 If a district has grown at least one percent for each of the three previous years, it shall qualify for National School Lunch State Growth Funding.

6.03.3 Districts that qualify for funding shall receive National School Lunch State Growth Funding.

6.03.4 The funding shall be calculated as the three year average growth in enrollment multiplied by the district's previous year's percentage of students eligible for the United States Department of Agriculture's National School Lunch Program multiplied by the per student funding amount determined in Section 6.01.

**English Language Learner/Bilingual Education (2010-11)**
6-20-2305 School funding: (3)(A) Beginning with the 2007-2008 school year, funding for students who are identified as English-language learners shall be $293 for each identified English-language learner. (B) Funding for English-language learners shall be distributed to school districts for students who have been identified as not proficient in the English language based upon a state-approved English proficiency assessment instrument.
Gifted and Talented Education (2010-11)

6-20-2208: (c) Each school district shall expend state and local revenues on gifted and talented programs in an amount equal to 0.15 of the foundation funding amount of $6,023 for fiscal year 2010-11 multiplied by 5% of the school district's ADM for the previous year only on gifted and talented programs in accordance with rules promulgated by the state board.

Other (2010-11):

6-20-2305 School funding: (2)(A) (i) Beginning with the 2007-2008 school year, alternative learning environment funding shall be $4,063 multiplied by the number of identified alternative learning environment students enrolled during the previous school year. (B) (i) Beginning with the 2007-2008 school year, secondary vocational area center funding shall be $3,250 multiplied by the number of students enrolled in a secondary vocational area center during the previous school year.

(4)(A) Beginning with the 2009-2010 school year, national school lunch state categorical funding for each identified national school lunch student shall be as follows: (i) For a school district in which 90% or greater of the previous school year's enrolled students are national school lunch students, the amount of per-student national school lunch state categorical funding shall be $1,488; (ii) For school districts in which at least 70% but less than 90% of the previous school year's enrolled students are national school lunch students, the amount of per-student national school lunch state categorical funding shall be $992; and (iii) For school districts in which less than 70% of the previous school year's enrolled students are national school lunch students, the amount of per student national school lunch state categorical funding shall be $496. (B) (i) (a) National school lunch state categorical funding under this subdivision (b)(4) shall be based on the number of national school lunch students for the immediately preceding school year determined under § 6-20-2303(12)(A). (b) If the school district is participating under 42 U.S.C. § 1759a, funding under this subdivision (b)(4) is based on the percentage determined in § 6-20-2303(12)(B) multiplied by the number of enrolled students for the immediately preceding school year.

(ii) (a) Beginning with the 2009-2010 school year, if a school district will receive in the current school year national school lunch state categorical funding under subdivision (b)(4)(A) of this section that is based on a different per-student amount of national school lunch state categorical funding than the school district received in the immediately preceding school year, due to a percentage change in national school lunch students, the department shall adjust the funding to the school district in a transitional three-year period. (b) The amount of national school lunch state categorical funding under this subdivision (b)(4)(B)(ii) shall be increased or decreased in each year of a three-year transition period by 1/3 of the difference between the amount of national school lunch state categorical funding per student for the current year and the amount of national school lunch state categorical funding per student for the immediately preceding year, adjusted for changes to the funding rates in § 6-20-2305(b)(4)(A).

(v) (a) A school district that has experienced a significant growth (at least 1% per year) in enrolled students in the previous 3 years shall receive funding for the expected increase in the number of national school lunch students based on the expected increase in enrolled students.
based on the levels of funding provided in this section for national school lunch students.

(5) (A) Professional development funding, beginning with school year 2007-2008, shall be equal to an amount of up to $50.00 multiplied by the school district's previous school year ADM. For fiscal year 2010-2011, each school district received $41.36 multiplied by the school district’s previous school year ADM. An additional $4,000,000 of the statewide appropriation was used for statewide professional development programs at the discretion of Commissioner of the ADE.

Pupil Weights for Special Education Programs (2010-11)
Does not apply.

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases (2010-11)
Does not apply.

Property Assessment Ratios Used/Legal Standards for Property Assessment (2010-11)
26-26-303 Percentage of value to be used in appraisal: (a) The appraisal and assessment shall be according to value as required by Arkansas Constitution, Article 16, Section 5. (b) The percentage of true and full market or actual value to be used in the appraisal and assessment shall be fixed and certified by the Arkansas Public Service Commission as provided by § 26-24-104. (c) Until and unless a budget system is adopted with provisions for eliminating excessive and illegal tax rates and expenditures, the commission shall not fix and certify a percentage of true and full market or actual value in excess of twenty percent (20%).
26-26-304(e)(1) Ratio of Assessed Value to Market Value in the Assessment Year that Reappraisal Values are Placed on the Assessment Ratio: (e)(1) In addition to the other provisions of this section, whenever the September 15 ratio for the classifications of market value real estate, business personal property, auto and other personal property, or agricultural and timber falls below 18% or above 22% of full fair market value, the county shall be deemed to have failed the ratio study and shall be subject to the corrective actions outlined in subsection (f) of this section.
26-26-1902 Reappraisal: Each county in Arkansas is required to appraise all market value real estate normally assessed by the county assessor at its full and fair market value at a minimum of one (1) time every three (3) years except under certain circumstances is required to appraise all real property normally assessed by the county assessor at its full and fair market value at a minimum of one (1) time every five (5) years from the previous assessment.
26-26-402 Procedure for adjustment of taxes after reappraisal or reassessment of property: (a) (1) Whenever a countywide reappraisal or reassessment of property subject to ad valorem taxes shall result in an increase in the aggregate value of taxable real and personal property in any taxing unit in this state of ten percent (10%) or more over the previous year, the rate of taxes levied against the taxable real and personal property shall, upon completion of the reappraisal or reassessment, be adjusted or rolled back by the governing body of the taxing unit for the year for which levied as provided.
Measure of Local Ability to Support Schools (2010-11):
Arkansas Code § 6-20-2305 (a)(1) Local aid is initially estimated as the difference between the foundation funding amount pursuant to subdivision (a)(2) of this section ($6,023 for FY 2010-11) and the sum of 98% of the uniform rate of tax multiplied by the property assessment of the school district plus miscellaneous funds of the school district (the average of the five years prior to the prior year of the categories of miscellaneous funds received in the most recent year used in the average, multiplied by the ratio of the uniform rate of tax of 25 mills to the total mills for the district). The local aid at the end of the year is the actual ad valorem tax revenues received by the school district from the uniform rate of tax of 25 mills plus the miscellaneous funds (the average of the five years prior to the prior year of the categories of miscellaneous funds received in the most recent year used in the average, multiplied by the ratio of the uniform rate of tax of 25 mills to the total mills for the district).

School District Budget and Tax Rate Procedures/Sources of Local Revenue (2010-11):
6-20-2202 Budget and expenditure report: All 239 districts are fiscally independent. There is no legal limit to the number of mills that may be levied for school purposes. There is established a uniform rate of ad valorem property tax of 25 mills to be levied on the assessed value of all taxable real, personal, and utility property in the state to be used solely for the maintenance and operation of the schools (Const. Art. 14, Sec. 3, as amended by Const. Amend. 11, Const. Amend. 40, and Const. Amend. (b)(1)). To increase the tax rate for schools, a simple majority vote is required. There is a limit of one millage election per year for requests for tax increase, decrease, or no change to tax rate. The majority of local revenues derive from the property tax.

State Support for Nonpublic Schools (2010-11)
Does not apply.
Description of the Formula

California has a complex school finance system that is almost entirely state controlled. The bulk of K-12 public school funding comes from general purpose entitlements (often referred to as “revenue limit” funding). The basic formula is a per pupil in average daily attendance (ADA) amount multiplied by the actual ADA of the entity to create an entitlement for the district, county office of education, or charter school. There are some additional adjustments to the entitlement for districts and county offices of education. Once the full entitlement is determined, local property taxes allocated to the entity are applied towards it. If an entity’s local property taxes are less than the entitlement, the state adds additional funds to guarantee the entitlement.

The per-ADA amounts for districts and county offices of education are based on historical funding levels for individual entities established in the late 1970s, adjusted for cost-of-living increases, periodic funding to reduce inequities amongst districts of similar size and type, and changes in the definition of ADA.

In addition to the general purpose funding described above, California provides additional special purpose funding for public schools through a number of “categorical” programs designed to target specific needs or state goals. Additional information on California’s school finance system is available on the internet at http://californiaschoolfinance.org, a site developed by the non-profit organization, EdSource.

District Based Components

Density/Sparsity of Small Schools
For small school districts, California provides an optional alternative general purpose funding entitlement for necessary small schools. For an elementary school district that consists of a single school with less than 97 ADA and for each qualifying necessary small elementary school in a school district with less than 2,501 ADA, necessary small-school amounts are computed on the basis of either the school’s ADA or the number of full-time teachers, whichever provides the lesser amount. For a high school district that consists of a single school or a single high school maintained by a unified school district with less than 287 ADA and for each qualifying necessary
small high school in a district with less than 2,501 ADA, necessary small-school amounts are computed on the basis of either the school’s ADA or the number of full-time-equivalent (FTE) certificated employees providing services in grades nine through 12, whichever provides the lesser amount. If the ADA is under 20 and the number of FTE certificated employees is less than four, however, the amount is computed on the number of FTE certificated employees.

**Grade Level Differences**
Currently, most general-purpose funding for public schools recognizes differences in district type (elementary, unified, high school rather than grade level served). As such, cost-of-living adjustments and equity funding is allocated based on such district type (and, in the case of equity, size differences). One exception is general-purpose funding for charter schools funded through a block grant formula, rather than district or county office revenue limit formulas. General-purpose funding for these charter schools is allocated based on “grade-group” formulas (K–3, 4–6, 7–8, and 9–12 with different amounts per ADA for each grade group).

**Declining Enrollment or Growth**
School district general purpose funding is computed using the greater of current or prior year ADA, thus providing a one year hold-harmless on declining enrollment for a district’s general purpose funding. Funding for categorical programs usually does not provide a declining enrollment adjustment. ADA growth is fully funded for general purpose entitlements. ADA growth may or may not be funded in categorical programs, depending on individual program calculations and state funding provided.

**Capital Outlay and/or Debt Service**
California has a statewide school building program supported by statewide bond measures. Statewide bond measures require a simple majority (50% plus one to pass. Local school districts can also issue school construction bonds and levy property taxes to pay for them, provided they get voter approval. In November 2000 California voters passed Proposition 39, which allows school bonds to be approved with a 55% “super-majority” (with restrictions on the amount of the bond and greater accountability requirements). Since the passage of Proposition 39, districts have had the choice of whether to seek two-thirds or 55% approval. Local elections that rely on 55% approval have been more successful, with more than 80% passing.

School districts also have the authority to levy developer fees on residential and commercial construction or reconstruction, but statewide these fees generate significantly less money than bonds. The money may be used only for school facilities, including portable classrooms. These fees are charged both to developers of new residential and commercial properties and to property owners who add square footage to existing homes. No fee is assessed if there is no change in square footage or for residential additions of less than 400 square feet.

Current estimates are that from 2009 through 2014, California school districts will need more than $7.8 billion in state matching funds to build almost 22,000 new classrooms. Another $3.5 billion will be needed to modernize more than 35,000 classrooms that are 25 years or older. State bond measures passed in 2004 have provided almost $10 billion in funding for public school facilities projects designed to meet K–12 school facility needs through 2008-09. See our School Facilities Fingertip Facts Web page at http://www.cde.ca.gov/ls/fa/sf/facts.asp for more
information. The state matching requirement for new construction requires an equal local contribution. Modernization is 60 percent state-funded and 40 percent locally funded. State contributions are based on specific criteria.

**Transportation**
California provides about $500 million in funding to partially reimburse school districts for home-to-school and special education transportation expenditures. Funding is based on a reimbursement of actual prior-year expenditures and is limited to historical participation rates and levels, adjusted for optional increases provided by the state.

**Student-Based Components**

**Special Education**
California provides $3.1 billion in state funding for special education programs for individuals with exceptional needs. The special education funding model apportions state aid to local educational agencies (LEAs based on their ADA; the per-ADA funding rates are recomputed annually). The funding model is based on the assumption that, over reasonably large geographic areas, the incidence of disabilities is relatively uniformly distributed. The model also provides funding adjustments to compensate for those areas in which there are concentrations of special education students with high-cost, low-incidence disabilities. Funding for special education may be apportioned directly to an LEA or to the administrative unit of the special education local plan area (SELPAs with which it is affiliated. Entitlements are calculated by multiplying the SELPA’s base funding rate by the prior-year funded K–12 ADA for each school district, county office of education, and charter school in the SELPA). Funding is adjusted for changes in ADA.

**Low Income / At-Risk**
Economic Impact Aid (EIA) is a state categorical program that provides supplemental funds, kindergarten through grade twelve, to support: 1) additional programs and services for English learners (ELs) and 2) Low Income / At-Risk services for educationally disadvantaged students. Funding is allocated based on a district per pupil rate times the sum of: 1 Prior year English Learner count, 2 Current year Title I Formula child count, and 3 Weighted Concentration Factor.

**English Language Learner/Bilingual Education**
California does not provide funding specifically for bilingual education, but does provide over $50 million for instructional support and coordination of services for students enrolled in grades four through eight and identified as English learners. In addition, districts may use Low Income / At-Risk funding (see above to address needs of English learners).

**Gifted and Talented Education**
California provides about $44 million for gifted and talented education programs. However, LEAs that receive the funds may use them for any educational purpose. Funding is based on each LEA's proportionate share of gifted and talented education programs funding in 2008-09.

**Revenue and Expenditure Information**

State Mandates Restricting Revenue or Expenditure Increases
The California Constitution limits ad valorem property tax rates to no more than 1% of full cash value at the time of purchase. Increases in assessed value per year are capped at 2% or the percentage growth in the Consumer Price Index (CPI), whichever is less. The California Constitution does allow school districts to collect special taxes (non ad valorem if two-thirds of the electorate in the district approves). The Constitution also limits annual expenditure increases for both the state and local agencies; however, public school districts may exceed their limit by shifting limit capacity from the state to the district.

**Property Assessment Ratios Used/Legal Standards For Property Assessment**
The constitution limits the maximum amount of an ad valorem tax on real property to 1% of full cash value in 1975, or at the time of purchase if purchased after 1975. Assessed values may be annually increased by the lesser of 2% or the change in the CPI, adjusted for decline in actual value. Only when property changes ownership or there is new construction, is the assessment brought up to current market values.

**Measure of Local Ability To Support Schools**
Statutorily prescribed share of 1% countywide property tax.

**School District Budget and Tax Rate Procedures/Sources of Local Revenue**
All school districts are fiscally independent in that they have taxing authority, within constitutional limits, and the ability to develop budgets. The total property tax levy is limited constitutionally and its allocation prescribed statutorily. Districts can levy special taxes for specific purposes with a two-thirds majority vote. Such taxes may not preempt state taxes (e.g., sales, personal income, etc.). Voter approval is not required for the general operating budget. Local revenues are derived almost exclusively from the countywide property tax.

**State Support for Nonpublic Schools**
The California constitution prohibits state funding of sectarian or denominational schools or schools not under the exclusive control of officers of the public schools. Limited funding is provided for special education students placed in non-public, non-sectarian schools.
Description of the Formula

Funding is based on an annual October pupil count. Each school district counts pupils in membership as of the school day nearest October 1 (the official count day). Districts are given an opportunity to provide documentation that a student re-established membership by October 31st for a student who may be absent on the official count day.

Generally, pupils in grades 1 through 12 are counted as either full-time or part-time depending upon the number of scheduled hours of coursework. Kindergarten, preschool special education, and a limited number of at-risk preschool (see Colorado Preschool and Kindergarten Program discussion) pupils are counted as part-time.

For most school districts, funding is based on the number of pupils counted in the current school year. However, for a district with an enrollment fluctuating from year to year, funding is based on an average of up to four prior years’ October pupil counts and the current year’s October pupil count.

District-Based Components

Colorado Preschool Program
The Colorado Preschool program’s main objective is to provide high quality early education support to children whose existing risk factors increase their chances of early school failure. Districts provide these services in partnership with families and other community resources serving families. In FY 2010-11, funding is provided for the participation of up to 20,180 children.

Funding to school districts is based on a per-pupil formula that calculates Total Program. For each pupil funded in the October 1 pupil count, the formula provides a base per-pupil amount of money plus additional money to recognize district-by-district variances in; a) cost of living, b) personnel costs, c) size. The Total Program amount also includes additional funding for at-risk pupils.

Eligibility for participation in the federal free lunch program is used as a proxy of each school district’s at-risk pupil population. Increased funding is provided to recognize that expenses among districts vary, as pupil populations vary, especially at-risk populations. For each at-risk
pupil, a district receives funding equal to at least 12%, but no more than 30% of its Total Per-pupil Funding. As a district’s percentage of at-risk population increases above the statewide average (roughly 36.6%, an increased amount of at-risk funding is provided).

A district receives funding for the greater of: 1) each actual pupil eligible for the federal free lunch program; or 2) a calculated number of pupils based on the number of grades 1-8 pupils eligible for the federal free lunch program as a percent of the district’s entire population.

Starting in FY 2010-11, a new factor was introduced in the school finance formula due to the statewide budget balancing challenges Colorado is facing. This new factor is called the “state budget stabilization factor” and reduces the amount of funding districts would have received prior to this factors application in an equitable and fair manner.

Density/Sparcity of Small Schools
Does not apply.

Grade Level Differences
All kindergarten and preschool pupils are funded as half-time programs with the exception of 2,154 kindergarten students funded as full-time through a separate appropriation referred to as Hold Harmless Full Day Kindergarten Funding. All other students, grades 1-12 are funded as either part-time or full-time based on scheduled hours of coursework.

Declining Enrollment or Growth
For a district with an enrollment fluctuating from year to year, funding is based on an average of up to four prior years’ October pupil counts and the current year’s October pupil count.

Capital Outlay and/or Debt Service
The bonding limit is 20% of assessed valuation. In a district with rapid enrollment growth, 25% of assessed valuation is the limit. Rapid enrollment growth is defined as 2.5% or more increase in enrollment per year for at least three years.

Transportation
Based upon a one-day count of route miles districts receive $.38 per mile plus 34% of the difference between current operating expenses for pupil transportation and the amount determined by multiplying $.38 times miles traveled October 1 and the days of school held in the term. Maximum reimbursement is 90% of current operating expenditures. Reimbursement is based on prior year July – June.

Student-Based Components

Special Education
(Article 20 of Title 22, CRS)
The State Exceptional Children's Act (ECEA) outlines administrative unit (school districts and boards of cooperative educational services) responsibilities for providing special education programs for children with disabilities. The Act recognizes the need to provide educational
opportunities to all children, and the benefits of providing a continuum of services in the least restrictive environment.

In budget year 2010-11, Colorado administrative units will serve approximately 83,000 students with disabilities, or about 10% of the total pupil enrollment. Administrative units will provide services to children between the ages of three and twenty-one who, by reason of one or more of the following conditions, are unable to receive reasonable benefit from general education: long-term physical impairment or illness, significant limited intellectual capacity, significant identifiable emotional disorder, specific learning disability, or speech or language impairment.

State ECEA funding of special education programs for children with disabilities is $127.4 million for budget year 2010-11.

- Five hundred thousand dollars is available to administrative units specifically for costs incurred for children with disabilities that live in eligible facilities within their boundaries, and for whom (a) parental rights have been relinquished by the parents; (b) parental rights have been terminated by the court; (c) parents are incarcerated; (d) parents cannot be located; (e) parents reside out of state, but the Department of Human Services has placed the children within the boundaries of the administrative unit; or (f) the children are legally emancipated.
- Four million dollars will be available for grants to administrative units for reimbursement of high costs incurred in providing special education services in the preceding school year. High costs are defined as the costs incurred by an administrative unit above a threshold amount.

The remaining amount will be distributed as follows:

- Administrative units will receive $1,250 for each child reported by the administrative unit on December 1 of the previous year.
- Administrative units will receive up to an additional $6,000 for each child reported on its previous December 1 count with the following disabilities: vision disability, hearing disability, deaf-blind, significant identifiable emotional disability, autism, traumatic brain injury, multiple disabilities, and significant limited intellectual capacity. This amount will be prorated based on the amount of the remaining appropriation.
- State ECEA moneys can be used to pay for the salaries of special education instructional and support personnel, purchased services (including tuition payments to other administrative units and eligible facilities), supplies and equipment.

In budget year 2010-11, total special education costs will equal roughly $825 million. State funding covers roughly 15.4% of special education costs; federal funding covers an additional 28.3% of these costs; and local sources of funding cover the remaining 56.3% of the costs.

Low Income / At-Risk
The following is the list of programs under Colorado Revised Statutes which are classified as Low Income / At-Risk. The Revised Statutes are available at:
http://www2.michie.com/colorado/lpext.dll?f=templates&fn=fs-main.htm&2.0

Art. 20. Education of Exceptional Children, 22-20-101 to 22-20-117.
Art. 27.5. Before- and After-School Dropout Prevention Programs, 22-27.5-101 to 22-27.5-106.

**English Language Learner/Bilingual Education**  
See Low Income / At-Risk

**Gifted and Talented Education**  
See Low Income / At-Risk

**Other**  
Each school district individually has the discretion, within the limits of existing law, to determine how its Total Program moneys are spent, with one exception required by the state in budget year 2010-11.

*Programs for At-Risk Pupils* -- Each school district must allocate at least 75% of its at-risk funding to school or district-wide instructional programs for at-risk pupils or to staff development associated with teaching at-risk pupils in the district.

**Revenue and Expenditure Information**

**State Mandates Restricting Revenue or Expenditure Increases**  
Each school district's annual revenue and spending growth is limited by its percentage of growth in pupil enrollment plus the rate (percentage of inflation, in accordance with the Taxpayer's Bill of Rights (TABOR) state constitutional amendment). This limit initially may restrict a district's ability to accept the full amount of funding as determined by the Total Program formula calculation.

In such a case, to subsequently receive the full formula amount of funding, a district must certify to the Colorado Department of Education that receiving the full amount of Total Program funding would not violate its TABOR limit. A district may need to seek voter authorization for an increase to its TABOR limit before being able to make such a certification.

**Property Assessment Ratios Used/Legal Standards for Property Assessment**  
The county assessor determines the valuation of all property located within a district’s boundaries (e.g. residential, commercial, agricultural, oil, and gas). The state is responsible for determining the valuation of public utilities within district boundaries. Regardless of property type, *assessed* valuation is based on a percentage of the property's *actual* value. For example, in budget year 2010-11, residential property is expected to have an assessed valuation equal to 7.96% of its actual value.

One mill of tax is the same as one-tenth of one percent (.001). Therefore, on residential property with an actual value of $100,000 and, thus, an assessed valuation of $7,960, each mill of tax raises $7.96.
Measure of Local Ability to Support Schools
Assessed valuation per pupil.

School District Budget and Tax Rate Procedures/Sources of Local Revenue
Two local sources of revenues are incorporated into the Public School Finance Act of 1994, as amended: property taxes and specific ownership (vehicle registration taxes). Funding for a school district’s Total Program is provided first by these sources of revenues (the Local Share); if these local sources are insufficient to fully fund Total Program, state moneys fund any shortfall.

Property Taxes
Each school district is required to impose a property tax levy to finance its Local Share of Total Program. The ability to raise money from property taxes varies widely among districts. Differences in tax bases (assessed property values) result in differences in revenues collected, using a given mill levy. Nonetheless, no district’s property tax revenues are transferred to any other district; instead, moneys raised remain in the district which imposes the tax.

Beginning in FY 2007-08, legislation was passed to stabilize school district mill levies. The legislation caps mill levies at 27 mills and freezes mill levies for districts with mill levies of 27 mills or less. This legislation applies to the Total Program mill levy only. It does not affect override, bond, special building and technology, full-day kindergarten excess cost, or transportation mill levies. Additionally, this mill levy cap/freeze does not apply to districts that have not held a successful TABOR election.

The four school districts which have not held a successful TABOR election must levy the least/smallest mill resulting from the following three options: (1) the mill that it levied in the prior year; (2) the mill necessary to entirely pay for its Total Program and categorical programs, less any specific ownership tax revenues and minimum State Share funding received (see subsequent discussion); or (3) the maximum mill allowed by the TABOR constitutional amendment.

Specific Ownership Taxes
Vehicle registration taxes are collected by counties and are shared with school districts. Each district’s Local Share includes an amount of specific ownership tax revenue equal to the prior budget year’s actual amount received.

Other Funding
Local Funding Sources
Override Revenues (C.R.S. 22-54-108)
A school district may desire to spend more property tax revenues than authorized/required to fund its Total Program. In this event, a district must seek approval from its voters to raise and expend “override” property tax revenues via an additional mill levy. Override revenues also are permitted for a district whose budget year 1994-95 actual Total Program exceeded its budget year 1994-95 formula calculation (a “hold harmless” district).
A district’s override revenues cannot exceed 25% of its Total Program or $200,000, whichever is greater, plus an amount equal to the maximum dollar amount of property tax revenue that the district could have generated for FY 2001-02 in a Cost of Living Adjustment election. All override revenues come from increased property taxes; no additional state funding occurs. A district's authorization to raise and expend “override” revenues does not affect the amount of State Share funding which the district is eligible to receive.

Capital/Building Needs
Four distinct avenues through which a school district may meet its capital/building needs are discussed below.

Bonded Indebtedness (C.R.S. 22-42-102) -- A district may hold an election to authorize it to issue bonds to meet its capital needs. Principal and interest payments on bonds are paid from increased property tax revenues generated by a separate, additional mill that the district must be authorized to levy. A district may not have outstanding bond debt in excess of 20% (25% for rapidly growing districts of its assessed property valuation or 6% of its actual property value, whichever is greater.

School districts considering submitting a ballot question for bonded indebtedness to the electors of the district shall invite each charter school to participate in discussions regarding the possible submission of a ballot question.

Special Building and Technology Fund (C.R.S. 22-45-103(1d) -- A district may hold an election to authorize it to levy up to ten mills for not longer than three years. Moneys generated by this levy are available to fund the purchase of land, the construction, purchase, and maintenance of facilities, and the purchase and installation of building security, instructional, and informational technologies.

Building Excellent Schools Today (B.E.S.T.) (Article 43.7 of Title 22) -- Provides a new funding structure for school capital construction projects, allowing school districts to enter into certificates of participation for lease-purchase agreements through the State Treasury for construction projects. Maintains a grant program for school capital construction projects that do not meet the requirements of the lease-purchase program. Brings all capital construction funding under one umbrella for administration and distribution of funds and is intended to replace the remaining obligations of the “Giardino Settlement.”

Loan Program for Capital Improvements in “Growth Districts” (C.R.S. 22-2-125) -- A district which is identified as a “growth district” as defined above, is eligible to apply for a loan from the State Treasurer. This debt must be voter approved and if a property tax mill levy is the method of repayment, such levy must also be approved at the same time. At the time of the loan application, the district must specify the method of repayment and the terms of repayment may not exceed 10 years. The district must also have voter approval for a repayment period of longer than one year.

If a property tax mill levy will be used to repay the loan, the mill must be no more than 5 mills or a number of mills determined by dividing the latest statewide average per pupil assessed
valuation (PPAV by the latest PPAV of the growth district, whichever is less. If the district’s PPAV is greater than the statewide average PPAV, the growth district may impose an additional property tax levy of no more than 1 mill.

Contingency Reserve (C.R.S. 22-54-117)
The Colorado State Board of Education is authorized to approve emergency supplemental payments to assist school districts. Such payments are made at the discretion of the Board and following applicable statutory guidelines.

State Support for Nonpublic Schools
State funding of nonpublic schools is not allowed by the State Constitution. Private vendors receive state funding for education where pupils are placed by courts in private facilities with approved on grounds schools.
Description of the Formula

Description of the Formula
Education Cost Sharing (ECS) Target Aid is still a foundation-type formula and is currently comprised of two components: **Base Aid and a Regional Bonus.** **Base Aid** - For each weighted student, towns receive a portion of the foundation ($9,687) based on the ratio of the town’s wealth when compared to the guaranteed wealth level—1.75 times the median town’s wealth. Wealth is measured in terms of property per capita and per student adjusted for Per Capita Income and Median Household Income. Students are weighted for poverty and English language learners. **Regional Bonus** – Towns that are members of regional districts receive up to $100 for each such student, depending on the number of regional grades.

However, for 2009-10 and 2010-11, legislation directs that each town receive an ECS entitlement equal to the amount they were entitled to in 2008-09.

District-Based Components

Density/Sparsity of Small Schools
There are no adjustments for population density or sparsity.

Grade Level Differences
Does not apply.

Pupil Weights for District/School Size
The state provides a per pupil grant increase to the general aid formula grant for those districts participating in regional school systems:

<table>
<thead>
<tr>
<th>Region Grade Range</th>
<th>Additional per Pupil Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>K-12</td>
<td>$100.00</td>
</tr>
<tr>
<td>7-12</td>
<td>$46.15</td>
</tr>
<tr>
<td>9-12</td>
<td>$30.77</td>
</tr>
</tbody>
</table>
Declining Enrollment or Growth
The state’s Minimum Budget Requirement (MBR) represents the minimum level that a town must appropriate to the school district. Generally, the MBR is predicated upon the prior year’s budgeted appropriation to the school district plus the increase in the ECS grant, with no adjustment for changes in student population. For both 2009-10 and 2010-11, the MBR is predicated on a school district’s appropriated budget from 2008-09.

Capital Outlay and/or Debt Service
The state pays 20-80 percent of approved projects, inversely related to district wealth. For regional districts, the state pays an additional 10 percentage points on an equalized basis, but such districts may not receive more than 85 percent reimbursement. In addition, the state pays 95 percent for approved interdistrict magnet schools, agricultural science centers and regional special education facilities. Bonded indebtedness may not exceed 160 percent of the current year estimated tax receipts.

Transportation (2006-07)
The state pays 0-60 percent of eligible prior year expenditures, inversely related to district wealth. Regional high school districts receive an additional 5 percent, and regional K-12 districts receive an additional 10 percent. Districts are guaranteed a minimum grant of $1,000. Grants may be proportionally reduced to stay within the legislatively approved appropriation.

Student-Based Components

Special Education
Since 1995-96, the state’s primary contribution to general special education is through the Education Cost Sharing (ECS) formula described under Description of Formula. The ECS foundation reflects the cost of regular education and general education. In addition, the students used in the ECS grant determination include both regular education and special education.

The state also supports extraordinary special education costs through its Excess Costs grant, which funds 100 percent of student-based special education costs in excess of established thresholds. For children affected by state agencies, e.g., foster students and judicial placements, the state pays in excess of the district’s prior year average cost per student (including regular and special education). For all other special education placements, the state pays 100 percent of the costs in excess of 4.5 times the prior year’s average cost per student (including regular and special education). These grants may be proportionately reduced to stay within the legislatively approved appropriation.

Low Income / At-Risk
Does not apply.

Bilingual Education
Each district is entitled to receive a portion of the total amount appropriated according to the ratio of the number of eligible pupils in the district as compared to the total number of eligible pupils in the state. Grant eligibility is limited to districts with schools containing 20 or more students with the same dominant language other than English. Those English language learners
that are eligible under the Bilingual grant are included in the Education Cost Sharing (ECS) formula described under Description of Formula.

Gifted and Talented Education
Does not apply.

Other
Connecticut targets significant funding to those 15 to 20 districts with the highest numbers, or concentrations, of poor and remedial students. Funding for these districts provides quality preschool education, summer school and extended school building hours. The state supports a variety of interdistrict choice programs for the purposes of providing academic alternatives and reducing racial and economic isolation:

- Magnet Schools - 67 interdistrict magnets serving over 27,000 students;
- Charter Schools – 18 charters serving 5,750 students;
- Connecticut Technical High School System – 17 state-operated technical high schools enrolling over 10,000 students;
- OPEN Choice – almost 1,800 city students enrolled in suburban districts; and
- Agricultural Science – 17 regional high schools serving 3,050 students.

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
Connecticut operates under a constitutional spending cap which requires a balanced budget. The cap limits appropriations based upon two major economic variables: either the five-year average growth in Connecticut personal income or annual growth of the Consumer Price Index, whichever is greater. The cap can only be exceeded if the Governor declares an emergency or the existence of extraordinary circumstances and three-fifths of both chambers of the General Assembly concur.

Property Assessment Ratios Used/Legal Standards For Property Assessment
Assessment ratios used may not exceed 100 percent of true and actual or fair market value.

Measure of Local Ability To Support Schools
For special education, transportation, adult education and school construction grants: Equalized property value per capita, modified by a ratio of the town’s 1999 per capita income to the wealthiest town’s per capita income.

For the Education Cost Sharing (ECS) grant: Equalized property value per weighted pupil and per capita, modified by a ratio of the town’s 1999 per capita income to the town with the highest per capita income and 1999 median household income to the town with the highest median household income. The pupils are weighted for poverty and limited English proficiency.
School District Budget and Tax Rate Procedures/Sources of Local Revenue
The state’s 166 districts are fiscally dependent. Local boards of finance propose entire town budgets, which include the school budget. Voters accept or reject the total budget. Voter approval is required for a new tax increase.

State Support for Nonpublic Schools
Aid to public schools for mandated services provided to nonpublic schools and/or pupils for health services (doctors, nurses and dental hygienists), transportation, and child nutrition.
Description of the Formula

State support is provided in five (5) major components.

Division I, employment costs, is allocated in accordance with state formulae.

Division II, Energy, is allocated on a student-based unit system. Energy funds may be used for heating oil, gas, or electricity.

Division III, Other, is allocated on a student-based unit system. Funds may be used for all operational costs other than employment costs, energy costs, transportation, or debt service.

Debt Service funding allocates between 60% and 80% of the cost of school construction in the districts and 100% for statewide special schools.

District-Based Components

Density/Sparsity of Small Schools
Does not apply.

Grade Level Differences

<table>
<thead>
<tr>
<th>Grade</th>
<th>Per Instructional Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>½ Day K</td>
<td>34.8</td>
</tr>
<tr>
<td>Full-Day K</td>
<td>17.4</td>
</tr>
<tr>
<td>1-3</td>
<td>17.4</td>
</tr>
<tr>
<td>4-6</td>
<td>20.2</td>
</tr>
<tr>
<td>7-12</td>
<td>20.2</td>
</tr>
</tbody>
</table>

Declining Enrollment or Growth
Guaranteed units no longer funded.
Capital Outlay and/or Debt Service
The state pays between 60% and 80% of approved projects; 100% for special schools and vocational schools. Bond issue must be approved by referendum. Bonded indebtedness is limited to 10% of the assessed valuation of the district.

Transportation
Transportation for eligible public school students is funded through a legislatively-directed transportation formula to provide funds to the districts for district- or contractor-provided school transportation. Transportation benefits are provided for pupils in grades K-6 whose legal residences are one (1) mile or more from the schools to which they would normally be assigned and for pupils in grades 7-12 whose legal residences are two (2) miles or more from the schools to which they would normally be assigned. Public charter schools are provided transportation funding for eligible students based on 75% of the average cost per student of transportation within the vocational district in which the charter school is located.

Pupil-Based Components

Special Education
Funding is provided through instructional units. Units for 12 categories are provided, ranging in size from four pupils per unit to 15 pupils per unit.

The State is phasing in a needs based funding system for special education students. Funding is based on three categories: basic, intensive, and complex with unit sizes of 8.4, 6.0, and 2.6.

Low Income / At-Risk
Academic Excellence instruction units are provided on the basis of one unit per 250 pupils enrolled and funds are also provided for extra time for students at risk of not meeting state standard in core content areas.

English Language Learner/Bilingual Education
LEP no longer funded as separate program; now collapsed into State Fiscal Stabilization Funds.

Gifted and Talented Education
Program now collapsed into academic excellence units.

Other
Does not apply.

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
Does not apply.

Property Assessment Ratios Used/Legal Standards For Property Assessment
Districts tax between 50% and 100% of the county assessed valuations.
Measure of Local Ability To Support Schools
Market value of property per unit of pupils

School District Budget and Tax Rate Procedures/Sources of Local Revenue
All 19 districts are fiscally independent. Increase in total tax rates for current operations must be approved by referendum. Voter approval is required for a tax increase. A maximum of two elections may be held each year; a simple majority is required for approval. Local revenue sources are: property tax (85%), interest (1%), tuition (5%), and other (9%).

State Support for Nonpublic Schools
The State provides driver education to all eligible Delaware residents attending public and private high schools. While the State does not transport pupils attending non-public schools, it does provide school transportation stipends to parents of eligible pupils.
Description of the Formula

In 1973 the Florida Legislature enacted the Florida Education Finance Program (FEFP) and established the state policy on equalized funding to guarantee to each student in the Florida public education system the availability of programs and services appropriate to his or her educational needs that are substantially equal to those available to any similar student notwithstanding geographic differences and varying local economic factors.

To provide equalization of education opportunity, the FEFP formula recognizes: (1) varying local property tax bases; (2) varying education program costs; (3) varying costs of living; and (4) varying costs for equivalent educational programs due to sparsity and dispersion of student population.

The FEFP is the primary mechanism for funding the operating costs of public schools. As noted herein, there are other sources of funding; however, the FEFP is the finance program’s foundation. A key feature of the FEFP is that it bases financial support for education upon the individual student participating in a particular educational program rather than upon the number of teachers or classrooms. FEFP funds are primarily generated by multiplying the number of full-time equivalent (FTE) students in each of the funded educational programs by cost factors to obtain weighted FTEs. Weighted FTEs are then multiplied by a base student allocation and by a district cost differential in the major calculation to determine the base funding from state and local FEFP funds. Program cost factors are determined by the Legislature and represent relative cost differences among the FEFP programs. In addition to the base funding allocation, three major allocations within the FEFP are the Supplemental Academic Instruction Allocation, Exceptional Student Education Guaranteed Allocation, and the Class Size Reduction Allocation. Please see page 15 of “Funding for Florida School Districts” at http://www.fldoe.org/fefp/pdf/fefpdist.pdf for an explanation of these allocations.
District-Based Components

Density/Sparsity of Small Schools
The FEFP recognizes the relatively higher operating cost of smaller districts due to sparse student population through a statutory formula in which the variable factor is a sparsity index. This index is computed by dividing the FTE of the district by the number of permanent senior high school centers (not exceeding three). By Appropriations Act proviso, participation is limited to districts of 20,000 or fewer FTE. Each eligible district’s allocation is subject to an adjustment for relative wealth of the district. This adjustment is based on the per FTE value of the maximum discretionary levy in the district relative to the state average. If the district value per FTE exceeds the state average, then the sparsity entitlement is negatively adjusted by an amount equal to the district’s FTE multiplied by the per FTE amount by which the district’s maximum discretionary value per FTE exceeds the state average. However, no district shall have a sparsity wealth adjustment that would cause the district’s total potential funds per FTE to be less than the state average. This supplement is limited to $35,754,378 statewide for the 2010-11 fiscal year.

Grade Level Differences
Basic education programs are funded with the following program weights:

<table>
<thead>
<tr>
<th>Grade Level</th>
<th>Program Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kindergarten and Grades 1 – 3</td>
<td>1.089</td>
</tr>
<tr>
<td>Grades 4 – 8</td>
<td>1.000</td>
</tr>
<tr>
<td>Grades 9 – 12</td>
<td>1.031</td>
</tr>
</tbody>
</table>

Declining Enrollment or Growth
The declining enrollment supplement is determined by comparing the unweighted FTE for the current year to the unweighted FTE of the prior year. In those districts where there is a decline in unweighted FTE, 25 percent of the decline is multiplied by the prior-year base funding per unweighted FTE. This amount is the declining enrollment supplement for the district.

Capital Outlay and/or Debt Service
Pursuant to Article XII, Section 9(d), of the Florida Constitution, the first proceeds from the tax on motor vehicle licenses are available to school districts and state colleges for capital outlay purposes. The number of instructional units determines the annual allocation of Capital Outlay and Debt Service funds for each school district and state college. A school district or state college may elect to bond its allocation or receive the funds as cash (commonly referred to as “flow-through”).

Transportation
The student transportation funding formula provides funds to 67 school districts based on each district’s pro rata share of eligible transported students. Eligible transported charter school students may be included in the districts’ student transportation funding claims. The formula includes an enhancement for the transportation of disabled students requiring specialized transportation services. In addition to students transported by public school buses, the funding formula includes students transported to and from school on local general purpose transportation
systems and students transported to and from school in private passenger cars and boats when the transportation is for isolated students or for students with disabilities as defined by State Board of Education, Administrative Rule 6A-6.0301, Florida Administrative Code. Adjustments to each district’s share of state transportation funds are made for cost of living differences, the percent of population outside of urban centers, and efficiency.

Students in membership in kindergarten through grade 12 (K-12) and in prekindergarten exceptional student education programs are eligible for transportation funding if one of the following conditions is met:

- The student lives two or more miles from the school.
- The student is classified as a student with a disability under the Individuals with Disabilities Education Act (IDEA), regardless of distance (excluding gifted students). K-12 students identified with Specific Learning Disabilities, Speech Impairments, or Language Impairments who live less than two miles from their assigned school are eligible only if transportation services are required by the student’s Individual Educational Plan.
- The student/parent or infant is enrolled in the Teenage Parent Program (TAP).
- The student is enrolled in a state-funded prekindergarten program (IDEA or TAP), regardless of distance from home to school. Prekindergarten children not enrolled in IDEA programs, or whose parent or parents are not enrolled in a TAP program, are not eligible for state transportation funding. Prekindergarten students in the following programs are ineligible for transportation funding under Section 1011.68, Florida Statutes (F.S.), unless the students are also disabled or in a TAP program. These ineligible groups include, but are not limited to, students in Prekindergarten Title I, federally funded Prekindergarten Migrant programs, Prekindergarten Early Intervention, Head Start, and Readiness Coalition programs.
- The student is a career or exceptional student being transported from one school center to another where appropriate programs are provided. Dually enrolled students, as defined by Section 1011.68, F.S., who attend a university, community college, or career college, are included.
- The student meets the criteria for hazardous walking as stated in Section 1006.23, F.S. Only elementary school students are eligible for funding under the hazardous walking category.

**Student-Based Components**

**Special Education**

In Florida, services for Exceptional Student Education (ESE) students (students identified as gifted and students identified as disabled) are funded through the FEFP. Exceptional education services for most students are funded through the ESE Guaranteed Allocation. For those ESE students requiring the most intensive services, funding is weighted by cost factors in accordance with level of need. Please see Section 1011.62 (1)(e), F.S., for an outline of the funding model.
for ESE programs. Approximately 88 percent of the total expenditures for students with disabilities are funded through state and local programs.

Since July 1, 2000, approximately 95 percent of ESE students have generated base funding at the same level as non-disabled students. These students are reported under basic programs 111 (grades PK-3 basic with ESE services), 112 (grades 4-8 basic with ESE services), or 113 (grades 9-12 basic with ESE services). These programs have the same cost factors as basic programs 101, 102, and 103. A portion of funding for students in these programs is generated by multiplying the base student allocation by the program cost factor. For 2010-11, the base student allocation is $3,623.76. The approximate base weighted funding amounts generated by students in basic programs for 2010-11 are:

<table>
<thead>
<tr>
<th>Grades PK-3 Basic</th>
<th>$3,946.27</th>
<th>($3,623.76 x 1.089)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grades 4-8 Basic</td>
<td>$3,623.76</td>
<td>($3,623.76 x 1.000)</td>
</tr>
<tr>
<td>Grades 9-12 Basic</td>
<td>$3,736.10</td>
<td>($3,623.76 x 1.031)</td>
</tr>
</tbody>
</table>

In order to fund exceptional education and related services (including therapies) for these students, an Exceptional Student Education Guaranteed Allocation was established by the Legislature in addition to the basic funding. The guaranteed allocation is a fixed amount provided each district. For the current school year (2010-11) the ESE Guaranteed Allocation appropriation is $980,571,070.

For the remaining five percent of students with disabilities (those with the most intense needs), funding is determined using a matrix of services. Consistent with the services identified on the Individual Educational Plan, matrices are completed by checking all the services that will be provided to the student. Students with the two highest matrix ratings (254 and 255) generate base weighted funding as follows:

<table>
<thead>
<tr>
<th>Support Level 4 (254)</th>
<th>$12,766.51</th>
<th>($3,623.76 x 3.523)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support Level 5 (255)</td>
<td>$17,883.26</td>
<td>($3,623.76 x 4.935)</td>
</tr>
</tbody>
</table>

The ESE matrix of services consists of five support levels and five domains: curriculum and learning environment, social/emotional behavior, independent functioning, healthcare, and communication. See “Use of the Exceptional Student Education Matrix of Services” at http://fldoe.org/ese/pdf/matrixnu.pdf/

**Low Income / At-Risk**
There is no comparable program existing at this time.

**English Language Learner/Bilingual Education**
English for Speakers of Other Languages (ESOL) programs are funded with a program weight of 1.147.

**Gifted and Talented Education**
Please see the response for Special Education above.
Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
In accordance with Section 1011.71, Florida Statutes, districts may levy up to 0.748 mills for discretionary operating funds. In addition, each district school board may, by supermajority vote, levy an additional 0.250 mills for critical operating or critical capital outlay needs. If a school board’s 0.748 or additional 0.250 mill levy provides funds that are less than the state average per unweighted FTE, the school district shall receive a supplement that, when added to the funds generated by each of these levies, is equivalent to the state average per unweighted FTE.

Property Assessment Ratios Used/Legal Standards for Property Assessment
Each district’s share of the state total required local effort is determined by a statutory procedure that is initiated by certification of the property tax valuations of each district by the Department of Revenue. This certification occurs no later than two working days prior to July 19. No later than July 19, the Commissioner of Education certifies each district’s required local effort millage rate. These rates are primarily determined by dividing the dollar amount of required local effort by 96 percent of the aggregated taxable value for school purposes of all districts. Certifications vary due to the use of assessment ratios designed to equalize the effect on the FEFP of differing levels of property appraisal in the counties.

Measure of Local Ability to Support Schools
Each school board participating in the state allocation of funds for the current operation of schools must levy the millage set for its required local effort from property taxes. The Legislature set the amount of $7,197,552,375 as the required local effort for 2010-11. Millage rates are also adjusted because required local effort may not exceed 90 percent of a district’s total FEFP entitlement.

School District Budget and Tax Rate Procedures/Sources of Local Revenue
The primary source of local operating and capital outlay revenue for schools is ad valorem taxes; however, school boards are authorized to levy a sales tax of 0.5% for capital outlay purposes if approval is granted by referendum.

State Support for Nonpublic Schools
Scholarship payments for education provided by private schools are available pursuant to the provisions of the John M. McKay Scholarships for Students with Disabilities Program and the Florida Tax Credit Scholarship Program.
Description of the Formula

Georgia has a two-tiered school finance program, the base is a foundation program with a five mill required local share; the state provides the difference between the foundation amount set by the state minus the local share, which is the amount raised locally by levying five mills on the 40% equalized property tax digest. For each mill raised above the five mills (up to 3.25 mills), the state will pay the difference needed in the per pupil amount for WFTE to bring the amount raised per pupil equal to the amount per pupil at the 75th percentile. The state has a minimum salary schedule for 10 months (190 days); the base salary was $33,424 for the 2010-2011 school year. Most school systems provide a local supplement to the base salary.

Due to the declining economic picture, an austerity reduction of over 20% has been applied against the earnings of the education funding formula. With waivers of expenditure controls, school systems have the flexibility to implement these reductions as best fits their individual situation.

District-Based Components

Density/Sparsity of Small Schools
No additional funds are allotted to sparsely populated areas except as might occur in the pupil transportation.

Grade Level Differences

<table>
<thead>
<tr>
<th>Grade</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>K</td>
<td>1.6601</td>
</tr>
<tr>
<td>K Early Intervention</td>
<td>2.0517</td>
</tr>
<tr>
<td>1-3</td>
<td>1.2862</td>
</tr>
<tr>
<td>1-3 Early Intervention</td>
<td>1.8045</td>
</tr>
<tr>
<td>4-5</td>
<td>1.0326</td>
</tr>
<tr>
<td>4-5 Early Intervention</td>
<td>1.7988</td>
</tr>
</tbody>
</table>
### Declining Enrollment or Growth

Average of three most recent FTE counts for each program with a mid-year adjustment the following year.

### Capital Outlay and/or Debt Service

The state provides grants based on increased growth and consolidation. Bonded indebtedness may not exceed 10% of a school district’s total assessed property.

### Transportation

State aid is provided according to a schedule of standard transportation costs and a schedule of variable transportation costs.

### Student-Based Components

#### Special Education

Funding is provided through foundation program for six weighted categories for special education. The weights range from 2.3960 to 5.8253 depending on the type of disability and service and program provided to the pupil.

<table>
<thead>
<tr>
<th>Special Education Category</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category I</td>
<td>2.3960</td>
</tr>
<tr>
<td>Category II</td>
<td>2.8189</td>
</tr>
<tr>
<td>Category III</td>
<td>3.5193</td>
</tr>
<tr>
<td>Category IV</td>
<td>5.8253</td>
</tr>
<tr>
<td>Category V</td>
<td>2.4597</td>
</tr>
</tbody>
</table>

#### Low Income / At-Risk

A weight of 1.3136 is provided for students in remedial education programs; a weight of 1.5938 is provided for students in alternative education programs.

#### English Language Learner/Bilingual Education

The formula includes a weight of 2.5337 for students in the ESOL program.

#### Gifted and Talented Education

A weight of 1.6686 is provided for students in programs for the gifted.

#### Categorical Programs

Districts also may be eligible for the following categorical programs:
Bus replacement Bonds $50 million

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
Expenditure controls for FY 2011 are as follows:
- Due to the precipitous economic decline, all expenditure controls have been waived for the SY 2010-2011.

Property Assessment Rations Used/Legal Standards for Property Assessment
Forty percent of fair market value, less statewide exemptions and an adjustment factor for the elderly, is used.

Measure of Local Ability to Support Schools
Property valuation.

School District Budget and Tax Rate Procedures/Sources of Local Revenue
There are 159 fiscally dependent school districts and 27 fiscally independent school districts. Maximum local levy without voter approval is 20 mills. A simple majority vote is required for a tax increase; one election can be held per year. Eighty percent of local revenues derive from property taxes; 20% from sales taxes.

State Support for Non-Public Schools
The state provides tuition for multi-handicapped pupils, and for students eligible to participate in a special needs scholarship program.
Description of the Formula

Hawaii is the only state with a single, statewide school district. The system of state financing for public education is also different from any other state. Property taxes do not fund public education; property tax revenues support city and county governmental services.

In addition, the elected State Board of Education has no independent authority to raise funds to be used for either operations or capital improvements for the public school system. State funding for the public school system is determined by the state legislature on a biannual budget basis, and is actually disbursed by the Governor.

State support for the operation of public schools comes from the general fund, which is the repository for all non-earmarked taxes (other than property taxes). The major taxing sources for state governmental services are: general excise tax; personal income tax; corporate income tax; and other special taxes, such as inheritance, liquor, use taxes, and license fees. (Property taxes provide funding for city and county governmental services).

Weighted Student Formula

As a result of landmark legislation in 2004, the State Board of Education adopted a new weighted student formula, effective with the 2006-07 school year, to allocate a large portion of state funding to public schools within the statewide school district based on student needs. The formula consists of a specific dollar amount per student as a base amount for each student enrolled, coupled with additional funding for students with special needs that impact their learning.

Student characteristics that are weighted include economically disadvantaged; English Language Learners; gifted and talented; and transience due to movements of students and their families. Other factors in the formula adjust for geographic isolation (since Hawaii is a state consisting of seven major islands); small schools; and grade-level adjustments for elementary, middle, and high schools. A Committee on Weights meets annually to review the formula and possibly recommend changes to the Board of Education, such as other program funds to be allocated by
the formula, and/or changes to the weights, characteristics, or calculation methodology. For further information, please refer to the Hawaii public school website, at doe.k12.hi.us.

**District-Based Components**

**Density/Sparsity of Small Schools**
Within the statewide school district, the weighted student formula includes a factor to adjust state funding for small schools. Enrollment thresholds are established upper bounds for elementary, middle and high schools. An allocation based on a “sliding scale formula” is calculated for schools that have student counts which are below the enrollment thresholds. The total amount of funds needed for the sliding scale adjustment are reduced from the total WSF funds available, requiring no additional state funding, only a reallocation of existing funding.

The enrollment ranges and sliding scale formula (*) are as follows:

<table>
<thead>
<tr>
<th>Enrollment Range</th>
<th>Sliding Scale Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary schools</td>
<td>0 - 300 students</td>
</tr>
<tr>
<td>Middle schools</td>
<td>0 - 450 students</td>
</tr>
<tr>
<td>High schools</td>
<td>0 - 750 students</td>
</tr>
<tr>
<td>Grades K-8 schools</td>
<td>0 - 450 students</td>
</tr>
<tr>
<td>Grades K-12 schools</td>
<td>0 - 750 students</td>
</tr>
<tr>
<td>Grades 7-12 schools</td>
<td>0 - 750 students</td>
</tr>
</tbody>
</table>

* where “X” is equal to a school’s enrollment

**Grade Level Differences**
Within the Hawaii statewide school district, state funds are adjusted in the weighted student formula (WSF) for grade level differences, as follows:

- Grades K-2: Additional weight, i.e. 0.15 per student in those grades, to provide resources for lower class sizes in those grades.
- Elementary schools: Additional weight, i.e. 0.0347 per student in those grades, to ensure that pre-WSF funding was not lost to other grade levels.
- Middle schools: Additional weight, i.e. 0.1004 per student in those grades, to ensure that pre-WSF funding was not lost to other grade levels.
- High schools: Additional weight, i.e. 0.0240 per student in those grades, to ensure that pre-WSF funding was not lost to other grade levels.

**Declining Enrollment or Growth**
Within the Hawaii statewide school district, as part of the new weighted student formula, funding adjustments are made school-by-school based on enrollment changes, at four times during the planning and allocation process, as follows:

1. Annual academic and financial plans are developed by each school based on projected student enrollments. Weighted student formula funding is then provided to all public schools in early July at the start of the fiscal/school year. This excludes public charter schools, which receive separate state appropriations.
2. In August, weighted student formula funding is adjusted up or down based on an official student enrollment count taken 10 days after school starts in July.

3. In September, another enrollment count is taken, and weighted student formula funding is adjusted upward only for those schools experiencing increased student enrollment, at 75% of the updated weighted student formula calculation. Funding is not decreased for schools experiencing enrollment decreases at that time, to minimize disruption of school staffing and other budget issues during the year.

4. In January, a mid-year enrollment count is taken, and weighted student formula funding is adjusted upward again only for those schools experiencing increased student enrollment, at 50% of the updated weighted student formula calculation. Funding is not decreased for schools experiencing enrollment decreases at that time, to minimize disruption of school staffing and other budget issues during the year.

**Capital Outlay and/or Debt Service**
The State Legislature appropriates funds for public school system capital improvements. The appropriation varies depending on annual decisions; however, the major components are:

- New school construction projects
- Construction of new classrooms or other facilities on existing campuses
- Major repairs and maintenance, such as roofing, remodeling, etc.
- Whole school renovations, prioritized based on age of the campuses
- Compliance with the Americans with Disabilities Act (ADA requirements and other health and safety regulations, including noise/heat abatement).
- Electrical upgrades

As part of landmark legislation in 2004, several school construction and repairs/maintenance functions were transferred from another state agency to the public school system. As a result of the successful implementation of this transfer, the public school system achieved significant improvements in service levels, response time and efficiencies in providing services to schools.

**Transportation**
Funds for the student transportation program are appropriated by the State Legislature to the public school system. In 2001, the student transportation program was transferred to the public school system from another state agency.

**Student-Based Components**

**Special Education**
State funding for special education increased dramatically between FY 2000 and FY 2008, primarily due to a federal court decree. Hawaii’s public school system also receives Federal funding for special education as part of the Individuals with Disabilities Education Improvement Act of 2004 (IDEA).
State funding within the statewide school district is weighted per student, based on a comprehensive special education database. This database tracks every special education student, school-by-school, with information from each student’s Individualized Education Program (IEP). The relative intensity of specially designed instruction for each student is then weighted according to the following categories, identifying the number of hours per week of special instruction or supports needed:

- Intermittent support
- Targeted support
- Sustained support
- Intensive support

The information is compiled in the special education database, and state resources are allocated school-by-school based on the weighted calculations. The functionality of this database has been looked upon by other school districts as a state-of-the-art implementation of technology to track special education needs and weighted resource allocation, particularly for the size of the Hawaii statewide public school district, which ranks as one of the top 10 largest school districts in the nation.

**Low Income / At-Risk**
Over 50% of Hawaii public school students require more educational resources, including at least 31% economically disadvantaged; 3% with English language difficulties; 5% special education; and 13% with multiple special needs.

Within the Hawaii statewide school district, the weighted student formula allocates state funding to schools for economically disadvantaged students, based on the Federal free and reduced lunch classifications, that are similarly used for Federal Title I grants. The economically disadvantaged weight is 0.10 per student at this time.

**English Language Learner/Bilingual Education**
Within the Hawaii statewide school district, state funding for the English Language Learners (ELL) program is included as part of the weighted student formula, and is allocated to schools that have those populations of students, based on a weight of 0.2373 per ELL student at this time.

**Gifted and Talented Education**
In past years, the Hawaii state public school system funding included a categorical program for gifted and talented education. With the implementation of the weighted student formula effective beginning fiscal/school year 2006-07, the categorical program for gifted and talented education was folded into the amounts subject to weights. In past years, due to the subjectivity of defining gifted and talented students across the state, the gifted and talented characteristic is had not been previously weighted. However, the 2010 Committee on Weights recommended, and the Board of Education approved, the additional of a weight for gifted and talented (G/T) students, effective SY2011-2012. Since identification of G/T students is still largely subjective, the Committee on Weight’s recommended that an estimate of 3% of a school’s total population be used to determine the number of potentially G/T students at any given school. This equates to a weight of 0.0265 at this time.
Other

*Weighted student formula:* Within the Hawaii statewide school district’s weighted student formula for state funding, transiency is weighted at 0.050 per transient student, in recognition of the fact that the degree and frequency of movements of families and students in and out of schools creates educational needs for those students.

Since Hawaii is a state consisting of seven major islands, a fixed dollar amount of $50,000 for schools defined as “geographically isolated” is also applied.

*Categorical funding:* The State Legislature appropriates categorical state funding for other instructional programs such as:
- Vocational education
- Athletics
- Alternative education programs for “at-risk” students
- Hawaiian language studies

These categorical appropriations are restricted and cannot be used for other purposes.

**Revenue and Expenditure Information**

*State Mandates Restricting Revenue or Expenditure Increases*
A constitutional amendment limits state spending to economic growth in personal income.

*Property Assessment Ratios Used/Legal Standards For Property Assessment*
Does not apply. Property taxes are not used to fund the state public school system, or any state governmental services. Property taxes provide funding for city and county governmental services.

*Measure of Local Ability To Support Schools*
Does not apply. There are no “local” revenues, only state revenues that support the public school system.

*School District Budget and Tax Rate Procedures/Sources of Local Revenue*
Does not apply. There are no “local” revenues, only state revenues that support the public school system.

State support for the operation of public schools comes from the general fund, which is the repository for all non-earmarked taxes (other than property taxes). The major taxing sources for state governmental services are: general excise tax; personal income tax; corporate income tax; and other special taxes, such as inheritance, liquor, use taxes, and license fees. (Property taxes provide funding for city and county governmental services).
State Support for Nonpublic Schools
Does not apply.
Description of the Formula

A Foundation program based on Support (instructional) Units. Pupil count using ADA is the basis for determining Support Units. School districts and charter schools received $25,459 of discretionary funds per unit for 2009-2010 from state revenues. The 2006 Legislature replaced local revenues (Maintenance & Operations property taxes) with state general fund revenues beginning with the 2006-2007 school year. School districts and charter schools also received salary and benefit (employer obligations for retirement and FICA) apportionment based on support units, and the experience and education of staff hired. The average amount of salary and benefits distributed was $65,520.

District-Based Components

Pupil Weights for District/School Size

COMPUTATION OF KINDERGARTEN SUPPORT UNITS

<table>
<thead>
<tr>
<th>Average Daily Attendance</th>
<th>Attendance Divisor</th>
<th>Units Allowed</th>
</tr>
</thead>
<tbody>
<tr>
<td>41 or more</td>
<td>40</td>
<td>1 or more as computed</td>
</tr>
<tr>
<td>31- 40.99</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>26- 30.99</td>
<td>-</td>
<td>.85</td>
</tr>
<tr>
<td>21- 25.99</td>
<td>-</td>
<td>.75</td>
</tr>
<tr>
<td>16- 20.99</td>
<td>-</td>
<td>.6</td>
</tr>
<tr>
<td>8- 15.99</td>
<td>-</td>
<td>.5</td>
</tr>
<tr>
<td>1- 7.99</td>
<td>-</td>
<td>Count as elementary</td>
</tr>
</tbody>
</table>

COMPUTATION OF ELEMENTARY SUPPORT UNITS

<table>
<thead>
<tr>
<th>Average Daily Attendance</th>
<th>Attendance Divisor</th>
<th>Minimum Units Allowed</th>
</tr>
</thead>
<tbody>
<tr>
<td>300 or more ADA</td>
<td>23 for grades 4-6</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>20 for grades 1-3</td>
<td></td>
</tr>
<tr>
<td>160 to 299.99</td>
<td>20</td>
<td>8.4</td>
</tr>
<tr>
<td>110 to 159.99</td>
<td>19</td>
<td>6.8</td>
</tr>
<tr>
<td>71.1 to 109.99</td>
<td>16</td>
<td>4.7</td>
</tr>
<tr>
<td>Average Daily Attendance</td>
<td>Attendance Divisor</td>
<td>Minimum Units Allowed</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>750 or more</td>
<td>18.5</td>
<td>47</td>
</tr>
<tr>
<td>400 - 749.99</td>
<td>16</td>
<td>28</td>
</tr>
<tr>
<td>300 - 399.99</td>
<td>14.5</td>
<td>22</td>
</tr>
<tr>
<td>200 - 299.99</td>
<td>13.5</td>
<td>17</td>
</tr>
<tr>
<td>100 - 199.99</td>
<td>12</td>
<td>9</td>
</tr>
</tbody>
</table>

99.99 or fewer Units allowed as follows:

| Grades 7 - 12  | 8          |
| Grades 9 - 12  | 6          |

| Grades 7 - 9   | 1 per 14 ADA|
| Grades 7 - 8   | 1 per 16 ADA|

**Density/Sparsity of Small Schools**
Support Unit allotments vary according to educational level and school district size. Generally, smaller school districts and charter schools will receive more funding per ADA than larger school districts and charter schools. School districts with less than 40 support units receive an additional 0.5 FTE of instructional staff and an additional 0.5 FTE of administrative staff. School districts with less than 20 support units receive an additional 0.5 FTE of instructional staff. Remote and necessary schools may petition state board of education for special consideration.

**Grade Level Differences**
Instructional (Support) units vary according to grade levels: Kindergarten, Elementary (1-6); Secondary (7-12); Special Education; and Alternative Programs.

**Declining Enrollment or Growth**
The state school support of a school district with a decreasing ADA of 1% or more will be maintained at the level of the previous year less 1%.

**Capital Outlay and/or Debt Service**
Bonded indebtedness may not exceed 5% of total assessed market value of property. Some elementary school districts have a limit of 2%.

**Transportation**
District transportation support program is based on transporting pupils 1-1/2 miles or more to school. The state funds 85% of the allowable cost through the foundation program.
Student-Based Components

Special Education
The foundation program provided salaries and benefits (employer obligations for retirement and FICA) of ancillary personnel (special education teachers, psychologists, psychological examiners, therapists, and social workers) through an instructional staff allowance ratio of 0.1 per support unit.

Pupil Weights for Special Education Programs
The state formula shifts 6% of K-6 ADA and 5.5% of 7-12 ADA to exceptional child ADA, which generally provides school districts and charter schools with additional support units.

Computation of Exceptional Education Support Units

<table>
<thead>
<tr>
<th>Average Daily Attendance</th>
<th>Attendance Divisor</th>
<th>Minimum Units Allowed</th>
</tr>
</thead>
<tbody>
<tr>
<td>14 or more</td>
<td>14.5</td>
<td>1 or more as computed</td>
</tr>
<tr>
<td>12 - 13.99</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>8 - 11.99</td>
<td>-</td>
<td>.75</td>
</tr>
<tr>
<td>4 - 7.99</td>
<td>-</td>
<td>.5</td>
</tr>
<tr>
<td>1 - 3.99</td>
<td>-</td>
<td>.25</td>
</tr>
</tbody>
</table>

Low Income / At-Risk
Does not apply.

English Language Learner/Bilingual Education
The state distributed $5.29 million based on the number of Limited-English Proficient (LEP) students (approximately $290 per student) and $750 thousand in grants to school districts whose LEP students failed to meet adequate yearly progress in math or reading.

Gifted and Talented Education
The ADA of gifted and talented students is included in the elementary and secondary ADA, which earns Support Units. A portion (see above) is shifted to the ADA of the Exceptional Child Program and earns Support Units. The state also distributed $500 thousand based on total enrollment and the number of identified G/T students, to be used for teacher in-service. The state distributed an additional $500 thousand based on grade 12 enrollment, to be used to train teachers to provide advanced learning opportunities for students.

Other
Computation of Alternative School Secondary Support Units

<table>
<thead>
<tr>
<th>Pupils in Attendance</th>
<th>Attendance Divisor</th>
<th>Minimum Units Allowed</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 or more</td>
<td>12</td>
<td>1 or more as computed</td>
</tr>
</tbody>
</table>

Revenue and Expenditure Information
State Mandates Restricting Revenue or Expenditure Increases
The 2006 Legislature eliminated maintenance & operations property taxes for all but five school districts. The only revenue limits (3% per annum) remaining are on tort and migrant property tax levies.

Property Assessment Ratios Used/Legal Standards For Property Assessment
Property is assessed at a “true” market value.

Measure of Local Ability To Support Schools
Does not apply.

School District Budget and Tax Rate Procedures/Sources of Local Revenue
All 115 districts are fiscally independent. Voter approval is required for override (supplemental) levies (simple majority, 50% +1); plant facility levies (55%, 60%, or 66 2/3%, depending on current and proposed levies; and bond levies (66 2/3%).

State Support for Nonpublic Schools
Does not apply.

Note: Data are FY 2010
Description of the Formula

General State Aid is the primary state grant, providing unrestricted grants-in-aid to Illinois School districts in an equitable manner. The grant has two components; a foundation level formula and a poverty grant formula. Beginning in FY 1999 Illinois implemented major revisions to their GSA formula.

We have 3 formulas: Foundation, Alternate Method and Flat Grant. In FY 11 the foundation level is $6,119. Districts that have available local resources per pupil equal to less than 93% of the foundation level are Foundation districts and receive the difference between the foundation level and their available local resources per pupil.

Districts that have 93% but less than 175% of the foundation level in available local resources per pupil are Alternate Method districts and they receive 7%-5% of the foundation level, according to their available local resources per pupil.

Flat Grant districts have 175% or more of the foundation level in available local resources per pupil and they receive $218 per pupil.

District-Based Components

Density for Small Schools
Does not apply

Grade Level Differences
No Grade Level weighting – eliminated with implementation of the new formula in FY 1999.

Declining Enrollment or Growth
Greater of best three months Average Daily Attendance (ADA) from 2009-10 school year or the prior 3 years average of the best 3 months of ADAs (2007-08, 2008-09, 2009-10).

Capital Outlay and/or Debt Service
Funds are annually appropriated for capital construction projects. However, due to a lack of available revenues to support these appropriations, funds are regularly re-appropriated until such time as revenues become available.

**Transportation**
For regular pupils, the state provides a minimum of $16 per pupil or actual eligible costs less a qualifying amount. For vocational and special education, 80% of allowable costs from the prior year are reimbursed to the extent that appropriated funds are available.

**Student-Based Components**

**Special Education**
There are six state grants for funding special education. These are as follows:
1) Funding for Children Requiring Special Education Services – 85% of funding based on district ADA and 15% based on low-income counts reported in General State Aid
2) Special Education – Personnel Reimbursement – Grants are calculated at $9,000 per full-time professional certified worker and $3,500 per full-time non-certified worker.
3) Special Education – Private Tuition – Prior year costs are reimbursed based on the difference between $4,500 and a district’s per capita tuition costs per pupil in excess of $4,500 plus a second per capita tuition charge.
4) Special Education – Summer School – Provides grants based on multiple formulas to assure educational services through the summer.
5) Special Education – Transportation – Described above under Transportation.
6) Special Education – Orphanage – Reimburses districts for the cost of special education services to children residing in state-owned facilities and with foster families. Any costs not covered by the current year appropriation must be covered by future years’ appropriations.

**Low Income / At-Risk**
Grants for low-income students have been a part of the GSA formula since FY 1999. Grants are based on a district’s concentration ratio of low-income students. This ratio is the three-year average of students in the district who received services through Medicaid or Food Stamps divided by the Average Daily Attendance of the most recent school year. In FY 2011, the district concentration ratio (DCR) is calculated as the average number of students receiving Medicaid or Food Stamps in FYs 2007, 2008 and 2009 divided by the 2009-10 ADA.

- Districts with a DCR ≤ 15% receive a flat grant of $355 per pupil.
- Districts with a DCR > 15% receive per pupil grants based on the following curvilinear formula:
  \[2,700 \times (DCR)^2 + 294.25 \times 3 \text{ year average}\]

**Pupil Weights for Low Income / At-Risk**
Does not apply

**English Language Learner / Bilingual Education**
The Bilingual Education grant program reimburses current year costs for programs that provide five or more class periods of bilingual / English as a Second Language instruction per week.
Grants are determined by the size of the student population, amount and intensity of instruction and the availability of appropriated funds.

Gifted and Talented Education
Does not apply

Other
Does not apply

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
Truth-in-taxation law requires a district to notify their voters when the current levy exceeds the prior year extension by 5% or more.

Property Tax Extension Limitation Law (PTELL) applies to districts in select counties and limits the annual growth in extensions. Tax extensions in PTELL districts are allowed to grow by the lesser of 5% or the Consumer Price Index (CPI).

Statute implemented for suburban Chicago counties in 1991 (Lake, McHenry, Kane, DuPage, Will) and for Cook County in 1994. All other counties were allowed to place the question of whether to apply PTELL on the ballot of local elections.

Property Assessment Rations Used / Legal Standards for Property Assessment
Thirty-three and three-tenths percent of market value is used to derive property values. Counties with 200,000 or more population may elect to establish property classification and differential tax rates that average 33.3% of market value in the aggregate. County level assessed valuations are equalized across counties by the use of a multiplier factor imposed by state government. Farmland property is taxed on the basis of productivity.

Measure of Local Ability to Support Schools
School district available local resources consist of revenues from property taxes and the Corporate Personal Property Replacement Tax. Equalized Assessed Values (EAVs) are multiplied by an assumed tax rate, regardless of actual tax rate. These rates are as follows:
3.00 Per $100 for unit districts
2.30 Per $100 for elementary districts
1.05 Per $100 for high school districts

Districts subject to PTELL may receive an adjustment to their property values. For such districts, Illinois uses the lesser of their actual EAV or the EAV used in the prior year’s GSA calculations multiplied by an inflator that calculates the maximum increase possible in their tax levy. For FY 11, the PTELL adjustment inflator is calculated as follows:

\[
\frac{(2008 \text{ EAV} \times 2008 \text{ Limiting Rate})}{(2007 \text{ EAV} \times 2007 \text{ Operating Tax Rate})}
\]
School District Budget and Tax Rate Procedures / Sources of Local Revenue
For current expenses for education, maximum local levy without voter approval is 9.2 mills for K-8 and 9-12 districts and 18.4 mills for K-12 districts. Maximum local levy with referendum is 35 mills for K-8 and 9-12 districts and 40 mills for K-12 districts. Separate tax rate limitations apply for building operations and maintenance, capital improvements, transportation and summer school. Local revenues are provided by the real property tax, corporate personal property replacement tax, and other non-tax sources.

State Support for Non-Public Schools
Participation is authorized and funded for the state school lunch and breakfast programs.
Description of the Formula

The Indiana General Assembly revisits the school distribution formula in its budget making sessions, on odd years. The 2011 session will be a budget making session and the General Assembly will both enact legislation to enumerate the formula and its various components and provide appropriations for the 2011-2012 and 2012-2013 state fiscal years. Due to the fact that the formulae for each of these two fiscal years build from previous year data, the narrative that follows reflects the formula for both the 2009-2010 (CY 2010) and 2010-2011 (CY 2011) distribution formulae.

**Total Tuition Support:** The following summary includes the total tuition support for 2010 and 2011 calendar years is the addition of these components in for each school corporation, charter school, and virtual charter pilot school as they apply.

- Tuition Support
- Academic Honors Diploma Grant
- Special Education Grant
- Vocational Education Grant
- Prime Time Grant
- Restoration Grant
- Small Schools Grant

Tuition support is the total of several different calculations and includes tuition support, academic honors, special education, vocational education, prime time, restoration, and small schools grant. Each school corporation and charter school computes tuition support based on the variables described below. Accordingly, it is not possible to provide examples of these calculations applicable to school corporations, charter schools and the virtual pilot school. Further, input variables are subject to change due to modifications in student count variables, or reductions made by the Department of Education required by statute to preclude overspending either the fiscal year appropriation, calendar year cap, or a state ordered reduction. At the end of
the Tuition Support section is a discussion pertaining to the year end cap and a state ordered reduction.

In its simplest form, the tuition support formula determines the gross amount of state revenue for each school corporation, charter school, and virtual pilot school.

**PREVIOUS YEAR REVENUE**

Selected state revenues establish a revenue base to determine the ensuing years funding. In 2010, the State Tuition Support worksheet page 3, Previous year Revenue, reflects the 2009 Basic Tuition Support (pulled from DOE SA539 Tuition Support, First Column) plus the 2010 PL874 adjustment, if applicable. In 2011, the State Tuition Support worksheet page 3, Previous Year Revenue, reflects the 2010 Basic Tuition Support (pulled from DOE SA540 Tuition Support, First Column) plus the 2010 PL874 adjustment, if applicable. Unless otherwise specified all calculations are round to two places.

Charter schools in the first year of operation outside of Marion County are funded based on the school corporation where the charter school is located and do not have a previous year revenue. Charter schools in first year of operation in Marion County use a weighted average of the funding from the corporation where the student has legal residency.

**ADJUSTED ADM FOR 2009-2010 and 2010-2011**

The calculation begins by re-calculating the 2008-2009 and 2009-2010 adjusted ADM for 2010 and in 2011, the 2009-2010 and 2010-2011 adjusted ADM. The adjusted ADM will provide for a declining enrollment adjustment. There will be an adjustment to the ADM of school corporations for decline in the student population. This adjustment will be calculated for both 2009-2010 and 2010-2011 ADM to reflect a 3-year average of the ADM. A charter school’s adjusted ADM for the purposes of this section is the charter school’s actual ADM.

**Adjustment:** For 2010, ADM counts for 2006-2007, 2007-2008, 2008-2009 are divided by 3 and summed. The result is compared to the actual ADM count for 2008-2009 with the greater of the two selected. The second part calculates the adjusted ADM using 2007-2008, 2008-2009, and 2009-2010 ADM figures each divided by 3. The results are added together and compared to the 2009-2010 ADM with the greater of the two numbers selected. The greater of the two numbers is the adjusted ADM for 2009-2010. This process is repeated for 2010-2011 using ADM counts for the current and prior two years.

For charter schools, the adjusted 2009-2010 ADM is the actual 2009-2010 ADM and for 2011, the adjusted ADM is the actual 2010-2011 ADM.

**Transition to Foundation Revenue:** A calculation is made to determine the transition to foundation revenue a school corporation or charter school will receive for a calendar year by calculating a complexity index, a Foundation Funding amount, and the transition to foundation per ADM. Transition to Foundation Revenue is defined as the per pupil Foundation Funding Amount as determined in the transition to foundation calculation section multiplied by the 2009-
2010 Adjusted ADM to determine tuition support for 2010 and by the 2010-2011 adjusted ADM to determine tuition support for 2011.

The calculation considers:
- The complexity index
- Previous year revenue per adjusted ADM
- The relationship between the previous year revenue per adjusted ADM and the State foundation amount multiplied by the complexity index.

**Adjusted Complexity Index:** The complexity index is determined according to the following criteria and is the sum of the following calculation plus 1:

For 2010, the percentage of the school corporations’ students eligible for free or reduced lunch in the 2008-2009 school year is multiplied by .4974 ($2,263/$4,550) and this result is rounded to four places and cannot be less than zero. For 2011, the 2008-2009 free or reduced lunch data is multiplied by .4974 ($2,241/$4,505). If the result of the addition is equal to or greater than 1.25, it is adjusted by subtracting 1.25 from the above result and adding back the difference.

**Transition to Foundation Calculation:** A school corporation, based on individual corporation data, will either be above, below, or at their foundation funding. Foundation Funding is defined as the complexity index of the school corporation or charter school multiplied by the foundation amount as determined in statute as passed by the General Assembly. Remember, the foundation amount reflects per adjusted pupil funding. For 2010, the foundation amount is $4,550. In 2011, the foundation amount is $4,505 per pupil. The school corporation or charter school moves towards the Foundation Funding amount if the school corporation or charter school is above or below the Foundation Funding amount.

The school formula determines if a school corporation or charter school is above, below, or at their Foundation Funding amount by subtracting the previous year revenue per adjusted ADM from the Foundation Funding. If a school corporation is receiving per pupil dollars that are below their foundation funding amount by more than a negative $150, the school formula pushes this amount down by 1/9th, or at least $150 in CY 2010 and CY 2011 of the full incremental amount. If a school corporation is receiving per pupil dollars within a range of a negative $150 (-$150) and $50 the school corporation receives their Foundation Funding amount. If a school corporation is more than $50 above their Foundation Funding amount (as indicated by the $50 variance), the school formula drives the per pupil funding amount up by ½, or at least $50, in CY 2010 and CY 2011 of the difference.

A charter school that is in its first year of operation outside of Marion County in 2010 or 2011 uses the Transition to Foundation per ADM of the school corporation in which it is located to compute the Transition to Foundation Revenue. A charter school that is in its first year of operation in Marion County in 2010 or 2011 uses the sum of the weighted average of the Transition to Foundation per ADM determined for the school corporations in which the students have legal settlement to compute the Transition to Foundation Revenue.
Transition to Foundation Revenue: This section determines the transition to foundation amount revenue by taking the Transition to Foundation per adjusted ADM multiplied by the 2009-2010 (for 2010) or the 2010-2011 (for 2011) Adjusted ADM or actual ADM if the ADM is less than 100 for a school corporation or actual ADM for Charter Schools to determine the Transition to Foundation amount. If the school is a foundation funded school then the P.L. 874 amount is added to the Total Revenue determined in Part Two to determine the ensuing year’s Basic Tuition Support. If the school is not foundation funded, then the P.L. 874 is not added in and the Part Two calculation is the ensuing year’s Basic Tuition Support. The final calculated revenue of this section is referred to as Basic Tuition Support.

VIRTUAL CHARTER SCHOOLS
Virtual Charter Schools are funded at 80% of the average statewide tuition support multiplied by the Virtual Charter ADM for 2009-2010 as well as in 2010-2011.

ACADEMIC HONORS GRANT
Each school corporation and charter school is eligible to receive $900 for each student who received an academic honors diploma for the previous school year in 2008-2009 for 2010 and 2009-2010 for 2011.

SPECIAL EDUCATION GRANT
School corporations and charter schools are entitled to receive a grant for special education programs. The grant is based on a count of students who are enrolled in special education programs on December 1 of the preceding calendar year. The enrollment of December 1, 2009 is used in the 2010 funding formula and the enrollment of December 1, 2010 is used in the 2011 funding formula.

The grant is the sum of multiplying the count of enrolled students by the following:
- $8,350 multiplied by the unduplicated count of students with severe disabilities; plus
- $2,265 multiplied by the unduplicated count of students with mild and moderate disabilities; plus
- $533 multiplied by the duplicated count of students with communication disorders; plus
- $533 multiplied by the duplicated count of pupils in homebound programs; plus
- $2,750 multiplied by the special preschool education program pupil count.

The same per pupil program dollar amounts are used for both 2010 and 2011. Additionally, beginning in 2010, the special education preschool program pupil count is included in this funding at $2,750 per pupil in both 2010 and 2011.
CAREER & TECHNICAL EDUCATION GRANT
School corporations and charter schools are eligible to receive a vocational education grant. The distribution of career & technical education monies is based on labor market demand and wage data calculated according to the following table. Students enrolled in these categories must be enrolled and attending the school corporation and be counted in the school corporation ADM.

For 2010, the fall 2009 program enrollment data are used to calculate the grant. Beginning with the fall 2010 program enrollment data, information needed will be collected through the INTERS system at the Department of Workforce Development. The fall 2010 program enrollment data are used for 2011 funding. All calculations are rounded to the nearest dollar.

The calculation is the number of students enrolled in career and technical education programs that are addressing employment demand for individuals in labor market categories that are projected to need a:

1. More than Moderate Labor Market Need and High Wage/$450 per student credit hour multiplied by the number of hours (up to three hours); plus
2. More than Moderate Labor Market Need and Moderate Wage/$375 per student credit hour multiplied by the number of students in this category; plus
3. Moderate Labor Market Need and High Wage/$375 per student credit hour multiplied by the number of students in this category; plus
4. Moderate Labor Market Need and Moderate Wage/$300 per student credit hour multiplied by the number of students in this category; plus
5. Less than Moderate Labor Market Need and High Wage/$300 per student credit hour multiplied by the number of students in this category; plus
6. Less than Moderate Labor Market Need and Moderate Wage/$225 per student credit hour multiplied by the number of students in this category; plus
7. All Other Vocational Education Programs/$250 per student multiplied by the number of students in this category; plus
8. Area Participation/$150 per student multiplied by the number of students.

Area Participation funding is for students participating in a vocational education program in which students from multiple schools are served in the same classroom at a common location. This does not include students served in programs that meet for one class period a day.

The total career & technical education grant is the sum of the dollar amounts calculated under steps one through eight. The Indiana Department of Workforce Development defines the areas of job demand annually. If a school corporation feels the determined job demand categorization is not representative of their area, that school corporation may petition the Department of Workforce Development for re-categorization.

PRIME TIME GRANT
All school corporations and charter schools are eligible to receive a Prime Time Grant. This grant is paid on the basis of a Target Pupil/Teacher Ratio calculated for each school corporation or charter school. This ratio can range from 18 pupils per teacher to 15 pupils per teacher, depending on the school corporation or charter school Complexity Index. The 2010 Complexity Index is used for the calculation in 2010 and the 2011 Complexity Index is used for 2011. The
Adjusted Complexity Index for a charter school in the 2010 and 2011 funding formula is based on the percentage of free or reduced lunch counts from the 2008-2009 school year for the charter. For a first year charter, the percentage of free or reduced lunch taken from the SE report in their first year of operation and subsequent years of operation.

The first calculation is to determine the applicable Target Pupil/Teacher Ratio.

- If the Complexity Index is equal to or greater than 1.1, but less than 1.2, subtract the Complexity Index from 1.2, divide that result by .1, multiply the quotient by 3 and add 15. This is the target pupil/teacher ratio.
- If the Complexity Index is less than 1.1, the target pupil/teacher ratio is 18.
- If the Complexity Index is equal to or greater than 1.2, the target pupil/teacher ratio is 15.

For 2010, divide the 2009-2010 Grade K-3 ADM by the appropriate pupil/teacher ratio. Round to four places. For 2011, divide the 2010-2011 Grade K-3 ADM by the appropriate pupil/teacher ratio. Round to four (4) places. This calculation determines a teacher equivalency needed to meet the target pupil/teacher ratio.

For 2010, multiply the applicable 2010 tuition support amount by .75 and divide by the 2009-2010 ADM. For 2011, multiply the applicable 2011 tuition support by .75 and divide by the 2010-2011 ADM. Round to two (2) places.

This result is multiplied by the applicable year (2009-2010 for the 2010 calculation or the 2010-2011 for the 2011 calculation) Grade K-3 ADM.

Divide this result by $74,500, for 2010 and the same for 2011, rounded to two (2) places, and subtract the amount from the result of the division of the 2010-2011 Grade K-3 ADM by the appropriate pupil/teacher ratio. Round this value to two (2) places. This calculation cannot be less than zero (0). This represents the number of Grade K-3 teachers that are funded through the Prime Time calculation. This result is multiplied by $74,500, and rounded to two (2) places in both 2010 and 2011. The result is compared to the 1999 Prime Time Grant amount or the First Program Year Grant amount. The greater of these three dollar values is compared to the 2009 (for 2010) or 2010 (for 2011) Prime Time Grant multiplied by 1.075% then rounded to two (2) places. The 2011 Prime Time Grant is the lesser of these two values.

Charter schools are calculated the same as all other school corporation; however, many do not qualify as the enrollment sizes in kindergarten through grade three are lower than traditional school corporations and the formula generates enough funding to meet the student teacher ratio required in the formula calculation. As charter schools did not exist in 1999, the comparison for funding looks at the dollar amount when charter schools first become eligible for Prime Time funding in the formula and are compensated accordingly.

**RESTORATION GRANT**
Restoration funding applies to school corporations and charter schools. The restoration grant compares the 2009 and 2010 tuition support funding and without consideration of other grants
allowed in the formula. The restoration grant compares 2009 tuition support funding without grants (prime time, special education, career and technical education, small schools, academic honors) to 2010 and in 2011, the same comparison is made. The grant caps the 2009 tuition support funding level without grants except that it does not allow a school to receive more than an increase or decrease of $25 per ADM for 2010 from the 2009 regular programs funding per ADM and $75 for 2011. If there is more than a 3% decrease, there is an additional grant of $220 per ADM in 2010 and $350 per ADM in 2011 for schools that qualify.

The calculation divides the 2009 tuition support amount by the previous year 2008-2009 ADM and adds $25 to that amount in 2010 and $75 in 2011. Then the amount is multiplied by the 2009-2010 ADM in 2010 and 2010-2011 ADM in 2011 to arrive at a tuition support amount. This amount is compared to the 2009 tuition support amount the lesser number is selected. Twenty five dollars ($25) in 2010 and seventy five dollars ($75) in 2011 is subtracted from the 2008-2009 per ADM amount and then multiplied by the 2009-2010 ADM or 2010-2011 ADM count (for 2011) to determine an amount that is used to compare to the capped 2009 tuition support amount to determine which figure is higher. The formula then looks at the greater of zero or the prior line’s amount minus the 2010 tuition support amount in 2010 and the 2011 amount in 2011 to arrive at what will be added to the 2010 or 2011 basic tuition support amount.

In 2010, that result plus the 2010 tuition support is then divided by the 2009 tuition support amount to determine if it dropped more than three percent (3%). In 2011, that result plus the 2011 tuition support is then divided by the resulting line 10 amount in the 2010 tuition support formula to determine if it dropped more than three percent (3%). If the amount drops below 97%, an additional grant of $220 in 2010 and $350 in 2011, or that number, is multiplied by 9,500 in 2010 and 12,000 in 2011. This result is multiplied by the 2009-2010 ADM for 2010 and 2010-2011 ADM for 2011 and added to the previously calculated grant to determine whether or not a restoration grant is given.

For the 2011 restoration grant calculation, this section continues to compare revenues to the 2009 tuition support amount without grants to determine whether or not additional funds will be granted.

SMALL SCHOOLS GRANT
Small schools grant applies to school corporations and does not apply to charter schools. For schools with an ADM of less than 1,700, the formula allows a $192 per ADM for complexity index over 1.2 and $91 per ADM for complexity index above 1.1 and less than 1.2.

If a school corporation has an ADM of less than 1,700 and a complexity index greater than 1.1 and less than 1.2, the school receives the lesser of: 1,700 minus the 2009-2010 or 2010-2011 ADM or $91, multiplied by the 2009-2010 (for 2010) or the 2010-2011 ADM (for 2011). If a school corporation has an ADM of less than 1,700 and a complexity index of greater than 1.2, the school receives the lesser of: 1,700 minus the 2009-2010 ADM (for 2010) or 2010-2011 (for 2011) or $192 multiplied by the 2009-2010 (for 2010) or the 2010-2011 ADM for 2011.

STATE TUITION SUPPORT
The total State Tuition Support for the 2010 or 2011 calendar year is the addition of these components for each school corporation and charter school as they apply:
- Basic Tuition Support
- Academic Honors Diploma Grant
- Special Education Grant
- Career & Technical Education Grant
- Prime Time Grant
- Restoration Grant
- Small Schools Grant

**Revenue and Expenditure Information**

**State mandates restricting revenue and expenditure increases:** The Indiana General Assembly appropriates funds available for tuition support, which are controlled by the tuition support formula.

**Distributions:** The distribution of state tuition support is based on a schedule set by the State Budget Agency and approved by the Governor. The schedule must provide for at least 12 payments that cannot be more than 40 days apart, and the aggregate number of payments in each calendar year must equal the amount required under statute. The Distribution is made via wire transfers. Calculations are made by the Office of School Finance, Department of Education.

If the amount distributed in either calendar year 2010 or 2011 exceed the statewide amount statutorily established by the General Assembly, the statute requires the distribution to each school be proportionately reduced so that the total reductions equal the amount that the total distribution exceeds the statutory authority.

**School district budget and tax rate procedures/sources of local revenue:** All school districts are fiscally independent. Only two schools in the state operate on a fiscal year basis with the remaining schools operating under a calendar year basis. Each school corporation, not charter schools, has the ability to raise property taxes in five separate property based funds: Debt service, capital projects, transportation, bus replacement, and operating referendum. Under Indiana Law, a corporation must budget expenditures for transportation, school bus replacement, and or debt service to levy taxes for those funds. The capital projects fund has a rate cap. Both the capital projects and bus replacement funds are based upon need and an adopted plan. School referendum is imposed after approval by voters in a special or general election.

Beginning in 2009, school’s no longer had the ability to raise property taxes under the general fund. The funding comes from within the state’s general fund with no applicable local property tax piece.

**State support for nonpublic schools:** This does not apply in Indiana.
Description of the Formula

This is a foundation program based on FTE pupil units. The state guarantees 87.5% of the state cost per pupil, which is $5,148 per pupil from a combination of state aid and a uniform local property tax levy (2010-11). State aid is the difference between a district’s total foundation cost and the amount a school district raises from the uniform property tax levy of $5.40 per $1000 of taxable valuation. The foundation program allows districts to levy an additional property tax for the difference between the 87.5% foundation guarantee and 100% of the district’s cost per pupil. Every district’s cost per pupil is between 100% and 105% of the state cost per pupil ($5,883 in 2010-11). The rate of growth in the state per pupil cost is set as a percentage annually by the legislature. The calculated dollar growth in the state per pupil cost is added to each district’s per pupil cost.

District-Based Components

Density/Sparsity of Small Schools
The state does not have a factor for density/sparsity within the formula, but does have additional funding for districts that share teachers and programs. Additional pupil FTE is provided for .48 of the time that pupils attend classes in another school district, attend classes taught by a teacher jointly employed by two or more school districts, or attend classes taught by a teacher who is employed by another school district. The weighting for sharing whole grades is .1. There is also supplementary weighting of .1 provided for a school district that establishes a regional academy to which two or more other districts send high school students. The total amount or supplementary weighting provided for a regional academy cannot exceed the equivalent of 30 additional pupils and is guaranteed a minimum of 15 additional pupils. There is also supplementary weighting of .05 for providing or utilizing courses over the Iowa Communications Network (ICN); and there is supplementary weighting for resident students who attend classes in a community college--.46 for arts and science courses and .70 for career and technical courses.

Grade Level Differences
Does not apply.
Declining Enrollment or Growth
For enrollment growth, a school district can request an on-time budget adjustment of 100% of the difference between the actual (current) and budget (prior year enrollment) amounts, multiplied by district cost per pupil. The school district board of directors must adopt a resolution and apply to the School Budget Review Committee after November 1 annually to receive the on-time budget adjustment.

When a district experiences a decline in enrollment, its budget for the next fiscal year may be increased or adjusted to a guaranteed level compared to either its prior year or to its FY2004 budget. The local school board must adopt a resolution to receive the budget adjustment.

Capital Outlay and/or Debt Service
Debt is limited to 5% of assessed property valuation.

Capital outlay is provided by a local property tax levy/income surtax, a local bond issue, or a statewide one-cent sales and services tax for school infrastructure. No supplemental state aid is provided.

Transportation
Transportation is not categorically funded but is included in the foundation program funding.

Student-Based Components

Special Education
Three levels of additional pupil FTE weighting, 0.72, 1.21, or 2.74, are available for students with IEPs. Which additional weighting applies to the student is determined by the level of services required on the IEP for special education instructional staff or supplemental aids and other services in the areas of required curriculum modification, specially designed instruction, amount of school personnel support and Least Restrictive Environment (LRE) efforts, and amount of supplementary aid or assistance necessary including assistive technology, instructional associates or specialized transportation.

Low Income / At-Risk
Formula supplementary weighting is provided for at-risk programs and alternative schools and is determined partially on the percentage of pupils enrolled in grades one through six eligible for free and reduced price meals in a school district and partially on the budget enrollment of the school district. In addition, spending authorization for returning dropout and dropout prevention programs is funded on the basis of 25% or more from the combined district cost of the school district and up to 75% through modified allowable growth approved by the School Budget Review Committee. Modified allowable growth is an increase in budget authority, requested by the district, and is funded with balance on hand or a local property tax levy.

English Language Learner/Bilingual Education
Students identified as limited English proficient are assigned an additional pupil FTE weighting of .22. The supplementary weighting may be assigned for up to four years. A school district
may apply to the School Budget Review Committee for an adjustment to budget authority for the
cost to continue providing the program beyond the four years of weighting.

**Gifted and Talented Education**
A portion of the district cost per pupil in the foundation formula is earmarked for the gifted and
talented program. $55 per pupil is incorporated in the regular program cost for 2010-11 to fund
75% of the gifted and talented program budget. The local district must provide the remaining
25% of the budget, or just over $18 per pupil for 2010-11.

**Statewide Voluntary Four-Year-Old Preschool**
Funding is provided at a .6 FTE level for four-year-olds enrolled in the district’s program.

**Other**

- **Reorganization Incentive**
  Whole grade sharing supplementary weighting carry forward for three years following
  reorganization or dissolution is provided as an incentive for districts that reorganize or
dissolve during an incentive period that ends on July 1, 2014.

- **Operational Function Sharing**
  School districts and AEAs receive a supplementary weighting for sharing administration
  and central services. The weighting is .02 of the district’s enrollment with a maximum of
  40 FTE and a minimum of 10 FTE. The incentive is for a five-year period, is phased out
  20 percent per year, and sunsets at the end of FY 13.

- **Taxpayer Incentives for Reorganization or Dissolution**
  The uniform levy is reduced in the first year from $5.40 to $4.40 per $1,000 of
  taxable value. It is increased in the succeeding years to $4.90, $5.15, and back to
  $5.40. There is a maximum of 600 enrollment to receive the full benefit of this
  incentive.

- **Iowa Early Intervention Program**
  A per pupil funding is provided to districts to reduce class size and provide early
  intervention programs to kindergarten to third grade classes.

- **Teacher Salary and Professional Development**
  A per pupil funding is also provided to the districts and AEAs to help improve
  salaries for teachers and to provide quality professional development programs to
  teachers.

**Revenue and Expenditure Information**

**State Mandates Restricting Revenue or Expenditure Increases**
Increase in the district cost per pupil is limited by a state growth factor set annually by the
legislature for the subsequent budget year. The finance formula has a limit on total expenditures
in a fiscal year, called budget authority. Unused budget authority may be carried forward.
Property Assessment Ratios Used/Legal Standards For Property Assessment

The property tax due and payable in a fiscal year is determined by taking the property's assessed value determined as of January 1 of the year preceding the year in which the fiscal year begins (18 months) prior adjusted by statutory exemptions and the applicable rollback, and multiplied by the total levy rate. The tax levy rates are expressed in dollars and cents per $1,000 of assessed valuation.

Real property is placed in one of six classes: agricultural, residential (including agricultural dwellings), commercial, industrial, agricultural buildings, and railroads. The latter is a statewide assessment and divided between the levy authorities like Utility tax replacement excise taxes. Taxable real property is assessed at 100 percent of market value, except for agricultural property. The assessment for agricultural property, excluding agricultural dwellings, is based on productivity, or net earning capacity, capitalized at a set rate. The assessment procedures in valuing property for property tax purposes of entities involved in the generation, delivery, and transmission of electricity and natural gas in the state were replaced by excise taxes on generation, delivery, and transmission effective for the assessment year beginning January 1, 1999.

The assessed value of property may be a percentage of the assessed value as a result of statewide limitations, or rollback provisions, on annual growth in assessed values. The rollback percentage is multiplied by the assessed value to obtain the taxable value of the property. Increases in the assessment of residential and agricultural property are tied to each other. The annual increase in each class of property is limited to the smaller of the two increases in either class of property. The state is required to fully reimburse local governments for all newly enacted property tax credits granted to taxpayers on or after January 1, 1997, and for certain credits that existed prior to that time. If the full reimbursement is not made, the amount of the credits underfunded is passed onto the taxpayers as per Iowa Code Section 25B.7.

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

School District Budget and Tax Rate Procedures/Sources of Local Revenue
All school districts are fiscally independent. Voter approval is not required for budget certification, but local taxpayers can protest local tax levies to a state appeal board. Special levies or bond issues are voted by the local taxpayers. The School Budget Review Committee reviews budgets and reduces each cash reserve levy that it determines is excessive.

State Support for Nonpublic Schools
A state appropriation is distributed to public school districts in which accredited nonpublic schools are located to provide textbook services to the students enrolled in that nonpublic school. The nonpublic school makes its request for textbook services when it certifies its enrollments to the state. Students in accredited nonpublic schools may enroll part-time for coursework in the public school district in which the nonpublic school is located. The public school district may include the part-time FTE of these students in its public enrollment count within the foundation formula. Transportation aid is provided to public school districts that provide transportation, or
transportation reimbursement to parents, for nonpublic students. The amount of aid is determined by statute based on the district’s average transportation cost per pupil in the prior year or based on a reimbursement formula.
Description of the Formula

The general funding formula provides base state aid per pupil (BSAPP) of $3,937 in 2010-11. Regular enrollment is adjusted to reflect additional costs associated with serving certain pupil populations, transporting pupils, operating smaller and larger enrollment school districts, and adding and operating new school facilities (two provisions). There is also a “decreasing” enrollment factor. State aid is determined by taking the general fund and subtracting a 20 mill property tax levy and other small amounts of revenue. The difference between the general fund and those revenues is the amount of state aid. Local option budgets are matched by the state up to 81.2% of assessed value per pupil with certain restrictions.

District-Based Components

Density/Sparsity of Small Schools
It is a linear transition formula ranging from 100 students up to 1,622 students. The low enrollment weight of districts having enrollments of 100 or fewer is $3,993.42 per pupil. Each change of one pupil changes the low enrollment weight down or up inversely to the enrollment change. High enrollments, above 1,622 and over, are weighted an additional 0.03504 times the BSAPP.

Grade Level Differences
Does not apply.

Declining Enrollment or Growth
A school district determines their enrollment by using the highest enrollment of current year, prior year, or a three-year average of the current year and the two prior years.

Capital Outlay and/or Debt Service
Districts may make a mill levy of up to 8 mills for capital projects and equipment. The state provides state aid to school districts based upon the amount of taxes levied. The state aid rate for
each district is computed based on the assessed valuation per pupil of the district, with the lower valuation per pupil districts getting a higher state aid rate.

**Transportation**
All districts transporting pupils living 2.5 miles or more from the school receive the state average cost per pupil based on a linear-density formula. The formula takes into account the per pupil cost of transportation, density of the district in terms of pupils transported, and square miles in the district.

**Student-Based Components**

**Special Education**
State provides 80% of special education transportation costs: $25,850 ($26,500 in 2007-08) estimated in categorical aid per instructional unit is also provided. That amount is paid on all certificated education teachers, while paraprofessionals are paid .4 or $10,340 (10,600 in 2007-08) per fulltime paraprofessional.

**Low Income / At-Risk**

*Funding for At-Risk Students*
Additional funding is provided for at-risk students. The formula is based on the number of students qualifying for free meals with the additional weight set at 0.456 for 2011. In addition, additional funds are available for high density, medium density and non-proficient at-risk students. High Density Weighting: Districts in which their students on free meals exceed 50% of their total enrollment, or a density of 212.1 student per square mile and a free lunch percentage of at least 35.1% and above also use the 0.10 factor per at-risk student. Medium Density: Districts with enrollments of at least 40% but less than 50% use a factor of 0.06 for each at-risk student. A small amount is also given to schools based on the students not on free meals who are non-proficient on state assessment tests. Students not eligible for free meals but who score below proficient in reading or math on the state assessments are weighted 0.0465.

**English Language Learner/Bilingual Education**
State aid is weighted at 0.395 per eligible pupil, based on the full-time equivalency enrollment of bilingual students receiving services.

**Gifted and Talented Education**
Does not apply. Paid under the special education reimbursement schedule.

**Other**

*Funding for Vocational Education*
Weighting determined by multiplying the FTE enrollment in vocational education programs by a factor of 0.5; resulting funds must be spent on vocational education.

**Revenue and Expenditure Information**
State Mandates Restricting Revenue or Expenditure Increases
The base state aid per pupil is set by the legislature and is the amount that establishes the spending authority of school districts. That amount is $4,316 for 2006-07 ($4,374 for 2007-08) and $3,937 for 2010-11.

Property Assessment Ratios Used/Legal Standards For Property Assessment
No response provided.

Measure of Local Ability To Support Schools
Under the formula, all school districts levy 20 mills on the assessed value per pupil for the general fund and the state aid makes up the difference between the budget authority and the 20 mills.

School District Budget and Tax Rate Procedures/Sources of Local Revenue

Supplemental General Fund (Local Option Budget or LOB)
Districts can budget up to 30% of their general fund budget providing certain criteria are met (31% in 2010-11). Supplemental General State Aid for the LOB is based on funding that would be generated for the district at the 81.2% AVPP statewide and is equalized minus local taxes. See * 2010-11 Edition - School District and Quality Performance Act and Bond and Interest State Aid Program - Attachment I, LOB.

State Aid for Bond and Interest
State aid is provided for bond issues based on the assessed valuation per pupil of the district. See * 2010-11 Edition - School District and Quality Performance Act and Bond and Interest State Aid Program.

State Aid for Capital Outlay
Districts can levy up to 8 mills for capital outlay and the state aid rate for bonds (above) is multiplied by the dollars levied to determine the capital outlay state aid).

State Support for Nonpublic Schools
Drivers Education aid at $80 per pupil ($108 in 2007-08).
Description of the Formula

SEEK Program
Support Education Excellence in Kentucky (SEEK) is the funding formula developed as part of the 1990 Kentucky Education Reform Act (KERA). A base funding level defined in KRS 157.320(2) guarantees an amount of revenue per pupil to be provided for regular operating and capital expenditures. ($3,866 for 2009-2011, $3,903 for 2011-2012). According to KRS 157.360, each school district's base funding level is adjusted by the following factors:

a. The number of at-risk students identified as those approved for the free lunch program. The prior year average daily membership number of students approved for free lunch is multiplied by 15% of the base funding amount;

b. The number and types of exceptional children as defined by KRS 157.200 based on the prior year December 1 child count. Specific weights for each category of exceptionality are used to calculate the add-on factor for exceptional children. Weights and corresponding categories of exceptionality are as follows:


Moderate Incident Disabilities, 1.17 weight - Mild Mental Disability, Orthopedic Impairment or Physically Disabled, Other Health Impaired, Specific Learning Disabilities, and Developmental Delay;

High Incident Disability, 0.24 weight - Communication Disorders of Speech or Language;

LEP (Limited English Proficient, .096 weight for 2009-2010, .096 weight for 2010-2011

c. Transportation cost as calculated under the provisions of KRS 157.370;

d. The number of home and hospital students in average daily attendance as calculated under the provisions of KRS 157.270. The number of home and hospital students in average daily
attendance in the prior year is multiplied by the base funding amount less the capital outlay allotment.

A guarantee of a minimum level of local support is generated by a required local effort of 30 cents per $100 assessed property valuation (KRS 160.470(9)(a)).

A **two-tier system** allows school districts to exceed the required minimum level of local support (KRS 157.440):

a. *Tier I* - allows school districts to levy an equivalent tax rate which will raise revenue up to 15% above the adjusted SEEK base. The local effort is equalized at 150% of the statewide average per pupil assessed property valuation. This levy is not subject to hearing or recall.

b. *Tier II* - allows additional levies to produce up to 30% above the adjusted SEEK base plus Tier I. Tier II revenue is all local funds and is not equalized with state funds.

If a school district's levy exceeds Tier I and exceeds the limits of subsection (1) of KRS 160.470, the levy must be submitted to the voters with the following exception: Section (1(c) of KRS 157.440 provides that a school district which was above the maximum Tier I equivalent tax rate the year before KERA (1989-90), would not be required to levy a lower equivalent rate in succeeding years.

**Hold Harmless** - school districts are guaranteed the same per pupil state funding as received in the 1991-92 school year. Even though a school district qualifies to be hold harmless, it could receive less total state funding than in 1991-92 if it had declining enrollment.

A school district must levy a five-cent equivalent tax to participate in the School Facilities Construction Commission (SFCC) program that provides revenue for debt service for new facilities or major renovations (KRS 157.620). The five cents is equalized when committed to debt service by the Facilities Support Program of Kentucky (FSPK) on the same basis as Tier I. (See Section V Restricted Funds/Balances, Building Fund/FSPK).

**District-Based Components**

**Grade Level Differences**

*702 KAR 3:246 - the Council Allocation Formula and KRS 157.360 on Maximum Class Size*

<table>
<thead>
<tr>
<th>Grade</th>
<th>One Unit For</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary (K-3)</td>
<td>24 pupils</td>
</tr>
<tr>
<td>Grade 4</td>
<td>28 pupils</td>
</tr>
<tr>
<td>Grade 5-6</td>
<td>29 pupils</td>
</tr>
<tr>
<td>7-12</td>
<td>31 pupils</td>
</tr>
</tbody>
</table>

(31 pupils and no more than 150 pupil hours per teacher = 25:1)
Declining Enrollment or Growth Funding
SEEK is funded on the previous year EOY AADA plus the difference (positive only) between the prior year 2nd month growth factor report and the current year 2nd month growth factor report.

Capital Outlay and/or Debt Service
The state provides $100 per aggregate average daily attendance (AADA) in its biennial budget for school districts to use for priority projects approved on the district facility plan or for payment of debt service. These are restricted funds.

School Facilities Construction Commission issues and pays principal and interest on bonds based on the funding allotted in the biennial budget for that purpose. The allocation of funds is distributed to districts based on the district’s unmet need percentage relative to the total district unmet need of the state.

Transportation
KRS 157.370 Allotment of transportation units.
1. In determining the cost of transportation for each district, the chief state school officer shall determine the average cost per pupil per day of transporting pupils in districts having a similar density of transported pupils per square mile of area served by not less than nine different density groups.

2. The annual cost of transportation shall include all current costs for each district plus annual depreciation of pupil transportation vehicles calculated in accordance with the administrative regulations of the Kentucky Board of Education for such districts that operate district-owned vehicles.

3. The aggregate and average daily attendance of transported pupils shall include all public school pupils transported at public expense who live one mile or more from school. Children with disabilities may be included who live less than this distance from school. The aggregate and average daily attendance referred to in this subsection shall be the aggregate and average daily attendance of transported pupils the prior year adjusted for current year increases in accordance with Kentucky Board of Education administrative regulations.

4. The square miles of area served by transportation shall be determined by subtracting from the total area in square miles of the district the area not served by transportation in accordance with administrative regulations of the Kentucky Board of Education. However, if one district authorizes another district to provide transportation services for a part of its area, this area shall be deducted from the area served by the authorizing district and added to the area served by the district actually providing the transportation.
5. The density of transported pupils per square mile of area served for each district shall be determined by dividing the average daily attendance of transported pupils by the number of square miles of area served by transportation.

6. The chief state school officer shall determine the average cost per pupil per day of transporting pupils in districts having a similar density by constructing a smoothed graph of cost for the density groups required by subsection (1). This graph shall be used to construct a scale showing the average costs of transportation for districts having a similar density of transported pupils. Costs shall be determined separately for county school districts and independent school districts. No independent school district will receive an average cost per pupil per day in excess of the minimum received by any county district or districts. These costs shall be the costs per pupil per day of transported pupils included in the public school fund and these costs shall be recalculated each biennium.

7. The scale of transportation costs included in the fund to support education excellence in Kentucky for county and independent districts is determined in accordance with the provisions of KRS 157.310 to 157.440 for the biennium beginning July 1, 1990.

8. The cost of transporting a district's pupils from the parent school to a state vocational-technical school or to a vocational educational center shall be calculated separately from the calculation required by subsections (1) through (7) of this section. The amount calculated shall be paid separately to each district from program funds budgeted for vocational pupil transportation, as a reimbursement based on the district's cost for providing this service. The amount of reimbursement shall be calculated in accordance with Kentucky Board of Education administrative regulations. In the event that the appropriation for vocational pupil transportation in the biennial budget is insufficient to meet the total calculated cost of this service for all districts, the amount paid to each district shall be ratably reduced. For the purpose of this subsection, the parent school shall be interpreted to mean that school in which the pupil is officially enrolled in a district's public common school system.

9. The Kentucky Board of Education shall determine the type of pupil with a disability that qualifies for special type transportation to and from school. Those qualified pupils for which the district provides special type transportation shall have their aggregate days' attendance multiplied by five (5.0) and added to that part of the district's aggregate days' attendance that is multiplied by the district's adjusted cost per pupil per day in determining the district's pupil transportation program cost for allotment purposes.

### Student-Based Components

**Special Education**

Special Education is funded through an **Exceptional Child Add-on** to Kentucky’s base funding mechanism. The base funding formula is determined based on the district’s average daily attendance multiplied by a guaranteed amount per child established by the Kentucky General Assembly in the State’s biennial budget. The Exceptional Child Add-on also uses this guaranteed amount per child. Kentucky’s formula assigns one of three weights to each of the...
disability categories. Students with a Speech Language disability only have a weight of 0.24; disability categories of Orthopedically Impaired, Other Health Impaired, Specific Learning Disability, Developmentally Delayed and Mild Mental Disability have a weight of 1.17; and disability categories of Hearing Impaired, Visually Impaired, Emotional Behavior Disability, Deaf Blind, Multiple Disabilities, Autism, Traumatic Brain Injury and Functional Mental Disability have a weight of 2.35. The total count of students for each of these weight categories are summed and that categories total of children ages 5 through 20 is multiplied by its weight as noted above. The product of each categories assigned weight multiplied by its child count is then multiplied by the guaranteed base amount in the biennial budget. When these three products are combined that is the amount of the district’s Exceptional Child Add-on funds.

**Low Income / At-Risk**
Discontinued for all practical purposes in 1990.

**English Language Learner/Bilingual Education**
Bilingual Education no longer applies. The new laws under No Child Left Behind Act of 2001 are:

*Title III: Language Instruction for Limited English Proficient (LEP and Immigrant Students)*

Students with limited English proficiency come with diverse histories, traditions and varied educational experiences. The term 'limited English proficient' used in the state is defined in Title IX of the No Child Left Behind Act under the General Provisions Part A, Section 9101.Definition. The term immigrant children and youth is defined as specified in Part C, General Provisions, Section 3301.

**Gifted and Talented Education**

**TYPE OF GRANT AWARD:**
*Entitlement/Formula Driven/Flow Through Grant Award*

A. Criteria for Recipient Eligibility

704 KAR 3:285 Section 9 (4) requires districts to employ properly certified personnel to administer and teach in the program, submit an annual local district gifted education year-end report, submit a summative evaluation of the program and student progress and to comply with all sections of 704 KAR 3:285. Grant awards are based on funding units reflecting district population at the end of the year preceding the prior year. For 2010-2011, funding was reduced resulting in a 1.4% cut to all districts.

B. General purpose or intended use of funds

Seventy-five (75) percent of a district’s gifted education allocation is used to employ properly certified personnel for direct services to students who are identified as processing demonstrated or potential ability to perform at an exceptionally high level in general intellectual aptitude, specific academic aptitude, creative or divergent thinking, psychosocial or leadership skills, or in visual or performing arts. Additional uses of state funds for gifted education may include consultation services, counseling services, differentiated study experiences, professional
development focused on the needs and services for gifted and talented students, instructional resources to assist teachers in differentiating services, or other appropriate resource services as specified in 704 KAR 3:285, Programs for the Gifted and Talented.

C. Application Process

Submission of a local district’s Comprehensive Improvement Plan with approved budget and a local district year-end report (Infinite Campus), summative evaluation and year-end MUNIS expenditure report are considered application for continued funding.

D. Recipient Reporting Requirements

Each local district must submit an end-of-year summative evaluation report, quarterly MUNIS expenditure reports and update student data in Infinite Campus.

**Revenue and Expenditure Information**

**State Mandates Restricting Revenue or Expenditure Increases**
Revenue from property taxation may not exceed the revenue that the maximum rate would have produced the year before. Exceptions are new property and an allowable tax increase that does not produce revenues in excess of 4% of the prior year property tax revenues.

**Property Assessment Ratios Used/Legal Standards For Property Assessment**
Fair cash value is used.

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

**Measure of Local Ability To Support Schools**

*Local Sources*
The local board of education is described as the “tax-levying authority” in KRS 160.455. KRS 160.460 requires that all school taxes be levied by the board of education of each school district.

As part of the Kentucky Education Reform Act of 1990, KRS 160.470 was amended to require the boards of education to levy a minimum equivalent tax rate of 30 cents per $100 of assessed property valuation.

**School District Budget and Tax Rate Procedures/Sources of Local Revenue**
Equivalent tax rate is defined as the rate that results when income collected during the prior year from all taxes levied by the school district is divided by the total assessed value of property and motor vehicles certified by the Revenue Cabinet. School districts can raise this money through any combination of property tax, motor vehicle tax, and three permissive taxes. Additionally, KRS 157.440 was amended to allow school districts to levy above the minimum 30 cents and qualify for additional state funds.

**a. Property Taxes**
The local board of education is authorized by KRS 160.460 to levy an ad valorem tax (imposed as a percent of value). The following property is subject to an ad valorem tax: real property - all lands within the school district and improvements thereon, including real property of public service corporations; personal property - certain classes of tangible personal property (any equipment or inventory used in the operation of a business, including tangible property of public service corporations; distilled spirits - the fair cash value of distilled spirits stored in bonded warehouses or premises within the school district (KRS 132.140); motor vehicles including boats and airplanes - the fair cash value of motor vehicles owned by residents and corporations in the school district).

The Commissioner of Education certifies the tax rate limits prescribed in KRS 160.470 and 157.440 to the board of education each year after receiving certified property assessment data from the Revenue Cabinet. The following ad valorem tax rates and resulting revenue are certified to the board of education:

(1) Compensating Tax Rate
The Compensating Rate is defined in KRS 132.010 as “... that rate which ... applied to the current year's assessment of property ... produces an amount of revenue approximately equal to that produced in the preceding year ...” The Compensating Rate may be levied without hearing or recall.

(2) 4% Increase Tax Rate
“The tax rate which will produce no more revenue ... than four percent (4%) over the amount of revenue produced by the compensating tax rate ...” In order to levy a rate above of the Compensating Rate but within the limits of the 4% Increase Rate, a school district must follow the hearing provisions of Subsection (10) of KRS 160.470.

(3) Subsection (1) Tax Rate
Subsection (1) of KRS 160.470 provides that a board of education may not levy a rate which will produce more revenue than the previous year’s maximum rate. In order to levy a rate above the 4% Increase Rate but within the limits of the Subsection (1 Rate, a school district must follow the hearing and recall provisions of Subsection (10) and (11) of KRS 160.470. KRS 157.440(2(a provides that a school district may exceed the Subsection (1) Rate only with the approval of a majority of the qualified voters.

(4) Tier I Tax Rate
KRS 157.440(1)(a) provides that “... each school district may levy an equivalent tax rate ... which will produce up to fifteen percent (15%) of those revenues guaranteed by the program to support education excellence in Kentucky.” The rate levied under this subsection is not subject to the public hearing and recall provisions of KRS 160.470.

b. Permissive Taxes
Permissive taxes comprise utility taxes, excise taxes, and occupational taxes. The authority to levy these taxes is found in KRS 160.593. Before a board of education can levy any of these permissive taxes, it must give public notice of its proposed levy and conduct a public hearing to explain the reason for the tax and to hear comments and complaints regarding the proposed levy. The requirements for the notice and hearing are found in KRS 160.603.
Any of the permissive taxes levied by the board of education is subject to petition and recall by the qualified voters in the school district (KRS 160.597).

According to KRS 160.635, permissive taxes levied by a board of education remain in effect until the board reduces the rate; however, this statute allows the board to set a date on which the tax expires at the time the tax is first levied.

1) Utility Tax
KRS 160.613 authorizes a utility gross receipts license tax for schools not to exceed three percent (3% of the gross receipts derived from the sale of telephonic and telegraphic communications services, electric power, water, and natural, artificial and mixed gas. (Bottled gas companies are exempt.) If the cost of energy or energy producing fuels used in the course of manufacturing, processing, mining or refining exceeds three percent (3%) of the cost of production then the costs of those utilities are exempt from the utility tax. Also, amounts received for utilities that are to be resold are exempt. KRS 160.614 adds the gross receipts derived from the sale of cable television to the class of utilities subject to the utility tax.

2) Occupational Tax
KRS 160.605 authorizes the levy of an occupational license tax for schools on the salaries or wages of individuals for work done in a county and on the net profits of all businesses, professions, or occupations from activities conducted in a county. Exempted from paying an occupational tax for schools are public service companies that pay an ad valorem tax, insurance companies, banks, trust companies, savings and loan associations, and income received by members of the Kentucky National Guard for training. The occupational tax rate cannot exceed one-half of one percent (0.5%) and must be a single uniform rate. Any county with 300,000 or more residents is authorized to levy a rate not to exceed 0.75% (KRS 160.607).

3) Excise Tax
KRS 160.621 authorizes an excise tax for schools not to exceed twenty percent (20%) on a county resident's state individual income tax liability. In other words, the amount of state income tax a school district resident owes would be multiplied by the percent levied to determine the tax amount to be paid to the school system.

The school district may hire someone to collect the excise tax or request that the Revenue Cabinet act as tax collector. When the Revenue Cabinet is requested to be the tax collector, the school district must reimburse the cabinet for its actual cost of collecting the excise tax.

Other Local Revenue
Other local income may come from tuition for summer school programs or from students who attend the district's schools but reside in other school districts; earnings from investments, savings accounts, interest bearing accounts, certificates of deposits, etc.; rental of buildings, land and buses; reimbursement for transporting non-public school pupils; and student fees.

State Support for Nonpublic Schools
Does not apply.
Description of the Formula

The Minimum Foundation Program formula determines the cost of a Minimum Foundation Program (MFP) of education in all public elementary and secondary schools and helps to allocate the funds equitably. Funding through the MFP is in the form of a block grant from the State to the local school districts. Districts are afforded the flexibility to spend these funds as they determine to be in the best interest of the district while satisfying all mandated program requirements. Funds within the MFP are not earmarked for specific purposes but are intended, in combination with other funds available to the local districts, to provide the fiscal requirements of operating a school district.

Components of the FY2010/11 MFP Formula:

Level 1: Cost determination and Equitable distribution of State and Local Funds

- Base State and Local Costs
- Base per Pupil Amount
  - $3,855 per HCR 243 - set annually by the SBESE with approval of the Joint Legislative Committee on the Budget or an increase of 2.75% over the prior year per pupil amount if the MFP continues to operate under the previous resolution because a new resolution was not adopted by the Legislature.
- Add-on weights - based on student characteristics recognizing the extra cost of instruction for certain categories of students or classes.
  - At Risk Students (22%)
  - Career & Technical Education Units (6%)
  - Special Education Students
  - Other Exceptionalities (150%)
  - Gifted and Talented (60%)
  - Economy of Scale up to 20% (for districts with less than 7,500 students)
- Total Level 1 Cost
  - Proportion Allocated to the State (65% on average)
  - Proportion Allocated to the Local District (35% on average)
The targeted local contribution is based on the Local Deduction Method which establishes contribution rates for Sales and Property Taxes. In FY2010-11 the contribution rates are:

- 17.68 millages ad valorem tax
- .89% sales tax

Level 2: Incentive for Local Effort
- Eligible Local Revenue - amount over Level 1 target
- Level 2 rewards systems that contribute a greater portion towards the cost of education than the amount required in Level 1 (In FY2010-11, on average, the state contributed 37.4% for each dollar identified as revenue eligible for rewards in level 2)

Level 3: Unequalized Funding
- Continuation of prior year Pay Raises (2001-02 Certificated Staff, 2002-03 Support Worker, 2006-07 Certificated Staff and Support Worker, 2007-08 Certificated Staff and Support Worker, and FY2008-09 Certificated Staff)
- Foreign Language Associate Funding
- Hold Harmless Funding (continuation of prior year funding for districts that would lose State aid under the revised formula)
- FY 2010-11 $100 Mandated Cost Adjustment (Support for increasing costs in health insurance, retirement and fuel)

District-Based Components

Density/Sparsity of Small Schools
Add-on weights - based on student characteristics recognizing the extra cost of instruction for certain categories of students or classes.

Economy of Scale up to 20% (for districts with less than 7,500 students)

Grade Level Differences
Not funded by grade level.

Declining Enrollment or Growth
There are two mid-year adjustments based on student membership count dates of October and February:
- October 1 2010, compared to February 1, 2010
  - Local Education Agencies (LEAs) receive an adjustment for the Total State per pupil amount times the number of students gained or lost
- February 1, 2011, compared to October 1, 2010
  - LEAs receive an adjustment for one-half of the Total State per pupil amount times the number of students gained or lost from the October 1, 2010 student count to the February 1, 2011 count

Capital Outlay and/or Debt Service
No State Aid Provided.
Transportation
No state aid provided.

Student-Based Components

Special Education
Add-on weights - based on student characteristics recognizing the extra cost of instruction for certain categories of students or classes.

Special Education Students
Other Exceptionalities (150%)
Gifted and Talented (60%)

Low Income / At-Risk
Does not apply. We do have additional funding for At-Risk Students:

Add-on weights - based on student characteristics recognizing the extra cost of instruction for certain categories of students or classes.

At Risk Students (22%) Students who have limited English proficiency who are not contained in the at-risk weight based on the free and reduced lunch criteria, are added to the At-Risk

At-Risk Students are those students receiving free and reduced lunch.

English Language Learner/Bilingual Education
Any local school system employing a Foreign Language Associate shall receive a supplemental allocation from BESE of $20,000 per teacher not to exceed a total of 300 teachers in the program. During FY2010/11, there are 260 foreign language associate teachers within the 69 school districts.

First year Foreign Association Teachers receive an installation incentive of an additional $6,000; second and third year teachers receive a retention incentive of an additional $4,000.

Gifted and Talented Education
Add-on weights - based on student characteristics recognizing the extra cost of instruction for certain categories of students or classes.

Gifted and Talented (60%)

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
Does not apply to school districts.
**Property Assessment Ratios Used/Legal Standards For Property Assessment**

Property assessment ratios are used. Each parish authority sets the assessment level at 100% of value. Assessment level is 10% for Improved Land for Homesteads, 10% for Land and 15% for Utilities and Other Property.

**Measure of Local Ability To Support Schools**

Local Deduction Method: The deduction method establishes required contribution rates for Sales and Property Taxes.

- **Total Level 1 Cost**
  - Proportion Allocated to the State (65% on average)
  - Proportion Allocated to the Local District (35% on average)

  The targeted local contribution is based on the Local Deduction Method which establishes contribution rates for Sales and Property Taxes. The contribution rates in FY2010-11 are 17.68 ad valorem millages and .89% sales tax.

**School District Budget and Tax Rate Procedures/Sources of Local Revenue**

All 69 districts are fiscally independent. The maximum local levy without voter approval is five mills. Voter approval is required for a tax increase; a simple majority vote is required for approval. Primary sources of local revenue include: property tax (39%); sales tax (52%); interest on investments (2%); and other (7%).

**State Support for Nonpublic Schools**

Nonpublic schools receive funding for:

- **Required Services** – reimbursement for the actual cost of performing selected activities as required by State law or regulation.

- **Textbooks** – Number of nonpublic students reported to the Department on October 1 of the prior year at $27.02 per student plus 5.92% administration fee. Funds are allocated to the public school district which acts as the fiscal agency by ordering books on behalf of the nonpublic school.

- **Lunch salary supplement** – Districts which provide lunch services to nonpublic schools are eligible to receive salary supplements, per full-time and part-time employees in the School.

- **Education Excellence** - This is a per pupil amount that fluctuates but is based on the October 1 student count in the prior school district.
Description of the Formula

Beginning in 2005-06, Maine’s school funding formula became an adequacy-based formula entitled Essential Programs and Services. Using a cost analysis, the State establishes the amount, level and cost of education components needed in each school to ensure all students had equitable opportunities to achieve proficiency in state learning standards. The essential programs and services allocation calculated for each depends upon student, staff and school characteristics, resulting in unique EPS foundation operating cost rates for each LEA.

By statute, the State share percentage of the total EPS foundation operating costs is 55%. Local share for each LEA is calculated based on property valuation, and local communities may choose to raise more than its required EPS foundation operating costs. The State subsidizes 100% of approved EPS special education costs for most school district, and up to 30% for minimum subsidy receiving districts.

District-Based Components

Density/Sparsity of Small Schools
Additional State subsidies are provided to geographically isolated districts, small administrative units, and island schools.

Grade Level Differences
The number of staff approved for K-8 and 9-12 grade spans vary depending upon EPS established ratios and costs, which result in different EPS allocations based on grade span and school size for each LEA, and different levels of State subsidizeable funds provided each LEA.

Declining Enrollment or Growth
Does not apply.
Capital Outlay and/or Debt Service
All expenditures for school construction that are approved by the State Board of Education are subsidized by the State.

Transportation
The total subsidized transportation operating funds for each LEA is calculated on a funding formula that reflects LEA student density and miles traveled each year. Additional adjustments are provided for island schools, out-of-district special education costs and ferry services.

Student-Based Components

Special Education
The State subsidizes 100% of approved Essential Programs and Services special education costs for all non-minimum subsidy receiving school districts.

Low Income / At-Risk
The State provides additional subsidies for all children eligible for free or reduced lunches in each LEA based on a 1.15 pupil weighting.

English Language Learner/Bilingual Education
The State provides additional subsidies for all ESL children based on weightings 1.525-1.70, depending upon the number of eligible children in each LEA.

Gifted and Talented Education
The State subsidizes approved EPS gifted and talented costs.

Other
Does not apply.

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
At present there are no state mandates restricting revenue nor expenditures. The State is on a multi-year plan of action to result in the State paying 55% of approved K-12 costs. Once the State reaches this target, State and local budgets will be subject to a growth cap; a cap equal to the 10 year average percent growth in personal income and percent change in K-12 student population. Locals will be permitted to exceed this percentage growth if it is approved by referendum by the local voters.

The cap was scheduled to take effect for the 08-09 year. However, the State has been delayed in reaching its 55% target, and thus the growth cap is delayed.

Property Assessment Ratios Used/Legal Standards For Property Assessment
Each municipality is responsible for annually assessing its property, either by individually assessing parcels of property or by increasing the prior year’s assessment of each parcel by some common factor. The sum of the resulting assessments are required to be no less than 70% of the
just value of, or full market value of, this combined property. Each municipality’s valuation posed in the school funding is first equalized to estimate full market value of the property in the municipality.

**Measure of Local Ability To Support Schools**  
Property valuation per pupil as computed by the state tax assessor to estimate full market value.

The resulting full value property valuation is multiplied by a statewide mill rate to determine the amount of support required by local communities.

**School District Budget and Tax Rate Procedures/Sources of Local Revenue**  
Districts (serving two or more municipalities) are fiscally independent. The budget is approved at an annual district meeting by voters of the participating municipalities. Following budget approval each member municipality is assessed its share. Single municipality school administrative units develop a budget, which must be approved by the legislative body (which may be elected representatives or the voters). Beginning in 2007-08 all budgets must be approved by local communities by a referendum vote. In all cases, the tax rate for each municipality is set by its legislative body. Local revenues include property tax and miscellaneous revenues.

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

*Source: Dr. David Silvernail, University of Southern Maine.*
Description of the Formula

Effective June 1, 2002, Senate Bill 856 - Bridge to Excellence in Public Schools Act created the Foundation Program designed to be a shared program with local school systems. However, the program is equalized on the basis of local wealth. The minimum State share of the foundation amount that a local school system may receive is 15%. The program is funded based on the full-time equivalent enrollment as of September 30 of the prior fiscal year. The per pupil amount for Fiscal Year 2011 is $6,694. The FY 2011 funding level for the Foundation Programs is $2.9 billion.

The Geographic Cost of Education, designed to recognize the differences in the cost of providing educational services in different geographical locations was added to State Aid to Education in 2009. Funding for the GCEI program is non-mandatory. Geographic Cost of Education funding in FY 2011 was $127 million.

A Supplemental Grant was added in 2009. This grant was designed to provide additional funds to jurisdictions who did not receive at least a 1% increase in State Aid to Education over the prior year. The supplemental grant funding in FY 2011 is $46 million.

A Guaranteed Tax Base Program distributes State funding to local jurisdictions that 1) have less than 80% of the statewide wealth per pupil, and 2) provide local education funding above the local share required under the Foundation Program. The amount provided to each local school system is equal to the additional funding that would have been provided by the local government if the same education tax effort were made and the jurisdiction had the wealth base that is "guaranteed." Irrespective of local education tax effort, local school systems will not receive more per pupil than 20% of the base per pupil amount established in the Foundation Program. For 2011, the Guaranteed Tax Base Program provides $47 million in additional funding to local jurisdictions.

A State Aid for Local Fringe benefits program is designed such that the State pays on behalf of each local board of education the entire cost of pension/retirement benefits for eligible school personnel. Local school boards, however, are required to reimburse the State for retirement expenses that are accrued for personnel who are paid with federal funds.

District-Based Components
Density/Sparsity of Small Schools
Does not apply.

Grade Level Differences
Does not apply.

Declining Enrollment or Growth
September 30 enrollment is used in calculating the Foundation Program as special needs populations are used in calculating the state Low Income / At-Risk, Limited English Proficient, and Special Education programs. Although declining enrollment and special needs populations are not specifically addressed the Foundation, Low Income / At-Risk, Limited English Proficient programs do have a statutory minimum grant amount.

Capital Outlay and/or Debt Service
School construction is shared State/local costs. Some school construction costs or projects are exclusively the responsibility of the local jurisdiction. They include site acquisition; architectural and engineering fees; utility connections; regional or central administrative offices; permits; and movable furniture and equipment. The State funds its share of school construction primarily through the issuance of general obligation bonds and PAYGO operating funds. The State also provides an annual grant for Aging Schools.

Transportation
Disabled student transportation is funded at a per pupil amount per number transported. Regular base transportation grant equals its base grant in the prior year. It was increased by an inflation factor of 1% in FY-2011. An additional grant is issued to school systems experiencing increased enrollment. The Fiscal Year 2011 funding level is $225 million.

Student-Based Components

Special Education
A funding level per special education student is calculated by taking 74% of the per pupil amount established in the Foundation Program. The Fiscal Year 2011 funding level is $264 million.

Nonpublic placement is a program by which the State shares in the cost of placing students with disabilities in nonpublic special education schools when no program is available for them in the public schools. The State pays 70% of the cost of students placed over 300% of the excess cost of Special Education students.

Low Income / At-Risk
A funding level per student who is eligible for free and reduced price meals (FRPM) is calculated by taking 97% of the per pupil amount established in the Foundation Program. The Fiscal Year 2011 funding level is approximately $1 billion.
**English Language Learner/Bilingual Education**

A funding level per LEP student is calculated by taking 99% of the per pupil amount established in the Foundation Program. The Fiscal Year 2011 funding level is $151 million.

**Revenue and Expenditure Information**

**State Mandates Restricting Revenue or Expenditure Increases**

By statute, in order for local school systems to receive increases in State foundation program aid, counties must provide the local school systems with at least the same dollars per pupil as they provided in the previous fiscal year. The State Board of Education may grant a county government experiencing fiscal problems a temporary or partial waiver of the maintenance of effort requirement. In addition, to calculate the highest prior year's local appropriation, nonrecurring costs may be excluded if they are documented and approved by the State board.

**Property Assessment Ratios Used/Legal Standards For Property Assessment**

Assessed value of personal and real properties means the most recent estimate by the State Department of Assessments and Taxation before the annual State budget is submitted to the General Assembly of the assessed value for county and State purposes respectively, as of July 1 of the first completed fiscal year before the school year for which the calculation is made.

**Measure of Local Ability to Support Schools**

The sum of the following: net taxable income, 100% of the assessed value of the operating real property of public utilities, 40 percent of the assessed valuation of all other real property; and 50 percent of assessed value of personal property.

**School District Budget and Tax Rate Procedures/Sources of Local Revenues**

All 24 school districts are fiscally dependent. Neither the constitution nor state statutes prescribe any upper limit for school levies. Local revenue for schools is derived from property and income taxes.

**State Support for Nonpublic Schools**

The Nonpublic Student Textbook program provides nonreligious textbooks and computer hardware and software on a loan basis to students attending nonpublic schools whose tuition does not exceed the state average per-pupil cost. Schools do not receive funds directly, but rather are allowed to purchase books and technology based on a per-pupil allocation. Vendors are paid directly by the Maryland State Department of Education.

The per-pupil allocation is $90 per-pupil at schools serving 20 percent or more students from low-income families; per-pupil allocations for students at the remaining schools are determined by the number of participating students.
Description of the Formula

The “Chapter 70” state aid formula provides $4.1 billion in aid to school districts through a modified foundation program. A “foundation budget” averaging $9,507 per pupil is calculated for each school district, based upon specific inflation-adjusted rates in fourteen enrollment categories and 11 functional areas. A methodology called “aggregate wealth” defines the target local contribution for each city and town. The target is derived by taking 0.2956 percent of each municipality’s total 2008 property valuation, and adding 1.3682 percent of its residents’ total 2007 income. These are the unique percentages which on a statewide basis yield exactly half of the contribution from property wealth and half from income. State “foundation aid” makes up the difference between a district’s target contribution and its foundation budget. Federal Education Jobs Grants and State Fiscal Stabilization Funds are used in FY11 to ensure that every district receives at least a $25 per pupil increase in aid. On average, aid pays for 45.7 percent of foundation budgets, but the range varies from 13 percent to 100 percent.

District-Based Components

Density/Sparsity of Small Schools
Does not apply.

Grade Level Differences
The regular education foundation rate is $6,677 for elementary, $6,330 for junior high/middle, and $7,893 for senior high.

Declining Enrollment or Growth
There is no specific component for declining enrollment. There was a “growth aid” provision from FY07 through FY09 but that has not been funded in either FY10 or FY11. No district receives less than its combined amount of FY10 Chapter 70 aid and SFSF grants, plus an additional $25 per pupil.

Capital Outlay and/or Debt Service
School building assistance is calculated based on a formula that weighs a community’s property value and income against state wide averages and includes a poverty factor based on the district’s proportion of low income students. State bonds are issued backed by a penny of the state’s five-cent sales tax to support actual building expenses. Payments are made to
communities for approved school projects as expenses are incurred, mitigating the state’s
obligation on interest costs.

**Transportation**
The state reimburses regional districts for transportation at a fixed rate dependent upon the
appropriation each year. In FY11, the rate is estimated to be 52 percent.

**Student-Based Components**

**Special Education**
The Chapter 70 foundation budget includes an assumed special education percentage of
enrollment and the corresponding costs are factored into the aid calculations. A separate “circuit
breaker” program reimburses districts for 40 percent of special education instructional costs in
excess of four times the prior year’s state average foundation budget--$38,636 in FY11.

**Pupil Weights for Special Education Programs**
In-district: the foundation budget includes an assumed full-time equivalent (FTE) special
education enrollment of 3.75 percent of total non-vocational enrollment, 4.75 percent of
vocational enrollment. For each assumed FTE, the special education in-district foundation
budget rate is $23,098.

Out-of-district: the foundation budget includes an assumed full-time equivalent special education
enrollment of 1 percent of total non-vocational enrollment. For each assumed FTE, the special
education out-of-district foundation budget rate is $24,128.

**Low Income / At-Risk**
Each low-income pupil generates an extra increment of between $2,561 to $3,167 in foundation
budget dollars.

**English Language Learner/Bilingual Education**
Each limited-English pupil generates an extra increment of between $590 and $2,153 in
foundation budget dollars.

**Gifted and Talented Education**
Does not apply.

**Other**
A “wage adjustment factor” provides additional increments in foundation budgets of as much as
11 percent for communities in geographic areas with higher-than-average wages (all industries).

56 Commonwealth charter schools are funded by tuition transfers from quarterly Chapter 70
payments to school districts. The 26 thousand pupils at these schools count towards the sending
districts’ foundation enrollment.
169 districts accept non-resident pupils through the school choice program, which is also funded from quarterly tuition transfers. These pupils also count toward the sending districts’ foundation enrollment.

Massachusetts DOE website link for Chapter 70 information: http://finance1.doe.mass.edu/chapter70/

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
Proposition 2-1/2 limits a municipality’s property tax levy to a 2.5 percent overall increase in its levy “limit” plus growth in tax base; local referenda can raise the limits either permanently or temporarily. In FY10 tax levies rose an average of 3.8 percent.

Property Assessment Ratios Used/Legal Standards For Property Assessment
Residential property is assessed at 100 percent of local market value.

Measure of Local Ability to Support Schools
Total equalized property valuation and total personal income of residents.

School District Budget and Tax Rate Procedures/Sources of Local Revenues All 328 operating school districts are fiscally dependent. Town meetings and city councils must approve school budgets. Local revenue is derived primarily from property tax, but also includes user fees and motor vehicle excise tax (state tax but revenues are kept locally).

State Support for Nonpublic Schools
In some cases local districts provide special education services and busing to private school pupils.
Description of the Formula
The State of Michigan no longer uses the “millage equalizing” formula based on school finance reform passed in 1994 and first implemented in 1995. Each district was assigned a per pupil foundation grant based on their combined 1994 state and local revenue per pupil. Districts with lower foundation grants received larger annual increases than those with higher initial foundations. The lowest foundation in 2011 is $7,316. In most cases the state school aid per pupil is equal to the district’s foundation allowance per pupil minus its local school operating tax per pupil. School operating taxes in most cases are equal to 18 mills assessed to the district’s non-homestead property.

District-based Components

Density/Sparsity of Small Schools
For districts with a pupil count of less than 1,550 and 4.5 or fewer pupils per square mile, Michigan uses a three-year-average pupil count in the calculation of their state school aid if it benefits the district. This softens the fiscal impact that declining enrollment has on these mostly rural districts. Also, Michigan has a small amount of categorical funding for small, geographically isolated districts. Several of these are island districts not accessible by a bridge.

Grade Level Differences
No categorical funding is earmarked for grade level differences.

Declining Enrollment or Growth
In addition to appropriations for density/sparsity for small schools funding, Michigan legislature has appropriated funds for districts experiencing a three year decline in pupils. The appropriation is capped at $20 million statewide.

Capital Outlay and/or Debt Service
Michigan does not allocate additional funding for capital outlay/debt service. Districts must pass a dedicated millage for these items or use their general funds.
**Transportation**
There is no longer specific categorical funding in Michigan for transportation. The transportation funding paid as a categorical grant prior to 1995 was rolled-up into the per pupil foundation grants implemented beginning in 1995.

**Student-based Components**

**Special Education**
A long standing Michigan court case (know as Durant) regarding special education cost reimbursement was settled in 1997. It requires that the state reimburses special education instructional costs at a rate of 28.6138% and special education transportation costs at a rate of 70.4165%. The foundation payments (described above) for special education pupils go towards meeting this obligation.

**Low Income / At-Risk**
In 2011, the Michigan legislature appropriated approximately $309 million for Low Income / At-Risk (At-Risk). The Formula is 11.5% of the district’s per pupil foundation allowance times the number of free school meals claimed by the district. The appropriation is capped at $309 million.

**English Language Learner/Bilingual Education**
The current year state appropriation for Bilingual Education is $2.8 million. The funds are paid out on a per pupil basis and are to be used solely for the instruction of pupils with limited English-speaking ability. Eligible programs include instruction in speaking, reading, writing, and the comprehension of English.

**Gifted and Talented Education**
No state funds are currently appropriated in this category.

**Other**
Does not apply.

**Revenue and Expenditure Information**

**State Mandates Restricting Revenue or Expenditure Increases**
The so called “Headlee Amendment” to the State Constitution requires that school districts roll back tax rates if the revenues generated over the previous year exceed the inflation rate as measured by the National Consumer Price Index. Voters may, however, vote to restore the millage.

**Property Assessment Ratios Used/Legal Standards For Property Assessment**
Cash value is used.

**Measure of Local Ability to Support Schools**
The assessed value of property at 50% of market value, known as the State Equalized Value (SEV), was used through 1994. Beginning in 1995, the Taxable Value (TV) is used which limits assessment increases to 5% or the rate of inflation whichever is less.

**School District Budget and Tax Rate Procedures/Sources of Local Revenues**
The state’s 553 K-12 school districts are fiscally independent. Local revenues derive from the property tax levied on non-homestead properties at the rate of 18 mills or whatever the district levied in 1993 whichever is less. The millage rate is subject to the Headlee Amendment (limitations) described above. There were 57 Intermediate School Districts, 550 Local Educational Agencies, and 244 public school academies operating as public schools in fiscal year 2009-10.

**State Support for Nonpublic Schools**
Direct pay to non-public schools is prohibited by the State Constitution. However, non-public school students may benefit from auxiliary services.

The Auxiliary Services Act of the Michigan School Code specifics that if particular services named in the Act are provided to public school children in a school district, those services must also be made available to children attending non-public schools located within that district.

The Act specifies services to include health and nursing services and examinations, national defense education act testing, speech and language teacher services, social work services, school psychological services, teacher consultant services for the handicapped, remedial reading services, and other services determined by the legislature. Some auxiliary services are also provided for general education services and some are special education-type services. If special education services are to be provided for a student, that student must first be found eligible for special education.
Description of the Formula

General education foundation program based on weighted pupils in average daily membership (ADM). Kindergarten pupils are weighted at 0.612, pupils in grades 1-6 at 1.15, pupils in grades 4-6 at 1.06, and secondary pupils (grades 7-12) at 1.3. For districts with declining weighted ADM from the previous school year, revenues are calculated using 77% of the current year weighted ADM and 23% of the prior year weighted ADM. A district’s general education revenue equals the sum of its basic, compensatory, limited English proficiency (LEP), extended time, training and experience, alternative teacher compensation, sparsity, transportation sparsity, operating capital, gifted & talented, equity and transition revenues. Basic revenue equals $5,124 times weighted ADM.

Most categories of general education revenue, including the basic revenue, are funded entirely with state aid. The basic general education levy was repealed in 2001. School districts are required to levy for a portion of operating capital, transition, equity, and alternative compensation revenues. If a district levies less than the maximum amount for these categories, the corresponding state aid is reduced proportionately.

District-Based Components

Density/Sparsity of Small Schools
Districts with secondary schools having fewer than 400 pupils in grades 7-12, or elementary schools having fewer than 140 pupils in kindergarten through grade 6, located in isolated areas receive sparsity revenue in the general education formula. The amount of revenue for secondary pupils varies as a function of the number of pupils, the distance to the nearest high school, and the attendance area. The amount of revenue for elementary pupils varies as a function of the number of pupils enrolled in schools located 19 or more miles from the nearest elementary school.
Grade Level Differences
Pupil weighting factors used in general education program:

<table>
<thead>
<tr>
<th>Grade Level</th>
<th>Weighting Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kindergarten</td>
<td>0.612</td>
</tr>
<tr>
<td>Grades 1 – 3</td>
<td>1.115</td>
</tr>
<tr>
<td>Grades 4-6</td>
<td>1.06</td>
</tr>
<tr>
<td>Grades 7-12</td>
<td>1.30</td>
</tr>
</tbody>
</table>

Declining Enrollment or Growth
Most revenues are calculated using adjusted marginal cost pupil units (AMCPU). For districts with declining weighted ADM from the previous school year, AMCPU equal 77% of the current year’s weighted ADM and 23% of the prior year’s weighted ADM. AMCPU for districts with growing weighted ADM are based on 100% of the current year’s weighted ADM.

Capital Outlay and/or Debt Service

The capital outlay revenue program include four major components not requiring voter approval: operating capital revenue, health and safety revenue, alternative facilities revenue and lease levies. Operating capital revenue, which is part of the general education revenue program, equals $173 plus $1 times the lesser of 50 or the district’s average school building age per weighted ADM, and is funded with an equalized levy. Health and safety revenue equals the approved cost of health and safety projects, and is also funded with an equalized levy. Alternative facilities revenue allows 24 large school districts to make an annual levy or issue bonds for the approved costs of deferred maintenance, health & safety or disabled access, and allows other districts to make an annual levy or to issue bonds for the approved costs of health & safety projects exceeding $500,000 per site. Additionally, a district may also levy for the approved cost of renting or leasing facilities, not to exceed $150 per pupil unit. Charter schools receive building lease aid equal to the lesser of $1,200 per weighted ADM or 90% of approved building lease costs.

Two programs require voter approval: issuance of general obligation bonds, which are repaid with an annual debt service levy, and capital project referendum levies. For debt service, a district may levy an amount equal to 105% of the amount needed to make principal and interest payments on general obligation bonds. The levy is equalized by the state using a two-tiered equalization formula. Additionally, a district may levy the local tax rate approved in a capital project referendum for facilities and equipment purposes. No state equalization is provided for this levy.

Further, a district may levy without voter approval 105% of the amount needed to make principal and interest payments on certificates of indebtedness or capital notes issued for certain facilities projects or the purchase of specified capital equipment. The amount levied under this program is subtracted from the general fund levy of the district.

Finally, a limited loan program, requiring specific legislative approval for individual projects, exists to assist districts with unusually high debt service effort.
Transportation
Funding for regular to and from school transportation for public school students is included in the general education revenue program. Of the basic general education formula, 4.85% ($249 per weighted ADM) is attributable to pupil transportation. This is intended to cover the average cost of transportation for districts located in the Twin Cities metropolitan area. The transportation sparsity formula funds the added cost of pupil transportation in more sparsely populated school districts, and is based on analysis of the relationship between per pupil cost and population density. A categorical nonpublic pupil transportation aid formula provides funding to school districts for transporting nonpublic school pupils, based on the district’s per pupil cost for all regular to and from school transportation.

To and from school transportation, and transportation between buildings during the day for pupils with a disability who require special transportation is funded through the special education aid formula. The added costs of transportation for desegregation purposes is funded through the integration revenue formula.

Expenditure Based Components

Special Education Aid:
Special education aid through FY 2007 was based on expenditures in the second prior year (base year). State special education aid for FY 2007 was based on expenditures in FY 2005. Beginning in FY 2008, Special Education aid is based on expenditures in the current year. State special education aid for FY 2008 is based on expenditures in FY 2008.

Several additional changes to the special education formulas took place in FY 2008. Transition Disabled Aid which equaled $8.8 million in FY 2007 was rolled into Special Education aid in FY 2008. Transition programs for students with disabilities provides for transitional career and technical (vocational) experiences/programs that provide career exploration, healthy work attitudes, specific career and academic knowledge, and job skills for students with disabilities. Transition programs for students with disabilities serves students who meet state disability eligibility criteria and who have Individual Education Plans (IEP) that include work-based learning and require extra interventions not provided in regular work-based learning programs.

Lastly, FY 2008 is the first year that districts receive Bus Depreciation Aid for buses purchased after 7/1/05 and used for the majority of the time providing special transportation services.

The special education Initial Aid equals the sum of the following amounts computed using base year data:
- **Salary** - 68% of the salary of each essential staff providing direct instructional and related services to students (both special education, transition disabled and alternative delivery of specialized instructional services programs);
- **Contracted Services** - 52% of the amount of a contract for instruction and services that are supplemental to a district’s education program for students with disabilities. 52% of the difference between the amount of the contract and the general education revenue of the district for that pupil for the fraction of the school day the student receives services that are provided in place of services of the district’s program (both special education, transition
disabled and alternative delivery of specialized instructional services programs). For transition disabled programs only, 52% of the cost of vocational evaluation;

- **Supplies and Equipment**
  - Special Education and alternative delivery of specialized instructional services Programs - 47% of the cost of supplies and equipment not to exceed an average of $47 per student with a disability;
  - Transition Disabled Programs - 47% of the cost of supplies not to exceed an average of $47 per student with a disability. 47% of the cost of equipment.

- **Travel** – For Transition Disabled Programs only, 47% of the costs of necessary travel between instructional sites by transition program teachers.
- **Bus Depreciation.** 100% of the cost of regular busses over 8 years and Type III busses over 5 years that are used the majority of time providing special transportation services.

**Transportation** - 100% of the cost of special transportation services.

A school district’s special education aid equals its initial special education aid computed as per the formula above times the ratio of the state total special education aid to the state total initial special education aid plus aid adjustments for serving non-resident special education students.

The state total special education revenue for FY 2008 through FY 2011 is set in state law. For FY 2008, FY 2009, FY 2010 and FY 2011 it is $694.1 million, $719.5 million, $735.7 million and $787.6 million respectively. The state total special education aid for FY 2012 and later fiscal years, the state total special education aid equals:

1. the state total special education aid for the preceding fiscal year times;
2. the program growth factor times;
3. the greater of one, or the ratio of the state total Average Daily Membership (ADM) for the current fiscal year to the state total ADM for the preceding fiscal year.

The program growth factor is 1.046 for FY 2012 and later fiscal years

The link to Minnesota’s special education formula is: https://www.revisor.leg.state.mn.us/statutes/?id=125A.76

**Special Education Excess Cost Aid:**

For FY 2008 and later years, a district excess cost aid equals 75% of the difference between the district's unreimbursed special education cost and 4.36% of the district's general education revenue.

The state total excess cost aid equals $110.6 million in FY 2008, and $110.9 million in FY 2009, $110.8 in FY 2010 and $110.9 in FY 2011. For FY 2012 and later years, the state total excess cost aid equals:

1. the state total special education excess cost aid for the preceding fiscal year, times
2. the program growth factor times;
3. the greater of one, or the ratio of the state total ADM for the current fiscal year to the state total ADM for the preceding fiscal year.
The program growth factor is 1.02 for FY 2012 and later years.

A school district’s special education excess cost aid equals its initial special education excess cost aid computed as per the formula above times the ratio of the state total special education excess cost aid to the state total initial special education excess cost aid.

The link to Minnesota’s special education excess cost formula is: https://www.revisor.leg.state.mn.us/statutes/?id=125A.79

**Low Income / At-Risk**

Low Income / At-Risk revenue is included in the general education revenue program. Funding is based on building-level concentration of students eligible for free and reduced priced lunches as of October 1 of the previous fiscal year. Students eligible for reduced price lunches are weighted at 0.5 and students eligible for free lunches are weighted at 1.0. If the adjusted free & reduced price lunch count is at least 80% of the building’s enrollment, the compensatory revenue equals $2,825 times the adjusted free & reduced price lunch count. The rate per adjusted count decreases proportionately as the concentration of eligible students decreases (e.g., ½ of this amount for a school with an adjusted eligible count equal to 40% of building enrollment).

**Pupil Weights for Low Income / At-Risk**

<table>
<thead>
<tr>
<th>Definition of Category</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free &amp; Reduced Price Lunch</td>
<td>Variable weighting 0.0 to 0.6, depending on concentration of free &amp; reduced lunch-eligible pupils in the building. Applies only to compensatory revenue calculation</td>
</tr>
</tbody>
</table>

**English Language Learner/Bilingual Education**

Revenue for limited English proficiency (LEP) programs is included in the general education revenue program. Students who have generated 5 or more ADM in Minnesota public schools before the start of the current school year are not eligible to be counted for LEP revenue calculations. Students in grades 4 – 12 who were enrolled in a Minnesota public school when the Test of Emerging Academic English (TEAE) was administered during the prior year are not eligible unless they scored below the state cutoff score on the TEAE. For districts with at least one but fewer than 20 eligible LEP students, funding is based on 20 students. Basic LEP revenue equals $700 times the eligible LEP average daily membership served. Districts where the concentration of LEP students is 11.5% or greater receive an additional $250 per eligible LEP student. In districts where the concentration is lower, the concentration allowance is reduced proportionately (e.g., $125 in a district with a 5.75% concentration).

**Gifted and Talented Education**

Gifted & talented revenue is included in the general education revenue program. A district’s gifted and talented revenue equals $12 per weighted ADM. It must be used only to identify gifted & talented students, provide educational programs for gifted & talented students, or provide staff development for teachers to best meet the needs of gifted & talented students.
Other
At-risk students attending extended time programs before or after school or during the summer generate up to 0.2 additional ADM based on the number of hours enrolled in the extended time programs. Training and experience revenue is being phased out, and a new alternative teacher compensation program enacted in 2005 provides participating districts with up to $260 per pupil. Equity revenue provides additional revenue to districts with relatively low voter approved operating referendum levies to reduce the gap between high- and low-spending districts. Transition revenue is a hold-harmless provision ensuring that districts will not receive less funding than they received under previous formulas.

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
State sets limits on property tax levies. Districts may levy beyond the limitation as permitted by referendum. Operating referendum levies are limited to $1,524 per weighted pupil. Bonding limit is 15% of the total market value of property.

Property Assessment Ratios Used/Legal Standards For Property Assessment
County assessor determines the market value of property. Class rates are specified by law for various types of property (e.g., the class rate for residential homestead property) is 1% for the first $500,000 of market value and 1.25% for value over $500,000. The class rate for commercial and industrial property is 1.5% for the first $150,000 of market value and 2% for value over $150,000. Market values are multiplied by the appropriate class rates to determine a net tax capacity. Sales ratio studies are used to review the accuracy of market values. Adjusted net tax capacities, reflecting the results of the sales ratio study, are used in computing most of the school district levy limitations.

Measure of Local Ability To Support Schools
Property valuation -- two measures are used. Adjusted net tax capacity is used for most school levies; referendum market value is used for the operating referendum, transition and equity levies. Referendum market value is based on the full market value before applying the class rates, excludes agricultural land and seasonal recreational cabin property, and does not use the sales ratio calculations.

School District Budget and Tax Rate Procedures/Sources of Local Revenue
All 337 school districts are fiscally independent. Separate levy limitations are determined by the state for general education and community education based on various statutory formulas. School districts may levy additional amounts for general education and debt service based on local referendum elections. The property tax is the primary source of local revenues for schools.

State Support for Nonpublic Schools
School districts are required to provide “equal transportation” for nonpublic school pupils; state aid is provided for costs of transporting nonpublic school pupils.
Taxpayers may deduct, for state income tax purposes, the amounts spent for tuition, secular textbooks, and transportation of dependents attending public or nonpublic schools, up to $1,625 per dependent on grades K-6 and up to $2,500 per dependent in grades in 7-12. Taxpayers with household incomes below $33,500 may claim a credit for state income tax purposes for K-12 educational expenses, excluding school tuition. The credit equals 75% of qualifying expenses, not to exceed $1,000 per qualifying child. The credit is phased out for families with income exceeding $33,500, depending on the number of eligible children for whom the credit is claimed.

School districts are required to provide secular textbooks, individualized instructional materials, and standardized tests to nonpublic school pupils, to offer these pupils health services, and to offer nonpublic secondary pupils guidance and counseling services. The state reimburses school districts for their costs up to formulas limits based on the statewide average cost per pupil.

School districts may provide shared time programs for nonpublic school pupils, and must make shared time special education programs available to handicapped nonpublic school students. The state pays shared time aid for these programs of $5,124 times the number of FTE weighted ADM served.

For further information see:

http://education.state.mn.us/mdeprod/groups/Finance/documents/Publication/010078.pdf

http://www.house.leg.state.mn.us/fiscal/files/06fined.pdf

http://www.house.leg.state.mn.us/hrd/pubs/mnschfin.pdf
Description of the Formula

The Mississippi Accountability and Education Program Act (MAEP) was enacted in 1997. The MAEP is a foundation program that is based on the following formula:

1. \(((\text{ADA excluding self-contained special education}) \times \text{Base Student Cost}) + \text{At-Risk Component} - \text{Local School District Contribution} + 8\% \text{ Guarantee}\) = MAEP Formula Allocation

2. The Base Student Cost Calculation utilizes data from schools that are considered to be successful and efficient. The State Board of Education uses current statistical data to identify successful schools; criteria for efficient schools include (a) number of teachers per 1,000 students, (b) administrator/Staff ratio, (c) operation and maintenance personnel, and (d) librarians and counselors per 1,000 students.

3. To provide stability in state and local appropriation and budgeting processes, the Base Student Cost is calculated every four years rather than each year, and an inflation component of 40% of the Base Student Cost times the current CPI shall be used.

4. MAEP formula includes a provision that ensures that a district receives a formula allocation of at least what the district received in 2002 plus 8%.

District-Based Components

Density/Sparsity of Small Schools
Does not apply.

Grade Level Differences
Does not apply.

Declining Enrollment or Growth
If a district has a consistent pattern of growth over the 3-year period prior to the appropriation, the average percent of growth will be added to the ADA for the district.
**Capital Outlay and/or Debt Service**
State provides $18 per year per pupil in ADA. Bonded indebtedness limit is 15% of assessed property valuation. Additional authority for Notes and Certificates of indebtedness is limited to the amount a three mill tax levy for 10 years will repay, including interest.

**Transportation**
Based on the ADA for transported pupils and a density formula and rate table, the result is the lower the density, the higher the rate. The rate table provides greater amounts per pupil to districts with fewer pupils per square mile.

**Student-Based Components**

**Special Education**
Funding is based on agency approval of the teacher units and certification and experience of the approved teacher. Five separate offices in the Department have a role in the application in program approval criteria and allocation of special education teacher units.

**Low Income / At-Risk**
MAEP has an at-risk component that is based on 5% of the Base Student Cost times the number free lunch participants on October 31 of the previous year.

**English Language Learner/Bilingual Education**
Does not apply.

**Gifted and Talented Education**
Teacher units are added for each approved program gifted and talented students; the funding amount is based on the certification and experience of each teacher.

**Revenue and Expenditures Information**

**State Mandates Restricting Revenue or Expenditure Increases**
Local district contribution to MAEP is limited to 27% of the program costs including the At-Risk Component.

**Property Assessment Ratios Used/Legal Standards For Property Assessment**
Not response provided.

**Measure of Local Ability to Support Schools**
Local district contribution to MAEP is limited to 27% of the program costs including the At-Risk Component.

**School District Budget and Tax Rate Procedures/Sources of Local Revenue**
The 149 districts are fiscally independent. In addition there are three agriculture high schools (AHs). Districts are limited to no more than a 7% 4% increase in the prior year’s ad valorem revenue without a referendum or reverse referendum. Above 4% to 7%, the referendum is by protest petition. Over 40%–7% must be by referendum with simple majority required for
approval. Districts may not levy more than 55 mills for operational purposes. Property tax revenues account for approximately 72% of local revenues for current operations. Other sources include tuition, 16th section revenue, interest on investments, school lunch, and student activity.

**State Support for Nonpublic Schools**
Aid is provided to distribute and freely loan books to non-public schools maintaining the same education standards as public schools, and to also demonstrate non-discriminatory practices.
Description of the Formula

The state of Missouri has a new foundation formula effective with the 2006-07 year that is student needs based rather than tax-rate based. This new formula is based on the average current expenditure per average daily attendance of local and state dollars in those districts meeting all performance standards established by the Missouri State Board of Education (SBE). It is designed to assure that all districts have at least this "state adequacy target" of money behind each child if the district chooses to have a tax levy equal to or greater than the performance tax levy set by the legislature at $3.43. For 2006-07, the state adequacy target is $6,117 per weighted average daily attendance. This amount will be recalculated every two years.

Weighted Average Daily Attendance includes average daily attendance of the regular school term and the summer school term plus weighting for Free or Reduced Lunch eligible students, Special Education students and Limited English Proficient students when the district's count of these student populations exceeds the average percentage (threshold of the districts meeting all performance standards established by the SBE).

The product of the state adequacy target and weighted average daily attendance is then multiplied by a variable labeled the Dollar Value Modifier (DVM). The DVM was designed by the legislature to reflect the relative purchasing power of a dollar as related to wage data for metropolitan, micropolitan and county areas available from the U.S. Department of Commerce, Bureau of Economic Analysis. From the products of these calculations is subtracted the amount of local effort for the 2004-05 school year. The local effort amount in the formula calculation is fixed for the life of the formula with two exceptions. If a district's assessed valuation decreases below the 2004 valuation, the lower valuation will be used in the local effort calculation. Likewise, if a district's revenue from Fines increases, the higher Fines amount will be used in the local effort calculation.

The remaining amount is the initial calculation of state money to the district. This formula will be phased in over seven years beginning in 2006-07. The initial calculation is then adjusted for the phase-in provisions and hold harmless provisions.
District-Based Components

Density/Sparsity of Small Schools
There is no specific adjustment for density/sparsity of small schools. However, districts are paid on the greater of the second preceding year's Weighted Average Daily Attendance, the first preceding year's Weighted Average Daily Attendance, or an estimate of the current year's Weighted Average Daily Attendance. This provision helps districts with declining student counts as well as those with increasing student counts.

There is a small school grant for districts with an average daily attendance, including summer school, no greater than 350. The $15 million appropriation is distributed in two parts. One part of $10 million is distributed equally per average daily attendance for the eligible districts. The second part of $5 million is distributed on a tax-rate weighted average daily attendance basis to the eligible small districts with a tax rate for general school purposes equal to or greater than the state performance levy of $3.43.

Grade Level Differences
Does not apply.

Declining Enrollment or Growth
Districts are paid on the greater of the second preceding year's Weighted Average Daily Attendance, the first preceding year's Weighted Average Daily Attendance, or an estimate of the current year's Weighted Average Daily Attendance. This provision helps districts with declining student counts as well as those with increasing student counts.

Capital Outlay and/or Debt Service
There is no state funding specifically for capital outlay or debt service. However, a portion of each district's state aid comes through the Classroom Trust Fund. This fund consists of money generated by state riverboat gaming operations and unclaimed lottery prize money. This money may be placed in any fund at the discretion of the local school board, including Capital Projects and Debt Service, and used for any purpose.

School districts in Missouri may take advantage of the state's credit rating when issuing general obligation bonds, thus obtaining a lower interest rate than would otherwise likely be available to the district. Districts choosing this option have a portion of their monthly state payment redirected to a selected bank that manages the principal and interest payments on the bonds.

Due to funding constraints, districts may transfer previously accrued funds from Capital Outlay back to either the Incidental or Teacher Fund. This allowance applies until such time the Foundation Formula again becomes fully funded.

Transportation
Reimbursement is 75% of allowable costs of transporting eligible pupils. It is limited by each district's efficiency factor. In recent years the state appropriation for transportation aid has not increased resulting in a lower percentage of reimbursement to districts. This year, for example, transportation funding is approximately 53% of allowable costs.

Due to funding constraints, funding for transportation was reduced. Though it is statutorily allowable to fund up to 75% of the cost for transporting eligible students, reductions in appropriations for FY11 will provide funding to cover only an estimated 23% of the cost for transporting those students.

**Student-Based Components**

**Special Education**
State Special Education aid is now included in the Basic State Aid to districts. When a district's count of students with an Individualized Education Plan exceeds the state threshold, currently at 13.7% of the district's ADA, the excess is weighted at .75 and added to the district's ADA calculation in the overall weighted average daily attendance.

**Low Income / At-Risk**
State aid for students at-risk of completing their K-12 education is included in the Basic State Aid to districts. When a district's count of students eligible for Free or Reduced Price Lunch exceeds the state threshold, currently at 32% of the district's ADA, the excess is weighted at .25 and added to the district's ADA calculation in the overall weighted average daily attendance.

**English Language Learner/Bilingual Education**
Effective in 2006-07, state money is now included in the Basic State Aid to districts. When a district's count of Limited English Proficient students exceeds the state threshold, currently at 0.90% of the district's ADA, the excess is weighted at .60 and added to the district's ADA calculation in the overall weighted average daily attendance.

**Gifted and Talented Education**
Expenditures for gifted education were included in the calculation of the state adequacy target. There is no targeted state aid for Gifted Education. The state adequacy target is multiplied by the district's total weighted average daily attendance.

The law was modified to include a penalty for reduction in gifted programs at the local level, effective 7-13-2009:

If a school district experiences a decrease in its gifted program enrollment of more than twenty percent from its 2005-06 gifted enrollment in any years governed by this subsection, an amount equal to the product of the percent reduction in the district’s gifted program enrollment multiplied by the funds generated by the district’s gifted program in 2005-06 school year shall be subtracted from the district’s current year payment amount.

**Revenue and Expenditure Information**
State Mandates Restricting Revenue or Expenditure Increases
A district's local property tax levy must be rolled back if assessed valuation increased by a percentage greater than the CPI, excluding new construction and personal property.

Property Assessment Ratios Used/Legal Standards For Property Assessment
There are varying ratios depending on property classification, i.e. personal property, 33.33%; commercial real property, 32%; residential real property, 19%; and agricultural real property, 12% of productive value.

Measure of Local Ability To Support Schools
The new formula recognizes each district's 2004-05 local effort using a fixed tax rate (performance levy of $3.43) when determining how much state aid each school district should receive. The district's local effort is subtracted from the product of the state adequacy target of $6,117, the district's weighted average daily attendance and the district's dollar value modifier to determine the state money to the district. Disregarding hold harmless provisions, the school districts with more local effort will receive less state aid.

School District Budget and Tax Rate Procedures/Sources of Local Revenue
The 524 school districts in Missouri are fiscally independent. The maximum local levy without voter approval is 27.5 mills. Simple majority approval by voters is required for tax increases up to 60 mills; two-thirds majority votes are required for levies above 60 mills. Five election dates are available during the year. Sources of local revenue include current tax, delinquent tax, sales tax, financial institution tax, and revenues from food services sales, interest income and student activities receipts.

State Support for Nonpublic Schools
Does not apply.
Description of the Formula

BASE Aid program based on number of pupil units plus an additional guaranteed tax base program. Under the BASE Aid program, the state pays 44.7% of basic and per-student entitlements; 100% of additional funding components for quality educators, at-risk students, Indian Education for All, and closing the American Indian student achievement gap; 100% of the state special education block grants for schools; and a subsidy payment to equalize tax base differences and support districts in funding an additional 35.3% of the basic entitlement and per-student entitlement and 40% of special education block grants. In FY 2010-11, the basic entitlements for elementary, middle school and high school districts were $23,257, $65,863 and $258,487, respectively. The per-student entitlements were approximately $5,003 for elementary students and $6,405 for high school students or students in accredited 7-8 grade programs. A $0.20 reduction is applied for each additional elementary student, up to 1000 students. A $0.50 reduction is applied to each additional high school student or 7-8 grade student, up to 800 students. Required local effort at the county level is 55 mills for K-12 programs. Required effort at the state level is 40 mills for K-12 programs. The BASE, or minimum required budget, includes 80% of the entitlements, 140% of special education funding, and the 4 additional funding components.

District-Based Components

Density/Sparsity of Small Schools
There is no specific mechanism for funding small schools or adjusting for sparseness. The basic entitlement is applied at the same rate to budgets for any size of district, so smaller schools receive proportionally more relevant to their size.

Grade Level Differences
See "Description of Formula."

Declining Enrollment or Growth
Funding is based on a district's prior year enrollment or average of the prior three years' enrollment, whichever produces the greatest amount of support.
Capital Outlay and/or Debt Service
Bonded indebtedness may not exceed 50% of taxable property value of the district. District may issue bonds for limited purposes after an election. State facilities acquisition program assists districts in repaying bonds by providing subsidies to districts having lower than statewide average taxable valuation per pupil. The 2009 Legislature appropriated $34 million in FY2010-11 for grants to school districts for infrastructure under the Quality Schools Facilities Program. The purpose of the program is to distribute grants to public school districts to assist schools in addressing major deferred maintenance, energy efficiency, critical infrastructure needs, emergency facility needs, and technological improvements.

Transportation
The state and county share in funding “on-schedule costs” that are based on bus routes and mileage contracts with parents. Additional funding is provided through fund balance re-appropriated, non-levy revenues and a local levy.

Pupil Weights for District/School Size
In the BASE Aid program, general fund entitlements are reduced $0.20 for each additional elementary student, up to 1000 students and $0.50 for each additional high school student or 7-8 grade student, up to 800 students. For elementary and high school districts with more students, additional pupils are funded at the same rate as the 1000th or 800th pupils, respectively.

Student-Based Components

Special Education
Included in the BASE aid program (see Description of Formula). Block grants are based on number of pupil units and require a $1 for $3 local match. Additional reimbursement (40% for unusually high special education costs are provided to eligible districts).

Pupil Weights for Special Education Programs Categories
Does not apply. State special education funding per enrolled pupil is allocated to districts using block grants.

Low Income / At-Risk
Does not apply.

English Language Learner/Bilingual Education
The state does not fund a bilingual education program.

Gifted and Talented Education
Legislature provided $246,982 for a state grant distribution to school districts for Gifted and Talented programs in 2010-11.

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
"Maximum" general fund budget limit is 100% of basic and per student entitlements plus 140% of state special education block grants and 100% of state funding components for quality educators, at-risk students, Indian Education for All, and closing the American Indian student achievement gap. Districts are allowed to exceed the "maximum" level in cases where the prior year budget exceeds the "maximum" level, and a vote is usually required to approve the over-maximum amount of the budget. If budget does not exceed the "maximum" level, districts must obtain voter approval only for levy increases needed to fund the optional portion of the BASE (minimum required general fund budget).

Property Assessment Ratios Used/Legal Standards For Property Assessment
Assessed valuation of major revenue sources: realty and mobile homes, 2.82%; electric and telephone cooperatives, 3%; public utilities, 12%; metal mines, 3%.

Measure of Local Ability To Support Schools
For facilities funding, property value per pupil. For general fund, property value compared to the BASE funding needs of the district.

School District Budget and Tax Rate Procedures/Sources of Local Revenue
Each elementary, high school, and K-12 district is fiscally independent. Voter approval (simple majority of voters is generally required for an increase of taxes for the non-mandatory portion of the budget. Voter approval is generally required to support a budget that exceeds the general fund budget caps. Local revenues for districts are comprised of property taxes, several non-levy sources derived from and distributed based on district tax levies, and revenues from natural resources including gas and oil production.

State Support for Nonpublic Schools
Does not apply.
Description of the Formula

Needs – Resources = Equalization Aid \(\Rightarrow\) Formula Needs

1. The fall membership count of students is adjusted by the average ratio of average daily membership (ADM) to fall membership from three prior years for the certification of state aid; and ADM for the final calculation of state aid.

2. Formula students include students educated by the district and students for which the district pays tuition. Kindergarten students that attend school less than 400 hours per year are counted as .5. Formula students also include students in qualified early childhood programs multiplied by the ratio of planned instructional hours of the program divided by 1,032 hours then multiplied by .6.

3. Basic funding is determined based on a comparison group that is established for each district consisting of the ten larger districts that are closest in size to the district and the ten smaller districts that are closest in size to the district as measured by formula students.

4. Basic funding is adjusted by adding Allowances and Adjustments. Allowances are district specific and will increase needs for that district but allowances do reduce the basic funding for all school districts in the comparison group (as Basic Funding is an average). Adjustments are added- on or subtracted from the individual districts’ needs.

   a. Poverty Allowance is calculated by taking the lesser of the maximum poverty allowance designated by the district or by the calculated amount based on the number of low income students (progressive percentages between .05 and .30 multiplied by students qualified for free lunches/milk or low income children under 19 years of age living in a household having an annual adjusted gross income equal to or less than the maximum household income that would allow a student from a family of four people to be a free lunch or free mild student, whichever is greater). If school districts do not expend at least 117.65% of the allowance in the year provided future need calculations will be reduced. If school districts do not spend at least 50% of their allowance in the year provided they will not be eligible for the allowance two years later.
b. Limited English Proficiency (LEP) Allowance is calculated by taking the lesser of the maximum LEP allowance designated by the school district or a calculation based on the number of LEP students. If school districts do not expend at least 117.65% of the allowance in the year provided, future need calculations will be reduced. If school districts do not spend at least 50% of their allowance in the year provided, they will not be eligible for the allowance two years later.

c. Elementary Class Size Allowance for school years through 2013-14 is based on the number of students in grades kindergarten through grade three who spend at least 50% of the school day in one or more classrooms with a minimum of ten students and a maximum of 20 students.

d. Focus School & Program Allowance for in schools in a learning community and the allowance is based on the number of students in the Focus School. (Currently there is only one learning community in Nebraska and it includes 11 school districts in the Omaha metropolitan area. Learning Communities were established by statute in 2006. The Nebraska statutory references are in sections 79-2101 to 79-2120).

e. Summer School Allowance is calculated based on the number of students attending summer school for at least 12 days for at least three hours per day but less than six hours per day. Additional weights are given to summer school students that are in remedial math or reading, and for each summer school student that qualifies for free lunch or milk services.

f. Special Receipts Allowance includes district specific special education, state ward, and accelerated or differentiated curriculum program receipts from the most recently available complete data year.

g. Transportation Allowance is the lesser of actual transportation expenditures from the most recently available complete data year or a calculated transportation expenditures based on regular route miles and mileage paid to parents.

h. Elementary Site Allowance is calculated for any district that has multiple elementary attendance sites that are not within seven miles of another attendance site or is the only public elementary attendance site located in an incorporated city or village.

i. Distance Education & Telecommunication Allowance is calculated by taking the difference of 85% of a school district’s telecommunication cost, the cost for accessing data transmission networks and the cost of transmitting data minus receipts from the Federal Universal Services Fund (e-Rate).

j. Instructional Time Allowance is calculated if an individual school district provides more instruction time to students than the state-wide average. If a district qualifies the calculation is based on formula students.
k. Teacher Education Allowance is available to school districts that have a greater percentage of teachers with a master or doctorate degree compared to the statewide average of schools that have teachers with master or doctorate degrees. The calculation is based on formula students and the ratio of the individual district’s percentage of teachers with a masters or doctorate degree compared to the statewide average.

l. System Averaging Adjustment is available to school districts when their basic funding per formula student is less than the statewide average basic fund per formula student with a levy of at least $1.00 per $100 of valuation. The calculation is based on the number of formula students and the difference between the district’s basic funding per student and the statewide average and is funded at the 95% level.

m. Two-Year New School Adjustment is available to school districts that add buildings to the district that would increase the school district’s student capacity. The calculation is based on the district’s basic funding per formula student times a percentage of the estimated increase in student capacity.

n. Student Growth Adjustment is calculated for school districts that have student growth of at least one percent or 25 students. The calculation is based on the basic funding per formula student multiplied by the number of increased students.

o. New Learning Community Transportation Adjustment is available to school districts in a learning community (see d. above) for two years. The calculation is based on each school district’s estimate of their increase transportation cost as required by the learning community. The actual costs are reported and any necessary adjustments are made to future needs.

p. Local Choice Adjustment is applied to school districts that have fewer than 390 formula students. This reduction is calculated based on 50% of the difference of basic funding per formula student for the district that is closest to 390 formula students minus the designate district’s basic funding per formula student. The result is then multiplied by the designated district’s formula students.

5. Needs Stabilization is calculated so that the needs of a school district will not be less than 95% of the needs as calculated for the previous year.

⇒Formula Resources:

1. Yield from Local Effort Rate (adjusted valuation provided by the Property Tax Administrator divided by 100 multiplied by the Local Effort Rate of $1.0395).

2. Net Option Funding is calculated by taking the net enrollment option students (students opting into the district minus the students opting out of the district) and multiplying by the statewide average basic funding per formula student.
3. Allocated Income Tax Funds (a percent calculated annually of the net Nebraska income tax liability of each school district’s resident individuals).

4. Minimum Levy Adjustment (applied to any system that has a general fund common levy that is less than $0.95 [ten cents below the $1.05 maximum levy].

5. Other Actual Receipts from the most recently available complete data year which include general fund state, county and local receipts.

6. Retirement Aid is a percentage of an individual school district’s total salaries reported by the school district divided by the total salary reported by all school districts. This percentage is then multiplied by $15,000,000.

**District-Based Components**

**Density/Sparsity of Small Schools**

The only time sparsity is included in the formula is when calculating the local choice adjustment. This adjustment does not apply to sparse or very sparsely populated school districts.

**Grade Level Differences**

No response provided.

**Declining Enrollment or Growth**

There is a student growth adjustment which may provide additional resources to a school district that is growing.

For school districts that have less than 900 formula students basic funding is based on total expenditures not on a per pupil cost basis and that does help school districts with declining enrollments.

**Capital Outlay and/or Debt Service**

There are no limits on school districts.

**Transportation**

Transportation Allowance is the lesser of:

Actual transportation expenditures from the most recently available complete data year.

Calculated transportation expenditures based on regular route miles and mileage paid to parents.

**Student-Based Components**

**Special Education**

Special Receipts Allowance includes district specific special education, state ward, and accelerated or differentiated curriculum program receipts from the most recently available complete data year.
Low Income / At-Risk
Poverty Allowance is calculated by taking the lesser of the maximum poverty allowance designated by the district or by the calculated amount based on the number of low income students (progressive percentages between .05 and .30 multiplied by students qualified for free lunches/milk or low income children under 19 years of age living in a household having an annual adjusted gross income equal to or less than the maximum household income that would allow a student from a family of four people to be a free lunch or free mild student, whichever is greater).

English Language Learner/Bilingual Education
Limited English Proficiency (LEP) Allowance is calculated by taking the lesser of the maximum LEP allowance designated by the school district or a calculation based on the number of LEP students.

Gifted and Talented Education
Does not apply.

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
Funding of Education – Background
Locally elected school boards govern public school districts. All public school districts are fiscally independent with revenue raising and expenditure authority vested in its elected board. The biggest single source of revenue is local property tax. Other significant sources of local revenue include city fines and license fees, and proceeds from sales tax on public power districts. General state aid is funded through state sales and income taxes and is distributed through an equalization formula. Property taxes are budgeted and requested by the elected local school boards but are levied, collected and distributed by county government which also determines the taxable value of most property in the county. Valuation used in the state aid formula is adjusted by the Property Tax Administrator for real property to 100% of market value, and agricultural and horticultural land to 75% of market value. School districts are subject to spending limitations for general fund purposes. School districts are subject to a levy limitation of $1.05 per $100 of assessed valuation with exclusions for voluntary termination agreements with certificated employees, special building fund projects commenced prior to April 1, 1996, judgments not covered by liability insurance, lease-purchase contracts approved prior to July 1, 1998, and bonded indebtedness.

Property Assessment Ratios Used/Legal Standards For Property Assessment
Valuation used in the state aid formula is adjusted by the Property Tax Administrator for real property to 100% of market value, and agricultural and horticultural land to 75% of market value.

Measure of Local Ability To Support Schools
The sum of: Property valuation per $100 of assessed valuation; state aid; certain accountable receipts, state apportionment insurance premium tax, fines and licenses, transportation receipts and tuition.
School District Budget and Tax Rate Procedures/Sources of Local Revenue
All districts are fiscally independent. In the budgeting process, total funding requirements are calculated. Federal, state and local anticipated receipts are deducted from the total. The balance is a total dollar amount certified to the County. The County sets the levy necessary to collect the dollars needed. The amount of the levy is limited by state statute although there are some exclusions to the limitation.

State Support for Nonpublic Schools
Does not apply.
Description of the Formula

Foundation program based on weighted apportionment student count. This weights students for pre-K and K at 60%. State pays for Nevada resident students wherever educated, but not out-of-state students, hence funding adds in students being educated in adjoining states but deducts student counts of non-resident students. Basic aid in 2011 is $5,192. Funding ranges from $5,179 to $18,799 and differences based on relative costs (licensed staffing costs, classified staffing, operating and equipment expenses on per student basis), relative transportation costs, and relative wealth adjustment for local tax receipts. Guaranteed consists of state portion and two local taxes, the 1/3 public schools operating property tax (PSOPT) or 0.25/$100 AV) and the 2.25% of sales taxes referred to as the local school support tax (LSST). The state portion makes up for any shortfalls in the two local taxes. Wealth adjustment is based on “outside” revenues of 2/3 PSOPT (0.50/$100 AV), governmental services tax, franchise fees, and unrestricted federal revenues.

District-Based Components

Density/Sparsity of Small Schools
Guarantee is based on number of school district attendance areas in which educational services must be provided due to distances involved. This constitutes adjustment for rural and urban area characteristics.

Grade Level Differences
Kindergarten pupils weighted 0.6; all other pupils weighted 1.0. Supplemental funding is provided for grades K and 1-3 through a class-size reduction program. These funds totaled over $145 million in FY2011 and required the funding of 2,163 CSR teacher positions to reduce class sizes in these grades.
Pupil Weights for District/School Size
Accommodation provided within the funding formula to account for more rural school districts with highly dispersed student population through attendance area concept of necessary schools.

Declining Enrollment or Growth
Payments are guaranteed on a “hold harmless” statue which pays school districts and charter schools for highest enrollment over three latest years.

Capital Outlay and/or Debt Service
Bonded indebtedness may not exceed 15% of assessed valuation.

Transportation
Transportation allowance is based on relative transportation costs among school districts on a per student basis after subtracting the statewide average amounts. After subtraction, districts with positive numbers receive that additional per student revenues while districts with negative numbers receive that per student deduction to their final basic support per student.

Student-Based Components

Special Education
Allocations of special education funding vary widely among school district based primarily on needs and applications. Funding support is set in terms of number of regular and discretionary units, with each unit valued at $39,768 for 2011. Students per unit range from a low of 47.6 in Pershing County School District to a high of 155.4 students per unit in Clark County School District.

Low Income / At-Risk
Does not apply.

English Language Learner/Bilingual Education
Does not apply.

Gifted and Talented Education
Does not apply.

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
Does not apply.

Property Assessment Ratios Used/Legal Standards for Property Assessment
With 2005 Legislature and tax caps on property taxes (A.B. 489 and S.B. 525), funding calculations have switched from an assessed valuation to a revenue figure, termed the public schools operating property tax (PSOPT which are the total property tax receipts by school districts based on the capping (3% for owner occupied; 8% commercial or rental; 0% for new of their property tax receipts). Of these total receipts, 2/3 (the former $0.50 property tax on
assessed valuations PSOPT constitutes the “outside” revenues without any guarantee by the State on their receipt. The other 1/3 PSOPT is part of the guarantee and the State makes up for any shortfall in this amount).

**Measure of Local Ability To Support Schools**
Yield from 2.25% local school support tax (LSST), 1/3 PSOPT, 2/3 PSOPT, governmental services tax (old MVPT), franchise fees, unrestricted federal revenues.)

**School District Budget and Tax Rate Procedures/Sources of Local Revenue**
All 17 school district are virtually totally dependent on the State government to set tax rates and, in terms of sales taxes, collect and distribute proceeds. Local school districts, other than bond sales voted upon by the local population, have no taxing authority to determine taxes or set rates.

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

Description of the Formula

NH Department of Education, Office of the Commissioner, November 18, 2008

Estimated FY10 Transition Adequate Education Aid

In the 2008 legislative session, SB539 modified Adequate Education Aid and created the Fiscal Capacity Disparity Aid program. These changes take effect beginning with aid for the 09-10 (FY10) school year. A transitional provision for FY10 and FY11 moderates increases and decreases when compared to FY09. RSA 198:38 through 198:41, and RSA 198:46 specify how aid will be calculated and distributed.

Cost of an Opportunity for an Adequate Education

Students

The Cost of an Adequate Education has been calculated using FY07 (06-07 school year) data for students in grades kindergarten through grade 12 who were legal residents of New Hampshire and:

- Attended a school operated by their resident district
- Were tuitioned by the resident district to a district operated school in NH or another state, or
- Were tuitioned by the resident district to a nonpublic school, such as a special education program.
- Charter school students are not included.
- Home schooled students, even those taking a few courses at a public school, are not included.
- Preschool students are not included.

Average daily membership (ADM) has been used to count the students. A student who is enrolled in school for the entire year has an ADM of 1.00. Students who transfer between schools are counted as a fractional ADM at each school. Half-day kindergarten students are counted as 0.50 and full-day kindergarten students are counted as 1.00.

Adequacy Cost
Cost is computed per ADM. The base per pupil cost is $3,450, but certain school and individual factors increase that cost.

The percentage of students eligible for free/reduced priced school lunch (F/R) is the only school factor. This allocation, specified as differentiated aid, is allocated only when the F/R rate is 12% or more. The F/R rate is calculated using students in grades 1-12 identified as eligible in October. All students in kindergarten through grade 12, not just those eligible for F/R, are allocated differentiated aid based on the following differentiated rates:

- F/R rate of 12.00% to 23.99%, $863
- F/R rate of 24.00% to 35.99%, $1,725
- F/R rate of 36.00% to 47.99%, $2,588
- F/R rate of 48.00% or more, $3,450

Cost of Adequacy student factors and rates are:

- $1,856 for a special education student
- $675 for an English Language Learner receiving English Language instruction
- $431 for a kindergarten through grade 12 student eligible for free/reduced priced school lunch attending a school where the F/R was less 12%

Cost of Adequacy by Municipality

The Department of Education calculates the Cost of Adequacy for students in each district-operated public school in NH and for students that attend other schools, such as privately operated special education programs or public schools in bordering states. The Department then sorts those students and their cost allocations by municipality of residence.

Fiscal Capacity Disparity Aid

Fiscal Capacity Disparity Aid, which is separate from Adequacy, is allocated to municipalities with the lowest capacity to raise property tax revenue as long as the municipality's Median Family Income (from the most recent U.S. Bureau of the Census) is less than the state average.

Each municipality's equalized valuation per pupil is computed by dividing the FY07 local tax base (4/1/06 equalized valuation including the utility properties) by the FY07 Average Daily Membership of resident students (ADM-R). The ADM-R used for Fiscal Capacity Disparity includes grades kindergarten -12 but counts only the first ½ day of full-day kindergarten students. It also includes charter school students. Provided the municipality's median family is below the state average, aid for the 29 municipalities with the lowest equalized valuation per pupil is $2,000 per student, and aid for the 30 next lowest municipalities is $1,250 per student.

Statewide Education Property Tax Assessment

Each December, the Department of Revenue Administration notifies each municipality of the amount it must raise through the Statewide Education Property Tax (SWEPT) for the following school year. The Department does this by first determining the rate needed to raise approximately $363 million statewide. When applied to 4/1/07 equalized valuations
without utilities, the rate is $2.135 per thousand. Each municipality must raise its proportional share of the total. This process is described in RSA 76:3 and RSA 76:8. Municipalities send the revenue raised by the Statewide Education Property Tax directly to school districts. Within cooperative districts the amount raised is credited to the individual towns. If the Statewide Education Property Tax to be raised by a municipality for FY10 exceeds the amount needed to fund the FY10 school budget after all other revenues have been applied, then the municipality must return the excess to the State. The amount of excess is determined by the Department of Revenue Administration when tax rates are set in the fall, and the excess must be returned to the State by March 15th.

Determination of Transition Grants

Each municipality's preliminary grant is determined by adding the Cost of Adequacy and Fiscal Capacity Disparity Aid, then subtracting the Statewide Property Tax assessment. This amount is capped at 115% of the FY09 grant.

The second step is to calculate Total State Aid by adding the Statewide Property Tax assessment and the preliminary grant. If this amount is less than the FY09 SWEPT assessment plus grant, then the municipality is allocated a hold harmless grant equal to the difference.

The FY10 Transition Grant is equal to the adjusted preliminary grant plus the hold harmless grant. The grant payment schedule is 20% by September 1, 20% by November 1, 30% by January 1, and 30% by April 1.

State Aid

State Aid is the sum of the Transition Grant payment and the Statewide Education Property Tax revenue received from the municipality.

FY11 Transition Grant

For FY11 the Cost of Adequacy and Fiscal Capacity Disparity Aid will not change. Since the Statewide Property Tax assessment will be slightly different, transition grants will be slightly different.

District-Based Components

Density/Sparsity of Small Schools
Does not apply.

Grade Level Differences
Does not apply.

Declining Enrollment or Growth
Does not apply.

Capital Outlay and/or Debt Service
For single town districts the state pays 30%-60% of annual payment of bonded principal for approved construction and renovation projects. For cooperative districts the range is 40%-60%. Rates are based on the number of towns within the cooperative and the equalized valuation per
pupil and median family income of those towns. Limitations based on capacity needs and a per square footage rate apply to new construction. Up to an additional 3% may be awarded for projects that meet New England’s Collaborative for High Performance Schools.

**Transportation**
See Equitable Education Aid. Also, transportation for career and technical education students to CTE centers.

**Student-Based Components**

**Special Education**
See Description of the Formula. Also, Catastrophic Aid for high cost students. The state pays 100% of cost above 10 times the state average current expenditure per pupil, and 80% of the cost between 3.5 and 10% the state average.

**Low Income / At-Risk**
No response provided.

**English Language Learner/Bilingual Education**
See Description of the Formula.

**Gifted and Talented Education**
Does not apply.

**Other**
Charter School Tuition for schools approved by the state board of education.

**Revenue and Expenditure Information**

**State Mandates Restricting Revenue or Expenditure Increases**
Does not apply.

**Property Assessment Ratios Used/Legal Standards For Property Assessment**
The state Department of Revenue Administration requires towns to conduct revaluations if equalization ratios exceed standards. The Assessment and Equalization Standards Board provides oversight.

**Measure of Local Ability To Support Schools**
Equalized valuation per pupil and median family income used by both Equitable Education Aid and Building Aid.

**School District Budget and Tax Rate Procedures/Sources of Local Revenue**
There are a small number of dependent school districts, and primarily independent school districts. For dependent districts, the city council approves the annual budget and any increases thereto. For independent districts, school budgets must be approved annually by the voters. Local revenues for schools are derived exclusively from local property taxes.
State Support for Nonpublic Schools
As required by federal regulations.
Description of the Formula

The current school funding formula was established with the passage of the School Funding Reform Act of 2008 (SFRA) and was first used for funding districts in the 2008-2009 school year. It is a foundation formula based on projected weighted enrollment.

Equalization Aid provides wealth-equalized foundation aid to school districts with the intent of ensuring that districts have sufficient resources to provide a “thorough and efficient” education. The State sets an annual uniform per pupil foundation amount, which is multiplied by the weighted resident enrollment for each district to determine their “adequacy budget.” Districts that cannot fund their adequacy budget on their own receive equalization aid in proportion to their ability to pay. The latter is determined based on districts’ per pupil equalized property value and per pupil income.

In fiscal year 2011, the per pupil foundation amount (for all students) was $9,971. The following grade level adjustments are made: half-day kindergarten = 0.50; full-day K through grade 5 = 1; grades 6 through 8 = 1.04; grades 9 through 12 = 1.17. In addition, the new formula applies a higher weight for county vocational students (1.31), for students eligible for free and reduced priced lunches through the federal school lunch program, and for students with limited English proficiency. (The at-risk and LEP weights will be described in more detail below.)

The SFRA was fully funded in FY 2009. However, due to recent budgetary constraints, increases in aid for FY 2010 and FY 2011 were limited. In addition, the aid allocations for FY 2011 were reduced for all districts (subsequent to running the formula) by the same proportion of their respective budgets (4.994%).

District-Based Components

Density/Sparsity of Small Schools
Does not apply.
Declining Enrollment or Growth
Adjustment Aid was provided to transition districts through the new funding formula. Since the prior formula had not been recalculated to account for changes in enrollment in many years, it was necessary to mitigate potential losses in aid. Adjustment aid is provided to prevent districts from receiving less aid than they received in FY 2009.\(^1\) Beginning in FY 2012, districts that experience enrollment declines greater than 5% below the FY 2009 enrollment will have their adjustment aid reduced proportionately with the amount of the decrease that exceeds 5% (i.e. 7% decline in enrollment from FY 2009 will lead to a 2% reduction in adjustment aid).

Capital Outlay and/or Debt Service
Debt service is available to any district with qualifying outstanding debt from school construction or renovation projects. The SFRA defines the debt service state share percentage as the ratio of Equalization Aid to the Adequacy Budget.\(^2\) In addition, with the enactment of the Education Facilities Construction and Financing Act (EFCFA) in fiscal year 2000, districts could choose to receive grants of no less than 40% of department approved eligible construction costs, or their debt service state share described above.

Transportation
Districts receive transportation aid for students who are transported more than a specified distance between home and school (2 miles for students in preschool through grade 8, 2.5 miles for students in grades 9 through 12). A greater level of support is provided for special education students who have special transportation needs. In addition, children whose special education programs require transportation are provided transportation regardless of their distance from school.

For regular transportation needs, the fiscal year 2011 formula aid amounts (prior to the reduction) equaled $396.70 per transported student plus $10.85 per mile the student was transported. The corresponding figures for students with special transportation needs were $2,675.14 per student and $5.27 per mile transported.

The SFRA requires the state to examine the funding for transportation, and to present new cost factors to the Legislature by way of the Educational Adequacy Report (due every three years).

Student-Based Components

Grade Level Differences
As noted above, students at different grade levels are given varying weights when determining Equalization Aid. Half-day Kindergarten is 0.5; grades K through 5 are 1; grades 6 through 8 are 1.04, and grades 9 through 12 are 1.17.

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\(^1\) For FY 2011, the state aid reductions were applied after the formula was run. As a result of the necessary reductions, many districts’ aid allocations for FY 2011 were lower than their FY 2009 aid amounts.

\(^2\) While the SFRA includes the above calculation, the state has actually used the same state share percentage for debt service aid for every district since FY 2002.
English Language Learner (ELL/LEP)/Bilingual Education
Aid for LEP students is provided through equalization aid. Students that are enrolled in qualifying programs are given an additional weight when determining the adequacy budget. For a student that is LEP, but not low-income, the weight is 0.5 (in addition to the base cost and grade level weights). For a student that is both LEP and low-income, the weight is 0.125 (reduced to account for duplicative resources provided through the at-risk weight).

Security Aid
Security Aid is provided to all districts as a categorical aid (regardless of wealth). Each district receives a specified amount per pupil. In FY 2011 the amount was $72. Districts receive an additional amount for each at-risk student, where the amount received increases along a sliding scale proportionate with the district’s low-income concentration. The highest amount districts could receive for each at-risk student was $412 in FY 2011, at a threshold of 40% or more at-risk students.

Special Education
Through the new funding formula, the State has adopted a census-based method of funding for Special Education. This approach bases the aid allocation on each district’s total enrollment. Using this method, special education needs are projected by multiplying the excess cost of educating special education students by the statewide average classification rate, which is then multiplied by the district’s total enrollment. Two-thirds of this cost is included in the district’s adequacy budget, where it is funded through equalization aid. One-third of this cost is provided as categorical aid to the district (regardless of district wealth). This ensures that all districts receive some amount of special education aid.

In determining the actual “excess” cost for special education, the Department used audited expenditure data from fiscal year 2006. The term “excess cost” refers to the costs in addition to the base cost for education for all pupils. In addition to allocating the costs for special education expenditure lines, a portion of the general education budget was also attributed to special education to account for the special education costs for students that are mainstreamed for at least some portion of the day. This adjustment was based on the percentage of time special education students spent in regular classrooms according to the data collected from districts pursuant to federal reporting requirements.

Low Income / At-Risk
The following 3 categories of aid are based on measures of district and student wealth. For aid purposes, low-income (“at-risk”) counts are based on the number of students eligible for the federal free and reduced priced lunch programs.

At-Risk Equalization Aid
Aid for low-income students is primarily provided through equalization aid. As noted above, low-income students generate an additional weight (ranging from 0.47 to 0.57) when determining the adequacy budget. In districts with a low-income concentration lower than 20%, each at-risk student receives a weight of 0.47. This weight gradually increases as the at-risk concentration increases to a maximum weight of 0.57 for districts with an at-risk concentration greater than or equal to 60%.
**At-Risk Security Aid**
As described in the security aid section above, each at-risk student generates an additional categorical allocation for a district, where the per pupil amount received increases with the district’s at-risk concentration. In FY 2011, the maximum security aid per pupil was $412 per at-risk student in a district with an at-risk concentration of at least 40%.

**Preschool**
The SFRA includes full State funding for all at-risk 3- and 4-year olds to attend full-day preschool programs in every district. In districts with the DFG designations “A” or “B” or those in “CD” districts that also have an at-risk concentration of at least 40%, funding is intended for all resident 3- and 4-year olds, regardless of income.[1] In all other districts, funding is intended for all at-risk resident 3- and 4-year olds.

Due to recent budgetary constraints, the State’s plan to expand the preschool program as defined in the SFRA was not realized in FY 2011. While some amount of Preschool Education Aid (PEA) was provided to each district that received early childhood aid under the previous funding law, the SFRA calculation was only applied to about 20% of those receiving aid. Other districts’ aid allocations were based on prior year aid allocations, with some adjustments.

**Gifted and Talented Education**
Resources for gifted and talented students are included in the state’s model district that is used to calculate each district’s adequacy budget. While there is no additional aid category, it should be assumed that the costs for gifted and talented students are included in districts’ adequacy budgets, which are funded through equalization aid.

**Other**

**County Vocational District Aid** is dispersed to the 21 county vocational school districts in accordance with the formula. Specifically, students that are recorded in the resident enrollment for county vocational schools generate a weight of 1.31 in addition to the grade level, at-risk, and LEP weights within the adequacy budget. In fiscal year 2011, this weight translated to $15,283 for the base cost for these students (not including high school or other additional weights). For each county vocational district, the adequacy budget is funded according to the county’s average local fair share. This is calculated as the sum of the county districts’ local shares over the sum of districts’ adequacy budgets within the county, multiplied by the vocational district’s adequacy budget. Equalization and other aids are then provided in the same manner as for all other LEAs.

**School Choice Aid** provides revenue to districts that receive students from other school districts as part of the Inter-district Public School Choice Program. Choice aid ensures that each receiving district receives its average adequacy amount per pupil for each participating choice student. The

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[1] District Factor Groups (DFGs) are based on a socio-economic index of each school district’s community characteristics. The index is grouped into the following 8 categories, listed from lowest to highest: A, B, CD, DE, FG, GH, I, J). For more information about the DFGs and the factors that are used to calculate the index, please go to the following website: [http://www.state.nj.us/education/finance/sf/dfg.shtml](http://www.state.nj.us/education/finance/sf/dfg.shtml)
state recently passed legislation that will significantly expand the state’s choice program (the pilot program had limited participation to one choice district per county).

*Teachers’ Pension and Annuity Fund & Post Retirement Medical Social Security Tax* – The State makes a contribution to the Teachers’ Pension and Annuity Fund and supports the cost of post-retirement medical benefits for retired certified staff.

*Social Security Tax* – The State reimburses school districts for the employer’s share of the Social Security tax paid for certified staff.

**Revenue and Expenditure Information**

**State Mandates Restricting Revenue or Expenditure Increases**

New Jersey limits districts’ general fund tax levy. For FY 2011, school districts were limited to a 4% increase in their prebudget year adjusted tax levies, including weighted increases for enrollment. Districts can apply to the Commissioner for a waiver in order to increase beyond this levy limit for certain purposes. There are also automatic adjustments allowed for increases in health care costs, state formula aid reductions and various other conditions.

During a special session in the summer of 2010, the Legislature passed P.L. 2010, c.44, which subsequently was signed into law by Gov. Chris Christie. This law will limit the adjusted levy increase to 2%, beginning in FY 2012. This law contains fewer adjustments – an adjustment for increases in enrollment, health care costs, and certain pension contributions, as described in the law – and allows districts to “bank” the cap for future years if they do not use it (for up to three years).

**Property Assessment Ratios Used/Legal Standards for Property Assessment**

Taxable value is 100 percent of the true value as established by the county board of taxation.

**Measure of Local Ability to Support Schools**

A community’s fiscal capacity is measured by a combination of equalized property valuation and aggregate income (as reported on the State’s income tax returns).

**School District Budget and Tax Rate Procedures/Sources of Local Revenue**

All districts are fiscally independent. There are two types of districts. Type I districts have a school board that is appointed by the municipality and a Board of School Estimates that must approve the proposed budget annually. Type II districts have an elected school board and present the budget proposal to the voters in the April election. Type II districts are also permitted to raise revenue during four special elections in a given fiscal year.

**State Support for Nonpublic Schools**

The State provides several categories of aid to students enrolled in non-public schools including the following:

- Textbook aid;
- Handicapped aid;
• Auxiliary services aid;
• Auxiliary services / handicapped transportation aid;
• Nursing services aid

The State also provides aid-in-lieu of transportation for nonpublic transportation expenditures. In FY 2011 the amount was $884 per pupil.
Description of the Formula

Foundation program based on weighted pupil units is MEM. The guarantee per weighted pupil is $3,712.45 for 2010-2011. State foundation aid is equal to the sum of weighted pupil units times $3,712.45 minus 75% of designated local revenues (PL874, forest reserve, and local property tax revenue).

District-Based Components

Density/Sparsity of Small Schools
Schools with less than 200 elementary and junior high school pupils, districts with less than 200 or 400 senior high school pupils, districts with 10,000 ADM, but less than 4,000 ADM per high school, and districts with less than 4,000 total ADM, all qualify for additional aid.

Grade Level Differences

<table>
<thead>
<tr>
<th>Grade</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>K (FTE)</td>
<td>1.44</td>
</tr>
<tr>
<td>1</td>
<td>1.2</td>
</tr>
<tr>
<td>2 and 3</td>
<td>1.18</td>
</tr>
<tr>
<td>4 through 6</td>
<td>1.045</td>
</tr>
<tr>
<td>7 through 12</td>
<td>1.25</td>
</tr>
</tbody>
</table>

Pupil Weights for District/School Size
Additional program units for districts with less than 400 MEM (excluding special education MEM) according to the following formula:

*Elementary-Junior High*

\[(200 – \text{MEM}/200) \times 1.0 \times \text{MEM} = \text{UNITS}\]
*Senior High*
Whichever provides the greater number of units:

\[(200 – \text{MEM}/200) \times 2.0 \times \text{MEM} = \text{UNITS}\]

or

\[(400 – \text{MEM}/400) \times 1.6 \times \text{MEM} = \text{UNITS}\]

Additional program units for districts with less than 4,000 MEM (including special education MEM) according to the following formula:

\[(4,000 – \text{MEM}/4,000) \times 0.15 \times \text{MEM} = \text{UNITS}\]

Additional units for districts with over 10,000 MEM with a ratio of MEM to senior high schools less than 4,000:1, according to the following formula:

\[(4,000 – \text{MEM}/\text{Senior High Schools}) \times 0.50 = \text{UNITS}\]

**Declining Enrollment or Growth**

Districts with a projected MEM of 200 or less shall calculate the program units on the greater of the prior year’s funded or actual 40th day units.

Districts with an increase of MEM equal to or greater than one percent are eligible for additional program units.

**Capital Outlay and/or Debt Service**

Guarantee of $62.04 per mill per program unit less two mills, other by application. Bonding limit of 6% of net assessed property valuation. Mill levy of (10) less two mills and debt service.

**Transportation**

Funded at 100% with categorical appropriation based on a transportation distribution formula to recognize the varied operating conditions and diversified factors throughout the state on an equitable basis. Thus, the safety of students is not compromised by local district funding priorities. Cost reports are required by statute and mid-year and end of year adjustments are made to fit actual need within the formula and appropriation.

**Student-Based Components**

**Special Education**

State aid is provided through five weighted categories included in the foundation program.

**Pupil Weights for Special Education Programs**

Special education students are funded under the basic program units with additional weightings as follows:
<table>
<thead>
<tr>
<th>Categories</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Programs: specially trained teacher travels from class to class or school to school to assist teachers, students and gifted on a part-time basis.**</td>
<td>.7</td>
</tr>
<tr>
<td>Class B Programs: specially trained teacher operates a resource room and assists gifted.**</td>
<td>.7</td>
</tr>
<tr>
<td>Class C Programs: special classroom instruction for moderately handicapped and gifted.</td>
<td>1.0</td>
</tr>
<tr>
<td>Class D Programs: full-time special classroom instruction for severely handicapped students and aged three and four year old handicapped.</td>
<td>2.0</td>
</tr>
<tr>
<td>** Weighted classroom units</td>
<td></td>
</tr>
</tbody>
</table>

Special education is also funded for related services ancillary to providing special education, the number of full-time-equivalent certified or licensed ancillary service and diagnostic service personnel multiplied by the cost differential factor 25.0.

**Low Income / At-Risk**
Does not apply.

**English Language Learner/Bilingual Education**
Full-time equivalent pupils weighted .5 in state aid formula.

**Gifted and Talented Education**
See “Special Education”

**Revenue and Expenditure Information**

**State Mandates Restricting Revenue or Expenditure Increases**
Does not apply.

**Property Assessment Ratios Used/Legal Standards For Property Assessment**
Taxable value is not to exceed 33.3% of true value.

**Measure of Local Ability To Support Schools**
PL 874 revenue, forest reserve, and local property tax income.

**School District Budget and Tax Rate Procedures/Sources of Local Revenue**
The 89 districts are fiscally dependent. The maximum local levy without voter approval is half mill. Voter approval is not required for a budget or tax increase. Sources of local revenue for
schools are derived from the half mill property tax, interest earnings and other. State takes credit for 75% of half mill.

**State Support for Nonpublic Schools**
Does not apply.
Description of the Formula

Chapter 57 of the New York State Laws of 2007 changed the school funding system by replacing some 30 separate aids with a new foundation formula. The formula has four parts: A foundation amount based on the cost of education in successful school districts multiplied by a pupil need index and a regional cost index, less an expected local contribution. The pupil need index reflects students who typically require extra time and help and is measured by students receiving subsidized meals, English Language Learners and students from geographically sparse areas of the state. The regional cost index measures the relative cost of doing business in various labor force regions of the state as measured by the salaries of professionals other than teachers. The expected local contribution represents each district’s fair share of education funding based on the capacity to raise revenues locally. Districts are given the choice of the better of a state sharing ratio (percent equalizing formula) which most districts choose or a standard tax rate per $1,000 of Full Value adjusted by the income per pupil relative to the State average. For 2010-11 and 2009-10, Foundation Aid is held to the 2008-09 Foundation Aid amount (about $15 billion). This legislation also continued separate funding for regional shared services (i.e. BOCES and special services aids), school construction, pupil transportation, the education of high cost students with disabilities, instructional materials, high tax, charter school transition and universal prekindergarten.

For 2010-11, a separate $2 billion gap elimination adjustment is calculated for all major school districts based on the lesser of a percentage and formula reduction or a tax effort formula using residential levy as a percent of income. Free and reduced-price lunch, fiscal capacity and enrollment are factored into the reduction formula. The impact of the reduction was tempered by $726 million in remaining federal ARRA funding.

District-Based Components

Density/Sparsity of Small Schools
Sparsity is a factor in calculating the Pupil Need Index. Sparsity is considered a factor in school districts operating grades K-12 with fewer than 25 pupils per square mile. This sparsity factor is not exclusive to “small schools”; enrollment does not specifically affect a district’s eligibility for such aid. Sparsity also potentially affects the Transportation Aid ratio of a school district.
School districts’ enrollment from the year prior to the base year is subtracted from 21 and then that difference is divided by 317.88. The minimum is 0. This sparsity factor is added to the district’s selected sharing ratio to determine the State Sharing Ratio for Transportation Aid for each school district.

**Grade Level Differences**
Secondary pupils are weighted 1.25. This weighting is not a factor in the calculation of one of the Foundation Aid (see first section for description of Foundation Aid) options, and it is used in the calculation of other aid categories.

**Declining Enrollment or Growth**
For Foundation Aid, districts with declining enrollment may select the higher of the base pupil count or a two-year average pupil count.

**Capital Outlay and/or Debt Service**
State Building Aid is based on and paid on an Assumed Amortization Schedule. Depending on whether the work done is reconstruction, additions or new buildings, aid is paid to school districts over 15, 20 or 30 years, respectively. Aid is provided primarily for debt service. The formula is wealth-equalized based on real property wealth of the district with a selection of aid ratios back to 1981-82. Limits for bonded indebtedness are based on the relationship of debt to full value of district property. Limit is 10% of property valuation for non-city school districts and New York City; 5% for city schools under 125,000 population; and 9% for city school districts over 125,000.

**Transportation**
Transportation Aid is wealth equalized with a choice of aid ratios and sparsity adjusted (see section on sparsity). The maximum reimbursement for approved expenses is 90 percent but districts may receive as little as 6.5%. Approved capital transportation expenses are amortized and aided over five years.

**Student-Based Components**

**Special Education**
Foundation Aid is paid for general education and special education students with students with disabilities receiving additional weightings as specified below.

**Pupil Weights for Foundation Aid**

<table>
<thead>
<tr>
<th>Category</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pupils with handicapped conditions in special class 60% or more or the school day in either public school or BOCES Program.</td>
<td>1.41</td>
</tr>
<tr>
<td>Pupils with handicapping conditions in special class 20% or more of the school week or receiving consultant teacher services a minimum of 2 hours per week.</td>
<td>1.41</td>
</tr>
<tr>
<td>Students moving from a restricted placement into a general education setting.</td>
<td>.50</td>
</tr>
</tbody>
</table>
A High Cost Excess Cost formula provides wealth-equalized aid, in addition to Foundation Aid, for students in very high cost programs in districts or BOCES. A Private Excess Cost formula provides equalized reimbursement for tuition expenses above a basic contribution for public students placed in state-operated or private schools for students with disabilities.

**Low Income / At-Risk**
See pupil need index in Description of Formula.

**English Language Learner/Bilingual Education**
See pupil need index in Description of Formula. In addition, there is a separate Bilingual Education grant of $12.5 million.

**Revenue and Expenditure Information**

**State Mandates Restricting Revenue or Expenditure Increases**
The laws of 1997 imposed a contingent budget cap on school districts whose budget was defeated by the voters (maximum of two votes possible). Upon adoption of a contingent budget, district spending in the subsequent year is limited to the lesser of 120% times the percentage increase in the consumer price index or 4% over the spending from the previous year (some costs are excluded when calculating the contingent budget amount), whichever is less. In addition, there is a limit on the administrative component of a contingent budget.

**Property Assessment Ratios Used/Legal Standards for Property Assessment**
Full value at 100% assessment is used.

**Measure of Local Ability To Support Schools**
For transportation, building and BOCES aids, fiscal capacity is measured by property value per pupil compared to the State average. For Foundation and other equalized aids, a combined wealth ratio equally weights property value per pupil and income per pupil, compared to the respective State averages.

**School District Budget and Tax Rate Procedures/Sources of Local Revenue**
There are 697 school districts in New York State. Five (5) of these districts are fiscally dependent large city school districts. Of the remaining 692 districts, 13 are special act school districts which do not have taxing authority. Therefore, 679 school districts place their budgets before the voters for approval. There is a limit of two (2) votes on a budget and a simple majority is required for approval (see “State Mandates Restricting Revenue or Expenditure Increases” for information regarding contingent budgets). These school districts determine a tax levy amount to be raised from the property owners of the district and work with the counties to establish tax rates. In dependent school districts (the state’s largest cities), local revenue to be applied in the budget is determined by the municipal government.

**State Support for Nonpublic Schools**
Public school districts are reimbursed for costs of purchasing and loaning textbooks to resident non-public school children (up to $58.25 per child). Transportation is provided by the student’s home district and the expenses are Transportation Aid eligible. School districts loan software and
library materials to eligible nonpublic school students. Health services are provided to the students in a non-public school by the district in which the non-public school is situated. The public school district providing the services contracts with any other public school district from which students attending the non-public school are resident. The school district of residence pays for the services.

In addition, non-public schools receive Mandated Services Aid. This aid is paid directly to the non-public schools for expenses associated with meeting state standards, such as testing. The program budget for this aid is approximately $109 million for 2010-11.
Description of the Formula

Flat grant program based on instructional units. The state provides between $30,430 and $67,280 per instructional unit based on a statewide teacher salary schedule. Additional support is provided for administrative personnel and teacher aides. There is no required local contribution. Pupil count is Average Daily Membership (ADM). The State Salary Schedule is located on the following link:
http://www.ncpublicschools.org/fbs/finance/salary/65+

District-Based Components

Density/Sparsity of Small Schools
A special allotment is paid for isolated school populations.

Grade Level Differences

<table>
<thead>
<tr>
<th>Grade</th>
<th>One Teacher Position for</th>
</tr>
</thead>
<tbody>
<tr>
<td>K-3</td>
<td>18 students</td>
</tr>
<tr>
<td>4-6</td>
<td>22 students</td>
</tr>
<tr>
<td>7-8</td>
<td>21 students</td>
</tr>
<tr>
<td>9</td>
<td>24.5 students</td>
</tr>
<tr>
<td>10-12</td>
<td>26.64 students</td>
</tr>
</tbody>
</table>

Declining Enrollment or Growth
Does not apply.

Capital Outlay and/or Debt Service
State Literary Loan fund provides a maximum loan for any one county in a fiscal year of five hundred thousand dollars ($500,000).

The rate of interest on loans shall be based on 95% of the Bond Buyer 20-Bond Index that is published at the time the loan is approved by the State Board of Education not to exceed eight percent (8%).
Transportation
Local districts provide transportation services. State funds mechanics, drivers’ wages and bus replacement based on efficiency ratings and replacement schedules.

Student-Based Components

Special Education
State allocated aid for handicapped students on the lesser of April first headcount or 12.5% of total ADM.

Low Income / At-Risk
North Carolina has two categories of funding specifically for remediation and students at risk of failing. These categories are as follow:

1. At-risk Student Services/Alternative Schools – This funding allocates 1 School Safety Officer per High School and the remaining funds are allocated 50% based on ADM and 50% based on poverty with a minimum of 2 teachers and 2 instructional support positions.

2. Disadvantaged Student Supplemental Funding

Distribute resources based on a prescribed delivery option … reduction of class size.

Step 1: Use the average statewide (K-12) teacher-to-student classroom teacher allotment for the Fundable Disadvantaged Population which is 1:21.

Step 2: The targeted allotment ratios for the Fundable Disadvantaged Population are:
If low wealth % (per low wealth supplemental funding formula) is > or equal to 90%, one teacher per 20.5 students
• If low wealth % is > 80% but < 90%, one teacher per 20 students.
• If low wealth % is < 80%, one teacher per 19.5 students.
• If an LEA received DSSF funds in FY 2005-06, one teacher per 16 students. These 16 LEAs will not receive less funding than they received in FY 2005-06.

Step 3: Convert the teaching positions to dollars by using the state average teacher salary (including benefits).

English Language Learner/Bilingual Education
The state funds a supplemental allotment for Limited English Proficient Students. Eligible LEAs/charter schools must have at least 20 students with limited English proficiency (based on a 3-year weighted average headcount), or at least 2 1/2% of the ADM of the LEA/charter school. Funding is provided for up to 10.6% of ADM.

FORMULA: Calculate 3-Year Average Headcount

• Most current years available weighted twice (50%)
• Two previous years weighted once (25%)

Base Allocation
Each eligible LEA/charter school receives the minimum of 1 teacher assistant position.

• 50% of the funds (after calculating the base) will be distributed based on the concentration of limited English proficient students within the LEA.

• 50% of the funds (after calculating the base) will be distributed based on the weighted 3-year average headcount.

Gifted and Talented Education
State allocates funding based on 4% of total Average Daily membership per LEA.

Other
Teacher Assistants – Dollars per K-3 ADM
Vocational Education – Dollars and Months of Employment for 8-12 ADM
Driver Education – Dollars per 9th grade ADM

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
Does not apply.

Property Assessment Ratios Used/Legal Standards For Property Assessment
True value in money is used. Reassessments run on an eighty-year cycle.

Measure of Local Ability To Support Schools
No measure of local ability is used for the allocation of basic state aid; a measure of local relative ability-to-pay is determined by ranking all school units according to personal income and property valuation per ADM.

School District Budget and Tax Rate Procedures/Sources of Local Revenue
All 115 school districts are fiscally dependent; school taxes are levied and budgets approved by county commissioners. A supplemental tax on $100 appraised value of property subject to taxation by the local school administrative unit is permissible with voter approval. A simple majority is required. No more than two elections can be held in one year. Local revenues for schools derive primarily from the property tax.

State Support for Nonpublic Schools
Does not apply.

More information can be found in the Highlights of Public School Funding,
Description of the Formula

North Dakota redesigned its funding formula in 2007-2008. The new formula combined virtually all state aid previously appropriated and distributed separately into a single student driven formula. Weighting factors are used to reflect additional costs of educating students based on factors such as school size, special education and limited English proficiency. The formula also includes adjustments guaranteeing low property wealth districts a local revenue yield of at least 90% of the state average. Districts with local property wealth exceeding 150% of the state average receive a reduced state aid amount.

District-Based Components

Density/Sparsity of Small Schools
Elementary schools that serve less than 50 students, at least 15% of whom would need to travel more than 15 miles to attend another school have their weighting factor increased by 25%. High schools that serve less than 35 students, at least 15% of whom would need to travel more than 15 miles to attend another school, have their weighting factor increased by 25%.

Grade Level Differences and Pupil Weights for District/School Size
The weighting factors are applied based on school district size. Districts with average daily membership (ADM) less than 185 receive a factor of 1.25. Districts with ADM between 185 and 900 receive a factor ranging from 1.25 down to 1.0. The factor for districts over 900 ADM are not adjusted, e.g., there factor is 1.0.

There are no adjustments for grade level differences.

Declining Enrollment or Growth
The revised state school aid formula does not recognize declining enrollment or growth. All data used in the formula are from the previous school year.

Capital Outlay and/or Debt Service
Capital projects for North Dakota school districts are ultimately funded solely by local property taxes. For major projects, the local school board may request authority from the voters to issue bonds. A supermajority (60%) of the qualified voters voting on the proposed project is necessary for approval. Total outstanding bonds cannot exceed 10% of the total assessed valuation in the district. The voters confer authority to incur indebtedness at a specified amount, to then sell
bonds to raise funding for the proposed project, and finally to establish a sinking and interest
fund and associated levy to raise revenue to pay interest and amortize the outstanding principal
(N.D. CENT. CODE § 21-03). School boards may also secure authority from the voters to
establish and maintain a building fund (N.D. CENT. CODE § 57-15-16). This authority may be
approved to a maximum of 20 mills per year. Since 1985, school boards have had the authority
on their own initiative to sell bonds and then pay interest and amortize the principal from
proceeds of the building fund levy. A number of restrictions and requirements apply to such
action (N.D. CENT. CODE § 21-03).

Transportation
Funding for transportation is provided to a maximum of 90% of actual expenditures under a rate
schedule that includes the number of miles transported, rides provided and the type of vehicle
used. Where district transportation is not available, school districts may reimburse parents and
then claim 40 cents per mile per day if the students live more than two miles from the school.
Transportation payments are based on prior year statistics.

Student-Based Components

Special Education
Special education funding is provided through a factor in the main funding formula based on the
total number of students in average daily membership. There are also factors for pre-school
students on IEPs and extended year special education programs. These factors generate
approximately 70% of the special education funding provided by the state. The remainder of the
funding is set aside at the state level to reimburse school districts with extremely high cost
special education students. Where students are placed by external agencies for purposes other
than education, districts are reimbursed for allowable costs exceeding the state average cost per
pupil. Educational placements are reimbursed for allowable costs exceeding 4 times the state
average cost per pupil. Transportation and equipment are not included in allowable costs.

Low Income / At-Risk
Does not apply.

English Language Learner/Bilingual Education
Funding for students with limited English skills is provided through factors in the main funding
formula. Factors are based on assessment level.

Gifted and Talented Education
$800,000 is appropriated for the 2009-2011 biennium for gifted and talented programs.

Other
Vocational education – Approved vocational education programs are funded in part through the
State Board for Career and Technical Education, an agency that is involved also in funding
programs at designated post-secondary institutions. Local school districts are expected to provide
a major portion of funding and vocational programs are augmented by federal aid. The state
provides approximately one third of vocational funding.
Regional education associations – State funding for regional education associations (REAs) is provided through a factor in the main funding formula. The funding generated for member districts is forwarded directly to the REA. The state also provides each REA a $25,000 base grant annually.

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
Does not apply.

Property Assessment Ratios Used/Legal Standards For Property Assessment
Property tax in North Dakota is applied only to real property, except both real and personal property of public utilities is taxable. Property is given an assessed value of 50% of the true and full value. Once the assessed value had been determined, an assessment ratio is applied. The current assessment ratio is 9% for residential property, and 10% for other types of property, or 4.5% and 5%, respectively, of true and full value. Roughly two percent of district tax revenue is generated through alternative assessment methods.

Measure of Local Ability To Support Schools
The measure for local ability to support schools is property valuation per pupil.

School District Budget and Tax Rate Procedures/Sources of Local Revenue
All school districts are fiscally independent.

Taxing limits in North Dakota include caps on individual levies, general fund levies, total indebtedness, and allowable general fund balances.

In 2009-10 the legislature implemented a mill levy reduction program where school districts are given state grants based the general fund mills levied over 100 mills in taxable year 2008. These grants are capped at 75 mills. In exchange, districts agree to levy no more than 110 mills for their general fund unless their voters approve a higher levy rate.

There is no maximum allowable fund balance for the general fund, although a provision in the school finance formula reduces state aid by the amount a district’s general fund balance exceeds 45% of its general fund expenditure plus $20,000.

State Support for Nonpublic Schools
Does not apply.
Description of the Formula

Foundation program based on pupil ADM and district demographic characteristics. The evidence-based model (EBM) funding system identifies school-based programs and educational strategies and funds, by formula, resources for teachers, administrators, student services, etc. Local charge-off (or share of the state’s funding model) is 22 mills in FY 10-11, and state aid is subject to overall caps and floors related to previous years’ aid amounts. The current version of the FY2012-2013 budget bill eliminates the EBM and provides continuation funding for school districts. A replacement formula is expected to be proposed in 2012 and implemented in FY 2013.

District-Based Components

Density/Sparsity of Small Schools
Exceptions and minimums in the evidence-based model (EBM) component calculations for small school districts (those with fewer than 418 students).

Grade Level Differences
EBM breaks funding calculations in grade bands with students in K-3, 4-5, 6-8, and 9-12.

Declining Enrollment or Growth
Formula uses prior year count for school districts unless the current year count shows growth of 2% or more.

Capital Outlay and/or Debt Service
Permissible local bonded indebtedness is 9% of assessed property valuation unless a district is declared to be “special needs.”

State has a School Facilities Commission (separate from the Department of Education) that funds school facilities projects for school districts, with the percentage of state funding inversely
proportional to the relative wealth of the district, based on local property valuation. For more information, see http://www.osfc.ohio.gov/

**Transportation**
The state aid formula uses a base calculation for each district of the greater of either cost per mile or cost per rider, with subsequent adjustments to enhance efficiency and the level of service provided to students.

**Student-Based Components**

**Special Education**
Special education: included in the EBM using a weighted student count based on disability category.

**Low Income / At-Risk**
An index is applied to several components to adjust the district amount based on demographic characteristics of resident population.

**English Language Learner/Bilingual Education**
Funding in the EBM is provided for limited English proficient students based on a 100:1 student:teacher ratio, adjusted for the wealth of the district.

**Gifted and Talented Education**
A component of the EBM contains funding for gifted education in the following four areas: coordinators, intervention specialists, identification and professional development.

**Revenue and Expenditure Information**

**State Mandates Restricting Revenue or Expenditure Increases**
All voted fixed-rate levies on real property are subject to a tax reduction factor so that tax collections do not increase as a result of reassessment. However, a 20-mill floor limits the tax reduction factor so that at least 2% of property value is assessed for school operation.

**Property Assessment Ratios Used/Legal Standards For Property Assessment**
The business tangible personal property tax is being phased-out by 2011 but taxes are still assessed on utility tangible property. The taxable base on real property is the assessed value of land and buildings. Assessed value on real property is 35% of true value. County auditors must reappraise all real estate once every six years.

**Measure of Local Ability To Support Schools**

**Property valuation.**

**School District Budget and Tax Rate Procedures/Sources of Local Revenue**
613 school districts are fiscally independent. Districts can levy additional property tax mills or levy school district income taxes with simple majority approval by local electorate.

**State Support for Nonpublic Schools**
Chartered non-public schools receive funds for secular materials, equipment, computer software, textbooks, health, and remedial services as well as reimbursement for mandated administrative and clerical costs.

State does have two scholarship programs that provide funding to parents to use to support tuition at chartered nonpublic schools – the Cleveland Scholarship and Tutoring Program was instituted in 1995 and the EdChoice Scholarship Program was instituted in 2005.
Description of the Formula

Three-tiered State Aid formula: (1) Foundation Aid, (2) Salary Incentive Aid, and (3) Transportation. Under Foundation Aid, Oklahoma currently pays $1,542 (with ARRA this is $16,001) per pupil from state and local revenues. State Aid (or money paid by the State of Oklahoma) is the difference between the Foundation Aid program cost and the local contribution. The power-equalizing program provides an additional $71.74 (with ARRA $75.62) per mill per pupil for 20 mills levied (Salary Incentive portion) above 15 mills (Foundation Aid portion). The State Aid formula calculates the cost to education students based on weighted pupil units.

District-Based Components

Density/Sparsity of Small Schools
Density factor is accounted for in transportation supplement. School district size of 529 or less is weighted in the State Aid formula with the Small School District Weight.

Grade Level Differences

<table>
<thead>
<tr>
<th>Grade Level Differences</th>
<th>Pupil Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early Childhood – Half Day</td>
<td>.7</td>
</tr>
<tr>
<td>Early Childhood – Full Day</td>
<td>1.3</td>
</tr>
<tr>
<td>Kindergarten – Half Day</td>
<td>1.3</td>
</tr>
<tr>
<td>Kindergarten – Full Day</td>
<td>1.5 (Began in FY2006)</td>
</tr>
<tr>
<td>1-2</td>
<td>1.351</td>
</tr>
<tr>
<td>3</td>
<td>1.051</td>
</tr>
<tr>
<td>4-6</td>
<td>1.0</td>
</tr>
<tr>
<td>7-12</td>
<td>1.2</td>
</tr>
</tbody>
</table>

Pupil Weights for District/School Size
Additional pupil units are earned by districts with less than 529 ADM according to the following formula: (529 – ADM/529) x .2 x ADM = Small School District Weight.

Declining Enrollment or Growth
For the initial allocation of State Aid in July each year, the higher of the previous two years’ weighted ADM is used. For the midyear adjustment in December each year, the highest*
Weighted ADM of either the last two years or the first nine weeks of the current year is used (whichever is highest* of the three).

Note: Average Daily Attendance is used for certain categorical grants; i.e., textbooks, staff development, and is also used for the distribution of some of our chargeable items in the State Aid formula such as: County 4-Mill Levy, School Land Earnings, Gross Production, and Motor Vehicle collections.

**Capital Outlay and/or Debt Service**
Bonded indebtedness cannot exceed 10% of total assessed valuation.

**Transportation**
The transportation portion of Oklahoma’s state aid formula is based upon:
Average Daily Haul times a Per Capita amount times a Transportation Factor. The Transportation Factor has been the same for years at 1.39.

**Student-Based Components**

**Special Education**
The State Aid formula currently has 12 Weighted Pupil Categories related to Special Education.

**Pupil Weights for Special Education Programs**

<table>
<thead>
<tr>
<th>Categories</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision Impaired</td>
<td>3.80</td>
</tr>
<tr>
<td>Learning Disabilities</td>
<td>0.40</td>
</tr>
<tr>
<td>Hearing Impaired</td>
<td>2.90</td>
</tr>
<tr>
<td>Mentally Retarded: (Educable Mentally handicapped and Trainable Mentally Handicapped)</td>
<td>1.30</td>
</tr>
<tr>
<td>Emotionally disturbed</td>
<td>2.50</td>
</tr>
<tr>
<td>Multiple handicapped</td>
<td>2.40</td>
</tr>
<tr>
<td>Physically handicapped</td>
<td>1.20</td>
</tr>
<tr>
<td>Speech Impaired</td>
<td>0.05</td>
</tr>
<tr>
<td>Deaf and Blind</td>
<td>3.80</td>
</tr>
<tr>
<td>Special Education summer program</td>
<td>1.20</td>
</tr>
<tr>
<td>Autism</td>
<td>2.40</td>
</tr>
<tr>
<td>Traumatic Brain Injury</td>
<td>2.40</td>
</tr>
</tbody>
</table>

**Low Income / At-Risk**
Pupils who qualify and participate in a free and reduced lunch program: 0.25

**English Language Learner/Bilingual Education**
Weighted in the equalizing formula at 0.25.

**Gifted and Talented Education**
Weighted in the equalizing formula at 0.34.
Other
Out-of-Home Placement Weights

<table>
<thead>
<tr>
<th>Facility</th>
<th>Beds</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>OHP 1</td>
<td>12</td>
<td>1.5</td>
</tr>
<tr>
<td>OHP 2</td>
<td>10</td>
<td>1.8</td>
</tr>
<tr>
<td>OHP 3</td>
<td>8</td>
<td>2.3</td>
</tr>
<tr>
<td>OHP 4</td>
<td>6</td>
<td>3.0</td>
</tr>
</tbody>
</table>

*Student is placed in a residential facility which is out of the child’s home and not in the school district where the child legally resides.

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
Per Pupil Revenue in Excess of 150%
Per Pupil Revenue in Excess of 300%
(per Oklahoma Statutes: 70 O.S. § 18-200.1)

Property Assessment Ratios Used/Legal Standards For Property Assessment
Not greater than 35% of fair cash value for the highest and best use for which such property was actually used.

Measure of Local Ability To Support Schools
Property valuation per pupil (Valuation Per Cap)

School District Budget and Tax Rate Procedures/Sources of Local Revenue
All 525 districts plus 16 charters are fiscally independent. Districts may levy up to 20 mills without voter approval. A tax increase requires voter approval. Approximately one election per month can be held during the school year. For millage elections, a simple majority is required for approval; for bond issues, 60% required. Property tax revenue accounts for 80% of local revenue for schools.

State Support for Nonpublic Schools
Does not apply.
Description of the Formula

The 1991 session of the Oregon Legislature created a new measure of financial equity for school districts. Equity is not viewed as the same funding per student for all school districts; school districts will have students with special needs, will need to offer different programs, and will experience different costs to deliver equivalent programs and services. The foundation program consists of four different types of grants: General Purpose Grants, Transportation Grants, High Cost Disability Grants, and Facility Grants. The formula distributes both state revenue and the bulk of local revenue. The following principles guided the development of the new formula:

1. Share all school funding sources statewide
2. Let school districts decide how to spend their allocation,
3. Create funding differences only for uncontrollable cost differences.
4. Avoid incentives for school districts to increase their allocation.
5. Provisions of the four grants are discussed in the following paragraphs.

General Purpose Grants

These grants are based on weighted student counts; they account for roughly 93% of the formula revenue. (This percentage can vary from year to year based on the total funding available and the amounts devoted to the other three types of grants. There are no constraints on how General Purpose Grant money can be spent.)

- Weighted Student Counts are the sum of the General Education Average Daily Membership (ADM) count plus the additional student weights based on special needs. The value of a weighted student is then calculated based on available revenues. Each student in grades 1-12 is assigned a General Education ADM of 1.0, with kindergarten students counted at 0.50. Additional weights are then added to the General Education ADM based on special needs, resulting in a measure known as Weighted Average Daily Membership, or ADMw. A teacher experience factor of $25 is added to, or subtracted from, the General Purpose Grant per ADMw depending on whether the district’s average teacher experience exceeds, or falls below, the state average.
- The initial base value of the General Purpose Grant per ADMw was set in statute in 1991 at $4,500. After considering the available revenues, number of weighted students, the teacher experience adjustment, transportation grants, high cost disability grants, and facility grants, the
amount of the General Purpose Grant per ADMw was actually $5,837 for the 2009-10 school year. Because the initial base value of $4,500 per ADMw set in statute is not adjusted for inflation, current amounts per ADMw are considerably higher than the base value of $4,500.

The weights used in the calculations for the equalization formula are listed in the following table.

Weights used in the Equalization Formula

<table>
<thead>
<tr>
<th>Group</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Education and At-Risk</td>
<td></td>
</tr>
<tr>
<td>General Education ADM</td>
<td>1.00</td>
</tr>
<tr>
<td>Special Education</td>
<td>1.00</td>
</tr>
<tr>
<td>English as a second Language</td>
<td>0.50</td>
</tr>
<tr>
<td>Pregnant and Parenting</td>
<td>1.00</td>
</tr>
<tr>
<td>Students in poverty</td>
<td>0.25</td>
</tr>
<tr>
<td>Neglected and Delinquent</td>
<td>0.25</td>
</tr>
<tr>
<td>Students in foster home</td>
<td>0.25</td>
</tr>
<tr>
<td>Grade and School</td>
<td></td>
</tr>
<tr>
<td>Kindergarten</td>
<td>-0.50</td>
</tr>
<tr>
<td>Elementary district students</td>
<td>-0.10</td>
</tr>
<tr>
<td>Union high school district students</td>
<td>0.20</td>
</tr>
<tr>
<td>Small school</td>
<td>Varies</td>
</tr>
</tbody>
</table>

Note: Maximum additional weighting assigned to any student, beyond the General Education ADM, cannot exceed 2.00, but not all weights are coupled.

Transportation Grants

The transportation grant uses actual expenditures as the factor to adjust for different costs per student. The transportation grant reimbursement rate is either 70%, 80% or 90% of approved transportation expenditures. Approved expenditures include transporting students to and from school (if over 1 mile from elementary school or 1.5 miles from high school), between schools, on field trips and for other reasons in special cases. This categorical grant is only available to reimburse for actual transportation expenditures. The highest cost districts tend to be in rural districts with a low density of students where most students ride a bus over considerable distances.

High Cost Disability Grant

This grant is awarded based on approved actual costs above $30,000 for an individual student to help compensate for the uneven distribution of high cost disability students. High cost disability students tend to be concentrated in urban areas where medical and therapeutic services are available. The cost for their education can be dramatically higher than the revenue generated from the double weighting of these students in the school equalization formula.

Oregon’s legislature establishes the amount of the High Cost Disabilities Grant to be deducted from the State School Fund prior to the calculation of the General Purpose Grant. The effect of including a high cost disability grant in the formula reduces the total for the General Purpose Grant by $18 million per year. If the total approved costs exceed available funding in any fiscal year, the department prorates the amount of money available for distribution. All districts share
in the cost and those districts with students who have high cost disabilities benefit by their high cost disability grant exceeding the reduction in their general purpose grant.

Facility Grant
The cost of new facilities to increase classroom space is the differentiating cost factor for districts with new classrooms to equip. The facility grant payment is not to exceed 8% of the total construction costs of new school building costs excluding land. New buildings include additions and portable classrooms, but exclude buildings not used for some classes such as a central administration. Initially, grants to districts could not exceed $17.5 million per biennium and were prorated if eligible costs exceeded $17.5 million. The 2005 Oregon Legislature increased the amount to $25 million per biennium beginning in 2007-09 and this amount was carried forward for 2009-11.

District-Based Components

Density/Sparsity of Small Schools
Students in a qualified small school receive an extra weight based on grade level, average grade size, and distance to the nearest school. The weight is based on the size of each school, not the size of the district. To qualify as a small elementary school, the school must have been in the same location since 1995 and qualified as a small school in 1995 (elementary) and in 2009 (high school). Elementary schools also must be remote — more than 8 miles from the nearest school. If small high schools become larger than the allowable size as the result of a merger, the new, larger school receives the combined weight for four years following the merger.

Grade Level Differences
Kindergarten General Education ADM is weighted at .50, elementary school districts ADM at .90 and union high school district ADM at 1.20. There are also varying small school weights.

Declining Enrollment or Growth
The equalization formula uses the larger of the current year’s ADMw or prior year’s ADMw. Extended ADMw is the term used for the higher amount of the two years.

Capital Outlay and/or Debt Service
One of the four components in the school equalization includes a limited grant program for classrooms. Please see the facilities grant program described above.

Transportation
State support for pupil transportation is one of the four components in the state’s equalization program. The rate of reimbursement to the school district for pupil transportation is either 70%, 80% or 90% of approved costs.

Other
Small High School
In 2005, the Legislature transferred $5 million ($2.5 million per year) from the State School Fund (K-12 Equalization Formula) to the Small School District Supplement Fund. Small districts are those with fewer than 8,500 weighted students (ADMw) with high schools having
fewer than 350 students for four grades and 267 for three grades. Of the 197 school districts in the state, 95 districts qualify. Each eligible small school district receives its proportionate share of the small high school funding each year of the biennium. The 2007 legislature eliminated funding for this program starting in the 2012-13 school year.

**State Special Education Programs**
Three state education programs are funded directly out of the State School Fund. They are for students in hospitals, long-term care facilities, and a facility for the deaf.

**Virtual School**
For the 2009-11 biennium, the sum of $1.8 million was transferred from the State School Fund to the Department of Education to develop a statewide virtual school district.

**Educational Service Districts**
The state also funds 20 Educational Service Districts (ESDs). Their functions are to support school districts, help with business operations and provide special education services as needed. Of the funds distributed by the funding formula, 4.75% of the total is distributed to the ESDs.

**Student-Based Components**

**Special Education**
Two types of funding are provided in addition to the general education funding for special education students. An additional weight of 1.0 is identified for special education students and the “High Cost Disability Grant” for disabled students whose annual IEP costs exceed $30,000. Please see the High Cost Disability Grant description above.

**Low Income / At-Risk**
Oregon funds students in Pregnant and Parenting Programs at a weight of 1.0, students in poverty at .25, neglected and delinquent students at .25 and students in foster care at .25 in addition to the students’ general education ADM.

**English Language Learner/Bilingual Education**
Students served in programs for English Language Learners are eligible to receive weighting of .50 in addition to the students’ general education ADM.

**Gifted and Talented Education**
Does not apply.

**Revenue and Expenditure Information**

**State Mandates Restricting Revenue or Expenditure Increases**
Does not apply.

**Property Assessment Ratios Used/Legal Standards for Property Assessment**
Oregon maintains both assessed values and real market values for all taxable properties. Assessed values were set for existing properties in 1997 and are allowed to grow at 3% per year,
but cannot exceed real market value. Local property tax rates are applied to assessed values, but total taxes imposed on each property cannot exceed 0.5% of real market value for education taxing districts or 1.0% of real market value for non-education taxing districts.

Measure of Local Ability to Support Schools
Property valuation per pupil.

School District Budget and Tax Rate Procedures/Sources of Local Revenue
All 197 school districts are fiscally independent. Local permanent property tax rates can be applied to assessed value without voter approval. In addition, “local option” property tax levies can be established with voter approval. For each property, taxes imposed by the sum of the permanent rate and the local option rate cannot exceed 0.5% of the real market value of the property for all education taxing districts combined (school districts, education service districts, and community college districts).

State Support for Nonpublic Schools
Does not apply.
Description of the Formula

In 2006, the General Assembly directed the State Board of Education to conduct or provide for a comprehensive statewide costing-out study to arrive at a determination of the basic cost per pupil to provide an education that will permit a student to meet the state’s academic standards and assessments.

The 2008-2009 fiscal year was the first year that the formula distribution for Basic Education Funding was based on the results of the costing-out study.

For the 2010-2011 fiscal year, each school district will receive the Basic Education Funding allocation it received in 2007-2008 plus the minimum increase provided in 2008-2009 plus a state share phase in allocation plus a minimum increase as needed.

The state funding target will be calculated for each school district as follows:

Calculate an adequacy target for each school district by summing the following:

**base cost**: (a) the base cost per student ($8,950) multiplied by (b) its 2010-2011 modified average daily membership.

**poverty supplement**: (a) the base cost per student multiplied by (b) its number of students eligible for free or reduced price meals under the national school lunch program on October 31, 2008, multiplied by (c) 0.43.

**district size supplement**: the greater of zero or (a) the base cost per student multiplied by (b) its 2008-2009 adjusted average daily membership multiplied by (c) the sum of 0.483 and the natural logarithm of its 2008-2009 adjusted average daily membership multiplied by -0.05.

**English language learner supplement**: (a) the base cost per student multiplied by (b) its number of students identified as limited English proficient in the 2008-2009 school year multiplied by (c) the sum of 3.753 and the natural logarithm of its 2008-2009 adjusted average daily membership multiplied by -0.23, provided that such amount shall be no less than 1.48 and no greater than 2.43.
**adjustment for geographic price differences:** (a) the greater of 1 or its location cost metric multiplied by (b) the sum of the base cost, poverty supplement, district size supplement, and English language learner supplement minus (c) the sum of the base cost, poverty supplement, district size supplement and English language learner supplement.

The adequacy shortfall is calculated as the greater of zero or its adequacy target minus its actual spending for 2008-2009.

The state funding target equals the adequacy shortfall multiplied by (a) its 2010-2011 market value/personal income aid ratio multiplied by (b) the lesser of 1.00 or its 2008-2009 equalized millage divided by 21.1 (the equalized millage at the 75th percentile).

Each school district will receive a state share phase-in allocation equal to 32.06 percent of its state funding target.

A minimum increase will be provided to each school district, if necessary, so that its total increase including its state share phase-in allocation shall equal a minimum 2.0 percent increase over its 2009-2010 Basic Education Funding allocation.

**District-Based Components**

**Density/Sparsity of Small Schools**
There is no specific subsidy component for density/sparsity of small schools.

**Grade Level Differences**
Grade level differences are used to calculate Weighted Average Daily Membership (WADM). Several components of various state subsidy calculations include WADM as an element.

<table>
<thead>
<tr>
<th>Grade</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kindergarten(half-day)</td>
<td>0.5</td>
</tr>
<tr>
<td>Elementary</td>
<td>1.0</td>
</tr>
<tr>
<td>Secondary</td>
<td>1.36</td>
</tr>
</tbody>
</table>

**Declining Enrollment or Growth**
There is no specific subsidy component for declining enrollment or growth.

**Capital Outlay and/or Debt Service**
The state provides subsidies to school districts for the construction, renovation or purchase of school buildings on the basis of approved expenditures, which are based on the rated pupil capacity of the building as approved by the Department of Education.

The limit for school district indebtedness is based on the level of the borrowing base, which is the average of a district’s total revenues for the three years preceding the year in which such debt will be incurred. Non-voted debt cannot exceed 250% of the borrowing base, except in Philadelphia where the limitation is 100%. The limitation goes to 300% of the base when new lease rental debt is included (150% in Philadelphia).
Transportation
Reimbursement for regular pupil transportation is determined by multiplying the cost of approved reimbursable pupil transportation by the district’s aid ratio. Payments are also made for excessive cost to be determined by subtracting from approved costs the sum of the regular state reimbursement plus half mill times the district market valuation. In addition, payments are made to school districts for transportation of charter school students and nonpublic school students. Elementary students eligible for transportation reimbursement must reside at least 1.5 miles from their school and secondary students must reside 2 miles from their school. Students residing along a hazardous route, as certified by the Department of Transportation, are also eligible for reimbursement.

Payments are also made to intermediate units for the cost for transportation of pupils to and from classes and schools for exceptional children, and of eligible young children to and from early intervention programs.

Student-Based Components

Special Education

Special Education Funding for School Districts
Each school district receives the amount it received for the 2008-2009 school year.

Contingency Fund
A special education contingency fund allocation equal to 1 percent of the special education appropriation is available to school districts.

CORE Services Funding To Intermediate Units
An amount equal to 5 percent of the special education appropriation is provided to intermediate units to maintain core Services.

Institutionalized Children's Program
Funding is provided to intermediate units to maintain the Institutionalized Children's Program.

Low Income / At-Risk
There is a Poverty Supplement in the Basic Education Funding formula. It is described above.

English Language Learner/Bilingual Education
There is an English language Learner Supplement in the Basic Education Funding formula. It is described above.

Gifted and Talented Education
Gifted students are classified as part of exceptional students and are included in special education funding.

Other
Secondary Career and Technical Education Subsidy (2010-11)

Reimbursement is provided for the following vocational programs: agriculture education, distributive education, health occupations education, home economics education (gainful), business education, technical education, trade and industrial education, or any other occupational-oriented program approved by the Secretary of Education.

The subsidy is calculated as follows:

- The vocational average daily membership (VADM) is determined by multiplying the average daily membership of students in vocational programs in an area vocational-technical school by .21; multiplying the average daily membership of students in vocational programs in a school district (SD) or charter school (CS) by .17.
- The base earned for reimbursement (BER) is determined using the state median actual instruction expense per weighted average daily membership (AIE/WADM) and the equalized mills (EqM): $BER = \frac{\text{State Median AIE/WADM} - (\text{Highest EqM} - \text{SD EqM}) \times 200}{\text{Highest EqM} - \text{Lowest EqM}}$
- The fully funded amount equals 1) the lesser of the AIE/WADM or the BER multiplied by 2) the greater of the market value/personal income aid ratio or .3750 multiplied by 3) the VADM.
- Any additional funding provided by the Commonwealth over the amount provided for the 1998-1999 school year will be distributed to area vocational-technical schools, to school districts and charter schools with eight or more vocational programs, and to school districts and charter schools offering a vocational agriculture education program.
- The actual allocation is proportionately reduced so that the total does not exceed the amount appropriated. The reduction fraction for "regular allocation" is .70. The reduction fraction for "new allocation (8 or more programs)" is .15.

Pennsylvania Accountability Grants
Pennsylvania Accountability Grants provide financial assistance to school districts to implement effective educational practices and initiatives to attain and improve academic performance targets.

Educational Assistance Program
The Educational Assistance Program provides for the continuing support of tutoring services to eligible students. Funds are available to eligible school districts and full-time career and technical centers in which one or more schools have failed to meet at least one academic performance target.

Reimbursement of Charter School Expenditures
The subsidy provides a reimbursement of up to 30 percent, subject to the availability of state funding, of the actual expenditures incurred by school districts in the previous school year for resident students attending a charter or cyber charter school.

A school district may be provided a reimbursement of up to 41.96 percent if the school district had: 1) 2007-2008 average daily membership of resident students enrolled in a charter school or cyber charter school equal to or greater than 12 percent of the school district’s 2007-2008
average daily membership; 2) a 2008-2009 market value/personal income aid ratio equal to or greater than .6000; and 3) made payments equal to or greater than $1,000,000 as required under section 1725-A(a).

**Revenue and Expenditure Information**

**State Mandates Restricting Revenue or Expenditure Increases**
Act 1 of 2006 requires that local property tax increases that exceed an inflationary index must be approved by district voters unless a referendum exception is approved by the Department of Education or County Court of Common Pleas.

**Property Assessment Ratios Used/Legal Standards For Property Assessment**
Varies with each county. Rates range from less than 10% to 100%.

**Measure of Local Ability to Support Schools**
Market Value/Personal Income Aid Ratio (MV/PI AR) is the state’s measure of local district wealth and its ability to support schools. It is calculated to compare a school district’s wealth compared to the state average. The components of wealth and their weights are sixty percent dependent upon property valuation per pupil and 40% dependent upon personal income per pupil.

**School District Budget and Tax Rate Procedures/Sources of Local Revenue**
There are 498 fiscally independent districts and two fiscally dependent districts. The school board of directors approves the school district budgets without a specific limitation except for having sufficient revenues projected to fund projected expenditures.

Local revenues for schools are derived from the property tax (78%), other taxes (17%), and other local non-tax sources (6%).

Total revenues come from local sources (56%), state sources (39%), federal sources (4%), and other sources (1%).

**State Support for Nonpublic Schools**
A program of auxiliary services including remedial reading, remedial mathematics, guidance and counseling, speech, and psychological services are available to students attending nonpublic schools are provided by the intermediate unit in which the nonpublic school is located.

Textbooks, instruction materials and instructional equipment are loaned to students enrolled in grades kindergarten through twelve in a nonpublic school.
RHODE ISLAND

Description of the Formula

The following responses are applicable to FY 2011. Beginning July 1, 2011, the state will implement a new education financing formula. All current categories of aid will be suspended. The new formula will distribute aid on a per pupil basis and provide a core instructional amount for the basic education program, a student success factor to support student needs beyond the core amount, and categorical funding for high cost special education students, career and technical education, early childhood programs, and non-public and regional transportation.

The state’s current method of distributing aid uses a base appropriation equal to fiscal year (FY) 1998 aid. Funding increases and decreases are applied to this base, distributed through ten categorical distributions, and since FY 2000 have been adjusted to reflect minimum and maximum aid increases and decreases over the prior year’s funding level. The base appropriation is equal to funding levels enacted through the use of the old aid programs in place as of FY 1998. The ten categories of aid distribution include targeted, student equity, professional development, early childhood, student technology, language assistance, full day kindergarten, vocational equity, charter school, and group home aid.

District-Based Components

Density/Sparsity of Small Schools
Does not apply.

Grade Level Differences
Does not apply.

Declining Enrollment or Growth
Does not apply.

Capital Outlay and/or Debt Service
The Housing Aid program provides partial reimbursement of school construction projects. The reimbursement share ratio is based on a district’s wealth compared to the aggregate state wealth,
with a minimum share of 30%. The minimum increases to 35% for FY 2012 and 40% for FY 2013 and beyond. Incentive bonuses are built into the formula for energy conservation, handicapped accessibility, and asbestos abatement projects. Regional districts are also entitled to an additional incentive bonus. The Board of Regents and state legislature must approve all school construction projects prior to implementation.

Transportation
Does not apply.

Student-Based Components

Special Education
Does not apply.

Low Income / At-Risk
Does not apply.

English Language Learner/Bilingual Education
The Student Language Assistance Investment fund targets state resources to assist students that require additional language educational services. Distribution is based on a district’s proportion of limited English proficiency students. Funding under this program is approximately $31.7 million.

Gifted and Talented Education
Does not apply.

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
In 2007, districts’ growth was limited to a statewide cap of 5.5% on each municipality’s tax levy. This percentage will be reduced annually until it reaches 4% in 2013.

Property Assessment Ratios Used/Legal Standards for Property Assessment
Full and fair cash value or a uniform percentage not exceeding 100% within the statewide caps noted above.

Measure of Local Ability to Support Schools
Equalized property valuation per pupil, adjusted for a median family income ratio, is used in the school housing aid program and in calculating a tax equity index.

School District Budget and Tax Rate Procedures/Sources of Local Revenue
All 36 districts are fiscally dependent. Voter approval is required for budget and tax increases. Majority vote is required for approval. There are no limits on the number of elections that can be held in one year. The source of local revenue for schools is property tax.

State Support of Nonpublic Schools
Reimbursement of certain non-public textbooks only.
Description of the Formula

The goal of the South Carolina foundation program is to ensure that each student in the public schools is provided with availability to at least minimum educational programs and services appropriate to the student’s needs, and which are substantially equal to those available to other students with similar needs and reasonably comparable from a program standpoint to those available to other students, regardless of geographical and local economic factors. South Carolina’s public schools are funded through a foundation program that uses average daily membership (ADM) and student weights to address differences in student’s needs and costs of delivering educational programs and services. The base student cost is the funding level necessary for providing a minimum foundation program.

District-Based Components

Density/Sparsity of Small Schools
No state appropriation.

Grade Level Weights

<table>
<thead>
<tr>
<th>Grade</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>K*</td>
<td>1.30</td>
</tr>
<tr>
<td>1-4</td>
<td>1.24</td>
</tr>
<tr>
<td>4-9</td>
<td>1.00</td>
</tr>
<tr>
<td>9-13</td>
<td>1.29**(vocational)</td>
</tr>
<tr>
<td>9-13</td>
<td>1.29**(vocational)</td>
</tr>
</tbody>
</table>

* = Kindergarten is funded at 0.5 FTE (weight of 0.65) for one-half day sessions.

** = If a vocational pupil is served in another classification (Graded or Handicapped), the pupil will be counted as vocational, unless served in a handicapped classification; in which case the pupil will be counted under the handicapped classification.

Declining Enrollment or Growth
No state appropriation.
Capital Outlay and/or Debt Service
Bonded indebtedness limited to 8% of assessed valuation unless a referendum is held for the increase. For FY2006-07 the state appropriated $10.3 million for school buildings.

Transportation
The state funds and monitors the entire transportation system. Local districts hire bus drivers subject to state certification. Salaries and training provided by the state.

Student-Based Components

Special Education
Handicapped children are weighted according to the following specific classifications contained in the foundation program.

Pupil Weights for Special Education Programs

<table>
<thead>
<tr>
<th>Categories</th>
<th>Weights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educable mentally handicapped</td>
<td>1.74</td>
</tr>
<tr>
<td>Learning disabilities</td>
<td>1.74</td>
</tr>
<tr>
<td>Trainable mentally handicapped*</td>
<td>2.04</td>
</tr>
<tr>
<td>Emotionally handicapped</td>
<td>2.04</td>
</tr>
<tr>
<td>Orthopedically handicapped</td>
<td>2.04</td>
</tr>
<tr>
<td>Visually handicapped</td>
<td>2.57</td>
</tr>
<tr>
<td>Hearing handicapped</td>
<td>2.57</td>
</tr>
<tr>
<td>Speech handicapped</td>
<td>1.90</td>
</tr>
<tr>
<td>Homebound pupils</td>
<td>2.10</td>
</tr>
<tr>
<td>Autism</td>
<td>2.57</td>
</tr>
</tbody>
</table>

* Includes Profoundly Mentally Handicapped

At Risk Low Income / At-Risk
State appropriated $136,163,204 for 2010-11.

Pupil Weights for Low Income / At-Risk

<table>
<thead>
<tr>
<th>Definition of Category</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade 1-12 pupils who fail to meet statewide standards in reading, writing and math or who do not meet first grade readiness test standards.</td>
<td>0.26 Compensatory 0.114 Remediation</td>
</tr>
</tbody>
</table>

English Language Learner/Bilingual Education
No state appropriation.

Gifted and Talented Education
For 2010-11 the state appropriated $26,628,246.
Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
There are 85 school districts in South Carolina; 23 districts are fiscally independent, 36 districts have the authority to set millage rates within the parameters set by statute, referenda, or action by some official body; and 26 districts must secure approval of the county governments to establish millage rates. Rates are established for current operations and debt service.

Property Assessment Ratios Used/Legal Standards For Property Assessment
Industrial property is assessed at 10.5%; commercial at 6%; residential at 4%; timber and forest corporation owned at 6%; and personal property, except farm machinery, at 10.5%.

Measure of Local Ability To Support Schools
Index of a local district’s fiscal capacity in relation to that of all other districts in the state based on full market value of all taxable property of the district.

School District Budget and Tax Rate Procedures/Sources of Local Revenue
Budget restrictions are listed above; the primary source of local revenue to fund the foundation program is the local property tax. Some local communities are providing school districts with the authority to impose sales taxes to pay for capital projects.

State Support for Nonpublic Schools
State provides tuition for handicapped pupils attending non-public schools when such attendance is a necessity.
**Description of the Formula**

South Dakota has a foundation formula that provides a guaranteed funding level per student. A combination of local and state funds provided $4,804.60 per student in 2010-2011. State-local share is determined by local property valuation, meaning districts with higher property values receive less state funds and rely more on local dollars.

**District-Based Components**

**Density/Sparsity of Small Schools**
The small school adjustment, effective for the 2007-08 school year, is the successor to a “small school factor” that was in place previously. The “small school factor” used a formula to add additional “phantom” students to a district’s average daily membership, with the smallest districts receiving funds for up to 20 percent more students.

Starting in 2007-08, South Dakota uses a “small school adjustment” that provides an additional $847 per student for districts with enrollments of less than 200. Districts with enrollments between 200 and 600 receive “small school adjustment funds” based on the number of students in the system, calculated using a straight-line formula.

South Dakota also has a “sparsity” factor that provides additional funding to small, isolated school districts. Districts must meet several criteria to qualify, for example, the district must have less than 0.5 students per square mile, and have land area in excess of 400 square miles and the district’s high school must be further than 15 miles away from another public school district attendance center. The formula adds up to $123,750 per year for the state’s most isolated schools.

**Grade Level Differences**
Does not apply.

**Declining Enrollment or Growth**
Effective for the 2010-2011 school year a district, for general aid funding purposes, may use a student count of the greater of; state aid fall enrollment for the previous two school years or the state aid fall enrollment count of the current (fall 2010) school year.
Capital Outlay and/or Debt Service
The Capital Outlay funding level is limited to $3.00/$1,000 in taxable valuation. Debt service is based on the level approved by voters. Bonding limit is 10% of a district’s taxable value less outstanding bonds.

Transportation
Included in the state aid formula for regular and special education students.

Student-Based Components

Special Education
Special Education aid calculation is similar to the general education aid formula in that the student counts utilized within the funding formula are based on both fall enrollment and December child count. Based upon the counts and primary student disabilities reported, a district’s total “need” or total state-local funding is determined. The state-local share of these district need is based on the local property valuation. The local share is calculated using a tax levy of $1.20/$1000 of assessed valuation (AV). A district is authorized by SD statute to utilize a maximum levy of $1.40/$1000 AV for their special education fund. Funding for special education may be limited when levying less than $1.20/1000 AV or if the district is determined to have an ending fund balance that exceeds a statutorily defined limit.

South Dakota districts can also apply to an extraordinary cost fund for additional funding for special education students with costly needs. Applications are reviewed by committee, and may not necessarily be approved. In recent years, the fund has distributed approximately $4.5 million in additional aid to districts based on need.

Low Income / At-Risk
Does not apply.

Bilingual/English Language Learner Education
Does not apply.

Gifted and Talented Education
Does not apply.

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
State law restricts annual growth in the per-student allocation to the CPI-W or 3 percent, whichever is less. The Legislature can offer growth above the statutory increase if it so chooses.

Property Assessment Ratios Used/Legal Standards For Property Assessment
Assessment ratio levels are set by the state at 85% of full and true value. Full and true values for agricultural land is based on a productivity formula established in statute. All other properties full and true value are based on sales of comparable properties. An exception to state law that removes property sold for more than 150% of the assessed value from tax rolls distorts the actual
amount of valuation that can be used for taxation purposes. These excluded sales are being used in a limited manner which will eventually phase out this exclusion.

**Measure of Local Ability To Support Schools**
General Fund is limited by the growth in the per-student allocation authorized by the Legislature each year. Included in this limit is a guaranteed tax levy which would allow a district to generate local property taxes to realize the total funding level guaranteed by the per-student allocation. Because taxable valuations are going up faster than the percent increase in the per-student allocation, the legislature has been reducing the levies to meet the per-student allocation funding level. Few school districts have the valuation that would allow them to levy less than the guaranteed level and generate the local effort to fund, at least, the per-student allocation.

**School District Budget and Tax Rate Procedures/Sources of Local Revenue**
School districts are financially independent. Maximum taxation levies are established each year by the Legislature, with a local option to tax up to the maximum amount. A district can tax above the maximum levy through an opt-out procedure. Opt-outs must be authorized for a specific time frame. A school board may impose the opt-out on its own, but the opt-out may be referred to a vote of the citizens by the local board or by petition. Local revenues derive primarily from property taxes. Other revenue sources - including interest earnings from public lands, bank franchise tax, mineral rights taxes, gross receipts tax, and state fines – are distributed to local districts in which the revenue is generated.

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

Description of the Formula

Funding for Tennessee elementary and secondary public schools is calculated via the Basic Education Program 2.0 (BEP 2.0). BEP 2.0 is the funding formula utilized to ensure the adequate and equitable distribution of educational dollars sufficient to provide the basic level of education required for student success.

This legislatively mandated mechanism revises the original BEP. Public Chapter Number 369 enacted in 2007, to be phased into full implementation, amends Tennessee Code Annotated Title 49 Chapter 3.

Revisions include:
- 75% state funding for instructional positions within the classroom component
- $38,000 dollar value of BEP instructional positions to be adjusted in subsequent years
- eliminate the cost differential factor from BEP formula
- formula provides 100% funding for at-risk students (those receiving free or reduced lunch)
- provides for a 1:20 teacher/student and a 1:200 translator/student ratio for English language learner students
- recognizes local government’s ability to generate supporting educational revenue by local sales and property taxes, with a yearly adjustment not to exceed 40%
- Local Education Agency’s (LEA’s) to receive at least a 25% state contribution for the non-classroom components
- provide 50% funding for medical insurance for instructional positions.

The Average Daily membership (ADM) of the LEA is the primary determinant of the BEP 2.0 funding amount. This amount is based on the previous academic year’s ADM, the present academic year’s full-time student enrollment, and the number of students qualified for Special Education Services.

The BEP 2.0 consists of three categories: instructional, classroom, and non-classroom. The state’s average categorical yearly contribution, distributed to each school system, is 70%, 75%, and 50% respectively. Consequently, local government provides 30%, 25%, and 50% respectively. Although state revenue for LEAs is generated categorically by formula, school districts have the option of using these funds in other categories of expenditure.
The following table reflects components funded within each category:

<table>
<thead>
<tr>
<th>Instructional</th>
<th>Classroom</th>
<th>Non-Classroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Education</td>
<td>K-12 At-Risk Class Size Reduction</td>
<td>Superintendent</td>
</tr>
<tr>
<td>Vocational Education</td>
<td>Duty-free Lunch</td>
<td>System Secretarial Support</td>
</tr>
<tr>
<td>Special Education</td>
<td>Textbooks</td>
<td>Technology Coordinators</td>
</tr>
<tr>
<td>Elementary Guidance</td>
<td>Classroom Materials and Supplies</td>
<td>School Secretaries</td>
</tr>
<tr>
<td>Secondary Guidence</td>
<td>Instructional Equipment</td>
<td>Maintenance and Operations</td>
</tr>
<tr>
<td>Elementary Art</td>
<td>Classroom Related Travel</td>
<td>Custodians</td>
</tr>
<tr>
<td>Elementary Music</td>
<td>Vocational Center Transportation</td>
<td>Non-Instructional Equipment</td>
</tr>
<tr>
<td>Elementary Physical Education</td>
<td>Technology</td>
<td>Pupil Transportation</td>
</tr>
<tr>
<td>Elementary Librarians (K-8)</td>
<td>Nurses</td>
<td>Staff Benefits and Insurance</td>
</tr>
<tr>
<td>Secondary Librarians (9-12)</td>
<td>Instructional Assistants</td>
<td>Exit Exams</td>
</tr>
<tr>
<td>ELL Instructors</td>
<td>Library Assistants</td>
<td></td>
</tr>
<tr>
<td>ELL Translators</td>
<td>Staff Benefits and Insurance</td>
<td></td>
</tr>
<tr>
<td>Principals</td>
<td>Substitute Teachers</td>
<td></td>
</tr>
<tr>
<td>Assistant Principals Elementary</td>
<td>Alternative Schools</td>
<td></td>
</tr>
<tr>
<td>Assistant Principals Secondary</td>
<td>Exit Exams</td>
<td></td>
</tr>
<tr>
<td>System-Wide Instructional Supervisors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Education Supervisors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vocational Education Supervisors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Education Assessment Personnel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Workers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Psychologists</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff Benefits and Insurance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Fiscal Capacity Index is the formulaic representation of a county’s ability to generate revenue. It is used to determine state and local funding contributions to support local education. In BEP 2.0 fiscal capacity is calculated by multiplying a county’s local sales and property tax base times the average tax rate for each base across the state.

As BEP 2.0 is fully implemented, the cost of living adjustment calculated by the cost differential factor is being phased out. The cost differential factor adjusts the salary components of BEP funding in systems where the cost of living exceeds the state’s average.

**District-Based Components**

**Density/Sparsity of Small Schools**
Does not apply.

**Grade Level Differences**
ADM dictates instructional positions allotted to each school by grade level. With 75% funding provided by the state, the levels are:

<table>
<thead>
<tr>
<th>Grade Level</th>
<th>Teacher Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>K-3</td>
<td>1 to 20 ADM</td>
</tr>
<tr>
<td>4-6</td>
<td>1 to 25 ADM</td>
</tr>
<tr>
<td>7-9</td>
<td>1 to 25 ADM</td>
</tr>
<tr>
<td>10-12</td>
<td>1 to 22.08 ADM</td>
</tr>
</tbody>
</table>

**Declining Enrollment or growth**
High growth districts were given additional funding based on percentage of growth when the formula was implemented in 1992. However, the formula no longer holds this provision.

**Capital Outlay and/or Debt Service**
The cost of capital outlay is not computed in the BEP. The computation is included in the Non-Classroom component. The state’s share of support for the Non-Classroom category is 50%.

100 sq ft per total K-4 ADM x $121/sq ft
110 sq ft per total 5-8 ADM x $125/sq ft
130 sq ft per total 9-12 ADM x $123/sq ft
Add equipment (10% of sq ft cost)
Add architect’s fee (5% of sq ft cost)
Add debt service (20 yrs @ 6.00%)
Divide total by 40 yrs = annual amount

**Transportation**
The BEP uses a multiple linear regression formula calculated utilizing an average of expenditures from the three previous BEP funding years focusing on the following four factors: students transported per ADM; special education students transported per ADM; miles driven per ADM; and whether the district is county, city, or special school district. The model estimates the average, statewide effects (coefficients) of these factors on transportation expenditures and multiplies those estimated effects by each LEA’s respective factors to calculate the estimated cost to the district for providing past transportation services. The BEP then adjusts these amounts by an inflation measure to calculate the actual dollar amount of transportation spending generated for each LEA.

**Student-Based Components**

**Special Education**
Supported by a 75% state share, identified and served special education students receive additional weighting in the Classroom Component of the BEP formula. The weights were based on the caseload allocations as follows:

<table>
<thead>
<tr>
<th>Option</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option 1</td>
<td>91</td>
</tr>
<tr>
<td>Option 2</td>
<td>73</td>
</tr>
<tr>
<td>Option 3</td>
<td>46</td>
</tr>
<tr>
<td>Option 4</td>
<td>25</td>
</tr>
<tr>
<td>Option 5</td>
<td>15</td>
</tr>
<tr>
<td>Option 6</td>
<td>2</td>
</tr>
<tr>
<td>Option 7</td>
<td>10</td>
</tr>
<tr>
<td>Option 8</td>
<td>6</td>
</tr>
<tr>
<td>Option 9</td>
<td>0</td>
</tr>
<tr>
<td>Option 10</td>
<td>10</td>
</tr>
</tbody>
</table>

**Low Income / At-Risk**
Funding is generated in the Classroom Component of the BEP with a state share of 75%. Based on 1:15 class size reduction for grades K-12, estimated at $509.46 per identified at-risk ADM. Funded at 100% at-risk.

**English Language Learners/Bilingual Education**

Receives a 70% state share with funding generated from the Instructional Component of the BEP.

ELL Teachers - 1 per 30 identified and served ELL Students

ELL Translators - 1 per 300 identified and served ELL Students

**Gifted and Talented Education**

Gifted and Talented students, identified and served under the special education umbrella, are offered accelerated grade levels and course content when indicated. Additionally, secondary students may apply as juniors and seniors for consideration to attend the state funded Governor’s Schools held during the summer at institutions of higher education in Tennessee.

**Other**

**Race to the Top: Supplemental Funding to LEAs**

State and local contributions notwithstanding, education has long been identified as an area in need of supplemental federal programmatic and fiscal interventions. The federal government, while not the primary contributor, provides financial support for the student’s educational program. Toward that end, Tennessee received approximately $501 million from the competitive Race to the Top grant, of which $250,500,000 made its way directly to Local Education Agencies. The Race to the Top Fund was legislated in Tennessee by the First to the Top Act of 2010 and passed in a Special Session of the 106th Tennessee General Assembly. Monies were to be spent over a four-year period, school years 2010-2011 through 2013-2014, with objectives focusing on measurable student achievement and educator accountability.

Specifically, Race to the Top funds were awarded to states through an application process that demonstrated their active commitment to the following four areas of reform:

- Adopting rigorous college and work readiness standards
- Selecting a source by which to implement data driven instructional practices
- Engaging, retaining, and rewarding effective teachers and principals, especially in the lowest performing schools
- Turning around the lowest performing schools.

Through the Race to the Top Fund program, funds were competitively awarded to states to facilitate education transformational reform efforts. Race to the Top’s specifically expressed goals were:

- Improve student achievement.
- Close the achievement gaps between best and lowest performing schools.
- Improve high school graduation rates.
- Ensure post-secondary success.
- Address the four educational reform areas of stated above.

Funds were allocated based on a combination of formulaic and discretionary methods. Fifty percent were identified by Title I formula and distributed to LEAs while 50% were identified for state use in a newly created
State Innovation Fund. States competed on the basis of demonstrated assurance that the tenets of the program stipulated in the application would be enacted, rather than on the usually practiced method of actions and programmatic selection being guided by legislative mandates. Tennessee Governor Bredesen was tasked with submitting the 263 page Race to the Top Application for Initial Funding to the U.S. Department of Education. Race to the Top had an overall funding amount of $4 billion with $501 million awarded to Tennessee, one of the two states that were the initial recipients of the award.

**Revenue and Expenditure Information**

**State Mandates Restricting Revenue or Expenditure Increases**
Does not apply.

**Property Assessment Ratios Used/Legal Standards for Property Assessment**
Represented by the following:

<table>
<thead>
<tr>
<th>Residential Property</th>
<th>25%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm Property</td>
<td>25%</td>
</tr>
<tr>
<td>Commercial and Industrial Property</td>
<td>40%</td>
</tr>
<tr>
<td>Public Utility Property</td>
<td>55%</td>
</tr>
<tr>
<td>Business Personal Property</td>
<td>30%</td>
</tr>
</tbody>
</table>

**Measure of Local Ability to Support Schools**
In the original BEP fiscal capacity index utilized a multiple regression to estimate the impact of five factors at the county level for their three year average per pupil own source revenue. The five factors include: three year average per pupil sales tax base; three year average per pupil property tax base; three year average per capita personal income; ratio of residential and farm property assessment to total assessment; and ratio of ADM to total county population. In BEP 2.0 fiscal capacity index is calculated by multiplying a county’s local sales and property tax base times the average tax rate for each base across the state.

**School District Budget and Tax Rate Procedures/Sources of Local Revenue**
All 136 LEA’s are fiscally dependent. They share in local property and sales tax revenue. Additionally, city systems can share in an appropriation from city government and Special School Districts have the exclusive ability to directly levy a property tax rate by virtue of a special act of the state legislature.

Voter approval is not required for budget or tax increases in county and city school districts. Special School Districts require a special act of the state legislature to enable them to increase the tax rate on property within the boundaries of their school districts.

The major sources of local revenue are sales and property tax. The amount of revenue derived from these taxes is dependent on the location of the school district.

**State Support for Non-Public Schools**
Does not apply.
Source: Hutchinson, Lori, Assistant Principal, McMinn Central High School, Englewood, Tennessee. Peevely, Gary, Associate Professor, Executive Leadership, Carter & Moyers School of Education, Lincoln Memorial University
Description of the Formula

Texas has a two-tiered program. Tier I is a foundation program based on a basic allotment of $4,765 that is indexed to the statewide property value per student in weighted average daily attendance (WADA). The basic allotment is adjusted by a cost of education index that reflects geographical variations in cost as they existed in 1990–91. The basic allotment is also adjusted for district size, in the case of small and mid-sized school districts. Tier I also includes allotments for Low Income / At-Risk, special education, bilingual education, gifted and talented education, career and technical education, and transportation, as well as an allotment for high school students and an allotment that provides start-up funds for new campuses (New Instructional Facility Allotment). Local districts contribute revenue from their tax collections at their compressed tax rate to meet the local share requirements, also known as the local fund assignment (LFA), for Tier I. The compressed tax rate for each district is set at two-thirds of the district’s 2005–06 adopted tax rate (see below for further explanation of the compressed tax rate). State aid for Tier I is the difference between the total cost of Tier I and the LFA for the district.

Finally, additional state aid may be delivered to make sure districts reach a hold harmless level based on the total state and local revenue per WADA that districts received before tax rate reduction. Seven hundred eighty districts and charter schools receive aid under this provision, known as additional state aid for tax reduction.

Tier II is a guaranteed yield program that provides enrichment for each cent of tax effort that exceeds a district’s compressed tax rate. Tier II currently provides two levels of enrichment. The first level of Tier II provides a guaranteed yield based on the yield per WADA of the Austin Independent School District ($59.97 for 2010–11) for each of the first 6 pennies of tax effort above the compressed tax rate. The second level of Tier II is generated by tax effort that exceeds the compressed tax rate plus six cents. For 2010–11, the yield for the second level of Tier II is $31.95 per penny. A maximum of 11 pennies can be levied in this tier. The total maximum enrichment tax rate is 17 cents.
The state school finance system also includes provisions for “recapturing” local tax revenue in school districts where the wealth per WADA exceeds the equalized wealth level (EWL). Different EWLs apply to different levels of tax effort. The first EWL is based on the basic allotment, allowing school districts to retain revenue on a tax base equivalent to $476,500 per WADA. This EWL applies to the compressed tax rate. The second level of EWL exempts the next six pennies of tax effort above the compressed tax rate from any recapture provisions. Tax effort that exceeds the compressed rate plus six cents is subject to recapture based on an EWL of $319,500.

**District-Based Components**

**Density/Sparsity of Small Schools**
The basic allotment is increased by a percent proportional to the difference between a district’s ADA and 1,600 ADA. The percent increase is greater for districts having over 300 square miles. Districts having below 130 ADA use a minimum ADA depending on actual ADA, grades taught, and the distance to the nearest school.

The state also provides a mid-sized school district adjustment that is applicable to school districts with between 1,600 and 5,000 ADA. Since 2009–10, this adjustment is applicable to districts that are subject to the recapture of local tax revenue.

**Grade Level Differences**
No weights exist for grade level differences. A high school allotment that was first implemented during the 2006–07 school year provides districts with $275 per ADA in grades 9–12.

**Declining Enrollment or Growth**
There are provisions for districts with declining enrollment. If a decline in enrollment in a current school year is due to the closing of or reduction of personnel at a military base, the district is funded on the actual ADA of the preceding school year. If the decline in enrollment is not related to the closing of or reduction of personnel at a military base, the district may be funded at up to 98 percent of the ADA of the preceding school year. This provision is subject to a requirement that funds available for this purpose be used to fund all districts on the basis of the same percentage of prior year ADA. In the 2008–09 school year, the percentage of prior year ADA funded at schools with declining enrollment was 97.18%.

**Capital Outlay and/or Debt Service**
The state provides a bond guarantee program that provides school districts with the backing of the Permanent School Fund on the bond market. The program provides a AAA rating for school district bonds that results in favorable market conditions for districts when they issue bonds.

The 2009 legislative session created a new credit enhancement program for approved charter schools to perform the same function for charter schools as the bond guarantee program does for regular school districts, using funds from the foundation school program.

The state also provides two tax rate equalization programs to assist districts with the repayment of long-term debt.
The Instructional Facilities Allotment (IFA) program was authorized in 1997. This program assists districts with the repayment of annual debt service on bond issues and lease-purchase agreements that are used by districts to fund instructional facilities. Districts submit applications for this program after they receive authorization from voters to issue the long-term debt, but before the debt's issuance. Districts that receive awards begin receiving state assistance during the first year after the debt is issued. The state assistance is provided through tax rate equalization. The program effectively equalizes tax effort to the equivalent of $350,000 per ADA per penny of tax effort.

The Existing Debt Allotment (EDA) program was authorized in 1999. This program assists districts with the repayment of debt service on bonds that the district has issued and paid on as of a date certain in statute. The Texas Legislature has rolled forward that eligibility date by two years during each session since 1999 and established a permanent roll-forward provision in 2009. Currently, bonds that were issued and had at least one payment made on or before August 31, 2009, are eligible. This program also provides tax equalization that provides the equivalent of $350,000 per ADA per penny of tax effort.

The primary difference between the IFA and EDA programs is related to the timing of state assistance. With the IFA program, districts that receive IFA awards begin receiving state assistance as soon as the eligible debt is issued. With the EDA program, school districts typically issue the debt and make payments for up to two years before receiving state assistance, depending on the timing of the bond issuance. Also, the EDA program does not provide state assistance for lease-purchase agreements.

**Transportation**

The transportation allotment is based on a linear density formula, which is the average number of students traveling on regular bus routes each day divided by the approved route miles. Transportation funding is based on the cost to operate the regular transportation system and the linear density of that system. However, the allotment per mile cannot exceed the amounts set by appropriation, which have remained unchanged since 1984.

Transportation for special education students is based on the cost per mile for the previous year, not to exceed the legislated maximum. In 2010–11, that rate is $1.08 per mile. Transportation for career and technical education students is based on the actual number of miles traveled and the travel rate per mile for extracurricular activities as determined by the school district board of trustees and approved by the agency. Private transportation, used for students in remote areas and determined on a case-by-case basis, is funded at the rate of $0.25 per mile, with a maximum annual amount of $816 per student.
**Student-Based Components**

**Special Education**
For the portion of the day students are served in approved programs, the adjusted allotment is multiplied by a weight varying from 1.7 to 5.0, depending on the instructional arrangement used. Additional funding equal to the adjusted basic allotment multiplied by 1.1 is also provided for students who are served in a mainstream instructional arrangement. A special education student who resides in a care and treatment facility and who receives his or her instruction on a local school district campus in a district other than the district in which the student’s parent or guardian resides is eligible for a funding weight of 4.0, if the student does not reside in a state supported living center. If a similarly situated special education student resides in a state supported living center, the student is eligible for a funding weight of 2.8.

**Pupil Weights for Special Education Programs**

<table>
<thead>
<tr>
<th>Category</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homebound</td>
<td>5.0</td>
</tr>
<tr>
<td>Hospital class</td>
<td>3.0</td>
</tr>
<tr>
<td>Speech therapy</td>
<td>5.0</td>
</tr>
<tr>
<td>Resource room</td>
<td>3.0</td>
</tr>
<tr>
<td>Self-contained, mild and moderate, regular campus</td>
<td>3.0</td>
</tr>
<tr>
<td>Self-contained, severe, regular campus</td>
<td>3.0</td>
</tr>
<tr>
<td>Off home campus</td>
<td>2.7</td>
</tr>
<tr>
<td>Non-public day school</td>
<td>1.7</td>
</tr>
<tr>
<td>Vocational adjustment class</td>
<td>2.3</td>
</tr>
<tr>
<td>(Above categories based on FTEs)</td>
<td></td>
</tr>
<tr>
<td>Mainstream students (Based on ADA)</td>
<td>1.1</td>
</tr>
</tbody>
</table>

**Low Income / At-Risk**
Funding is provided for 20% of the adjusted allotment per pupil eligible to receive free or reduced price lunches under the National School Lunch Program (NSLP). A funding weight of 2.41 is applied to each full-time equivalent student who is pregnant and is receiving Low Income / At-Risk services. School districts and charter schools that do not participate in the NSLP may participate in an alternative reporting program to deliver Low Income / At-Risk funding for income eligible students.

**Pupil Weights for Low Income / At-Risk**

<table>
<thead>
<tr>
<th>Definition of Category</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pupils who qualify and participate in a free and reduced-price lunch program (per ADA)</td>
<td>0.25</td>
</tr>
<tr>
<td>Pupils who are pregnant (per FTE)</td>
<td>2.41</td>
</tr>
</tbody>
</table>

**English Language Learner/Bilingual Education**
State aid is 10% of the adjusted allotment per pupil enrolled in a bilingual or special language program.
Gifted and Talented Education
Gifted and talented students generate additional funding equivalent to 12% of the adjusted basic allotment. Eligibility for this funding is limited to a maximum of 5% of students in ADA.

Career and Technical Education (CTE)
Full-time equivalent students in designated CTE programs generate a funding weight of 1.35.

Other
In 2006, the Texas Legislature passed a major property tax bill that was designed to drive down local property tax rates. In 2006–07, school districts underwent the first round of tax rate compression, designed to reduce local property taxes. State aid is provided to make up for the loss of local tax revenue. In 2006–07, local tax rates were reduced by 11% from the 2005–06 school year. In 2007–08, local tax rates were further reduced, to produce a one-third reduction from the 2005–06 property tax rates.

In the 2009 legislative session, an attempt was made to simplify the school finance system. The tax rate used to determine the local share of Tier I was raised from $0.86 to a higher level to encompass the whole compressed tax rate (normally around $1.00), and the basic allotment was increased substantially, from $3,218 to $4,765, while the first level of enrichment was eliminated.

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
Provisions in the property tax code limit the ability of districts to increase property tax rates. These provisions have become more restrictive with the passage of property tax relief in 2006. Beginning in 2007–08, school districts were allowed to adopt tax rates to maintain their 2006–07 revenue per student in weighted average daily attendance (WADA) or a tax rate of $1.00, whichever was less. They could add $0.04 to this base rate without triggering an election. Districts that wished to add more than $0.04 to their base rate could conduct a rollback election in which voters were given the opportunity to accept or reject the higher tax rate. The maximum maintenance and operations tax rate for districts continues to be $1.17.

Property Assessment Ratios Used/Legal Standards for Property Assessment
Property is assessed at 100% of fair market value for the purposes of the school finance system, including the levying of local property taxes.

Measure of Local Ability to Support Schools
The total taxable value of property for each school district is determined by the Property Tax Assistance Division of the Office of the Comptroller of Public Accounts (CPA). The CPA determines the full value of property and makes adjustments for properties that are exempt from taxation, including reductions to the value of agricultural property and reductions to the value of residential property for mandated homestead exemptions.

School District Budget and Tax Rate Procedures/Sources of Local Revenue
School districts in Texas are fiscally independent of the state. There are currently 1,024 districts with tax bases. There are an additional 208 active charter schools, and 24 special districts that do not have property tax bases. School districts must publish notices and hold hearings regarding their adoptions of tax rates and budgets. The adoption of tax rates is dictated by provisions in the 2006 property tax relief bill, which are described in the section above labeled “State Mandates Restricting Revenue or Expenditure Increases.”

**State Support for Nonpublic Schools**
State support for nonpublic schools is limited to the provision of a special education funding weight for students who are served by nonpublic day schools.
Description of the Formula

Utah’s foundation program is based on Weighted Pupil Units (WPUs) plus a guaranteed yield program (called Voted Leeway and Board Leeway programs); for FY 2010-11 the state guarantees $2,577 per WPU. Each school district participates in the Basic School Program (all line items of the Minimum School Program funded through Weighted Pupil Units) at the local level by levying a tax rate (called the Basic Tax Rate). For FY 2010-11 that rate is 0.001495. Statewide, the total amount of tax yield for FY 2010-11 is $273,950,764 of the total $1,920,122,700 appropriated to the Basic School Program. Pupil count is Average Daily Membership (ADM); after ten consecutive days of unknown absence, pupils are removed from membership. Districts may vote an additional levy (Voted Leeway) of up to 0.002000 tax rate for any General Fund use; state guarantees up to 0.001600 of that tax rate yield; and for FY 2010-11 the guarantee is $25.25 per 0.0001 of tax rate, per WPU. Those districts that yield above the guarantee formula keep the funds—there is no recapture. District Boards of Education may also levy up to 0.000400 tax rate for Board Leeway; it is restricted to class size reduction use only. Board Leeway has same state guarantee as Voted Leeway. The sum of Voted and Board Leeway tax rates must not exceed a ceiling of 0.002000. Please see Utah State Office of Education Minimum School Program web site.

District-Based Components

Density/Sparsity of Small Schools
Additional WPUs are provided for Necessarily Existent Small Schools—up to 7,649 Weighted Pupil Units ($19,711,473 in FY 2010-11). The additional WPUs are provided for necessary, existent, small schools below 160 ADM for elementary schools (including Kindergarten at a weighting of 0.55 per ADM); or below 300 ADM for one or two-year secondary schools; or below 450 ADM for three-year secondary schools; or below 550 ADM for four-year secondary schools; or below 600 ADM for six-year secondary schools. See Necessarily Existent Small

**Grade Level Differences**

Charter schools receive grade level differential funding through Weighted Pupil Units. In distributing funds under Title 53A, Chapter 17a (Utah Code), Minimum School Program Act for the Basic School Program to charter schools, charter school pupils shall be weighted as follows:

(i) .55 for kindergarten pupils (same as regular school district Kindergarten);
(ii) .9 for pupils in grades 1-6;
(iii) .99 for pupils in grades 7-8; and
(iv) 1.2 for pupils in grades 9-12.

**Weights For District/School Size**

Necessarily Existent Small Schools

To assist small schools that are located in remote areas of the state and are therefore expensive to operate. **Eligibility:** Districts must submit on behalf of their schools an application demonstrating that the school meets the criteria specified in law. Charter schools are not “necessarily” existent and so cannot qualify. **Formula:** Per WPU, which is determined by a regression formula based on prior year ADM and school grade span. **Law:** 53A-17a-109; R277-445. **Contact:** Jennifer Yates-Guien. **Documents:** Application (Excel); Latest Estimated Allocation (Excel); Regression Table (Excel). **Data Source:** Year End Clearinghouse Aggregate Membership (July 15).

**Declining Enrollment or Growth**

The Basic School Program—all line items funded with Weighted Pupil Units—is funded based on prior year ADM (as of the end of the school year reported on July 15) plus growth (as of the October 1 Count of enrollments). If there is a decline in enrollment, there is no negative growth charged to the school district or charter school so that it has one year to deal with the effects of reducing personnel and other resources. This “prior year plus growth” process has almost eliminated the need for a contingency fund. Currently the Utah Legislature appropriates specific amounts of carry-forward funds (as a result of underestimating local contributions of collections of local property taxes from the Basic Tax Rate or from the Voted and Board Leeway programs). Carry-forward funds will:

1. fund the value of the Weighted Pupil Unit as set by the Legislature for the total WPUs generated by the school districts and charter schools;
2. support the state guarantee per weighted pupil unit for the voted leeway program (if local contributions to the voted leeway program or board-approved leeway program are overestimated or underestimated);
3. support the state supplement to local property taxes allocated to charter schools;
4. for charter school administrative costs if appropriations for charter school administrative costs is insufficient to provide the amount per student prescribed in UCA 53A-17a-108(2)(a) ; or
5. support a school district with a loss in student enrollment as provided in UCA 53A-17a-139.
Capital Outlay and/or Debt Service
The full faith and credit of the State of Utah is behind every general obligation bond now issued by Utah school districts. Please see Utah School Bond Guarantee Act. The state also provides $14,499,700 to school districts FY 2010-11 for the Capital Outlay Foundation Program and the Capital Outlay Enrollment Growth Program. Here is a description of the two programs from the USOE web site. School district general obligation debt is limited to four percent of the fair market value of the school district. Under the “School District Bond Guarantee Act” the State of Utah stands behind every school district General Obligation Bond with full faith and credit—that is, each school district has the AAA rating that the state enjoys—thereby saving schools districts funding as they negotiate interest rates on the G.O. Bonds.

Transportation
State aid for to-and-from school pupil transportation is calculated and distributed to school districts (charter schools do not participate in pupil transportation) based on an allowance for (1) mileage, (2) time. Currently the average cost per mile is $0.91; the average cost per minute is $0.68; and the total annual transportation cost is $94,888,189. The state funds about 66% or $63,062,465 at this time.
Eighty percent of the total pupil transportation costs are for to-and-from school; 20% is for field trips, athletic events, and hazardous bus routes. School districts may levy up to 0.00300 tax rate to fund the costs of pupil transportation.

Student-Based Components

Special Education
A foundation program provides weighted categories for children with disabilities.

Purpose: To provide educational services for students with disabilities as required by federal and state law. Example: Special Ed personnel, texts, supplies. Formula: Per WPU, which is the greater of the average of Special Education (Self Contained and Resource) ADM over the previous 5 years (which establishes the “foundation” below which the current year WPU can never fall) or prior year Special Education ADM plus weighted growth in Special Education ADM. Weighted growth is determined by multiplying Special Education ADM from two years prior by the percentage difference between Special Education ADM two years prior and Special Education ADM for the year prior to that, subject to two constraints: the Special Education ADM values used in calculating the difference cannot exceed the “prevalence” limit of 12.18% of total district ADM for their respective years; and if this measure of growth in Special Education exceeds current year growth in Fall Enrollment, growth in Special Education is set equal to growth in Fall Enrollment. Finally, growth is multiplied by a factor of 1.53. This weight is intended to account for the additional cost of educating a special education student; it is not, however, based specifically on an empirical analysis of the cost of special education relative to “regular” education in Utah. Law: 53A-15-301, 302, 303, 303.5, 304, 305, 53A-17a-111; R277-750. Contact: Sandra Cox. Data: Membership audit report (September 1); Fall Enrollment audit report (November 1). Below is a description of the Special Education Add On, Extended Year for the Severely Disabled, Preschool, Self Contained, and State Programs in Utah.
SPECIAL EDUCATION—EXTENDED YEAR FOR SEVERELY DISABLED
To provide a longer school year for those students with disabilities whose regression over school breaks is so severe that an inordinate amount of time is necessary to recoup previous learning. **Formula:** Per WPU, this is derived from aggregate hours of extended year educational service. **Law:** 53A-17a-112; R277-750, 751. **Contact:** Karl Wilson. **Data:** Special survey administered by Sandra Cox (September 1; revised survey for summer 2004 due October 15).

SPECIAL EDUCATION—PRESCHOOL
To provide preschool educational services for children with disabilities from ages 3 through 5 as required by federal law. **Formula:** Per WPU, this equals special education preschool enrollment (aged 3 through 5 excluding 5-year-old special education students enrolled in Kindergarten) as of December 1 multiplied by 1.46. Overall state growth in this program cannot exceed 8% annually, so funds remaining after the allocation have equaled the growth limit are prorated among districts experiencing growth in excess of eight percent. **Law:** 53A-17a-112; R277-750. **Contact:** Sandra Cox. **Data:** Clearinghouse file (December 15) -- S2 record.

SPECIAL EDUCATION—SELF CONTAINED
To compensate for the higher cost of providing more extensive educational services to students who are in a self contained setting (enrolled in special education for 180 minutes or more each day). Unlike resource students, self contained students do not generate a “regular” WPU. **Formula:** Per WPU, this equals Self Contained ADM from two years prior. **Law:** 53A-17a-111; R277-750. **Contact:** Sandra Cox. **Data:** Membership audit report (September 1).

SPECIAL EDUCATION—STATE PROGRAMS
To support districts and charter schools in serving special education students whose extensive needs cost the district more than $15,000 per student. **Formula:** 100% through RFP process. If the total amount approved exceeds the appropriation, grants are prorated. **Distribution:** One lump sum upon approval by State Director of Special Education. **Law:** 53A-17a-112; R277-750.

Pupil Weights for Special Education Programs
Students with disabilities are funded with a base plus growth dollar amount averaging ADM over the prior five years. Below is a description of the Special Education Add On, Extended Year for the Severely Disabled, Preschool, Self Contained, and State Programs in Utah.

Pupil Weights For Low Income / At-Risk
Does not apply.

English Language Learner/Bilingual Education
The state distributes block grant funds to school districts and charter schools in three categories:
- **Interventions for Student Success Block Grant**—$15,000,000
- Family Literacy Centers - $1,764,000
The Interventions for Student Success Block Grant is to improve academic performance of students who do not meet performance standards as determined by Utah Performance Assessment System for Students (U-PASS) test results. Interventions must be consistent with a district or charter plan approved by the local school board and the plan must specify intended results. For example: remedial classes, supplies, texts, personnel. Funds are distributed 71% proportional to the number of Basic Program WPUs; 6% distributed equally among all districts and charters; 23% proportional to the number of English Language Learners.

**Gifted and Talented Education**
A categorical appropriation is provided for gifted and talented students; for 2010-11 the amount is $1,903,454. Each school district and charter school receives its share of funds in the proportion of its number or WPUs for Kindergarten through grade twelve and necessarily existent small schools.

**Revenue and Expenditure Information**

**State Mandates Restricting Revenue or Expenditure Increases**
The State Appropriations and Tax Limitation Act UCA 63J-3 limits the amount that the Legislature may appropriate by using a statutory formula that includes factors such as population and inflation. During the 2007 General Session, the Legislature may, for the first time, be restricted by the appropriations limit. This would mean that the Legislature would budget not to the amount of revenues the state receives, but to some lesser amount based on the statutory formula.

63J-3-201, Utah Code:
(1) There is established a state appropriations limit for each fiscal year beginning after June 30, 1988.
(2) For each of these fiscal years, the annual legislative appropriations for this state, its agencies, departments, and institutions may not exceed that sum determined by applying the formula B* P* (I/100) in which:
(a) "B" equals the base year real per capita appropriations for the state, its agencies, departments, and institutions;
(b) "P" equals the most recent fiscal year's population; and
(c) "I" equals the most recent fiscal year's inflation index adjusted to reflect fiscal year 1989 as having an index value of 100.
(3) The revenues specified in Section 63J-3-205 are not subject to the limitation in this section.

**Property Assessment Ratios Used/Legal Standards for Property Assessment**
All property is assessed at 100% of assessed valuation; primary homeowners receive a 45% exemption.

**Measure of Local Ability to Support Schools**
Assessed valuation per student.
School District Budget and Tax Rate Procedures/Sources of Local Revenue
All 41 school districts in Utah are fiscally independent. They may levy up to 13 different property taxes; see “Description of the Formula” above. Search the USOE School Finance and Statistics web site under “Taxation” for more information.

State Support for Nonpublic Schools
Does not apply.
Description of the Formula

Act 68 of 2003 revised Act 60 of 1997. Vermont now has a state funded educational system. A state education fund was created in Act 60 which was revised by Act 68. Revenue sources are a two part state property tax, a general fund transfer, allocations from the sales and purchase and use taxes, state lottery proceeds, and a few smaller pieces. The education fund pays categorical grants to schools such as special education and transportation and an “education spending” grant. In total it covers about 90% of all spending excluding that covered by federal sources, private foundations and other small sources.

All education fund taxes are assessed at the same rate statewide except the homestead property tax. The rate for this tax varies with the per pupil spending of the district. Per pupil spending is determined using a weighted pupil count. All districts with the same per pupil spending have the same homestead tax rate. Parameters for the homestead rate are set each year by the legislature. In FY 2011 the base per pupil spending amount is $8544 and the base homestead tax rate is 0.86% of fair market property value. The tax rate increases in direct proportion to the amount the per pupil spending is over the base. Districts choose per pupil spending amounts via a local vote. Districts with per pupil spending that exceeds 125% of the prior year average have an additional tax rate to serve as a restraint on higher spending. All nonresidential property is taxed at one rate across the state.

Most homestead tax payers (about 60%) are eligible for an income adjustment to their homestead property tax. This works very similar to the homestead property tax rate. The base percentage of income a person is liable for in FY 2011 is 1.8% of household income. This rate goes up in direct proportion to the per pupil spending chosen by the district. Eligible tax payers have the taxes reduced by the difference between the property tax and the income tax.
**District-Based Components**

**Density/Sparsity of Small Schools**
Categorical grants are paid to schools in school districts with average grade sizes of 20 students or smaller. The smaller the average grade size the larger the grant. This helps to lower the remaining spending per pupil and thus the district’s homestead tax rate.

**Grade Level Differences**
Secondary students (grades 7-12) count 25% more than elementary students.

**Declining Enrollment or Growth**
Enrollment has been declining since 1997 at about 1% per year. This is expected to continue for several more years. The “equalized pupil” count used in determining the per pupil spending of a district is limited by law to no more than a 3.5% reduction in any year.

**Capital Outlay and/or Debt Service**
The state pays 30% of approved construction costs. Debt service payments for the balance become part of a district’s spending per pupil amount.

**Transportation**
Transportation is reimbursed as a categorical grant and covers about 44.3% of a district’s cost to transport students to and from school. The percentage reimbursement declines a little each year as transportation costs rise faster than the growth in the reimbursement fund.

**Student-Based Components**

**Special Education**
On average 60% of the costs of special education are reimbursed for each district. There are several pieces to the system. Basically it operates like insurance, districts submit detailed expenditure reports (claims) indicating how much was spent on special education each year. Approved student costs above $50,000 are reimbursed at 90%. Most other allowed special education costs are reimbursed at a rate that varies each year between 56 and 58%.

**Low Income / At-Risk**
Part of the student count weighting system provides an additional 25% for students from families receiving food stamps. Also, certain costs for students who need support services but are not eligible for special education are covered by the special education reimbursement system.

**Pupil Weights for Low Income / At-Risk**
Students age 6 – 17 from families receiving food stamps are given an additional weight of 25%

Students for whom English is not the pupil’s primary language are given an additional 20% weight.

**English Language Learner/Bilingual Education**
English language learning students are weighted an additional 20% in the pupil count formula.
Gifted and Talented Education
No special provisions in the funding system.

Other
The weighted count is scaled back by a ratio with a numerator composed of the average daily membership averaged over the prior two years and the denominator composed of the weighted two year average. The ratio has been coming in at about 0.92. This means that all of the weighted categories, elementary @ 1.0, secondary @ 1.13, poverty @ 1.25, and English language learners @1.20 are reduced by multiplying by the ratio (about 0.92).

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
Districts that have spending per pupil exceeding 125% of the prior year average are assessed an additional tax. Basically the homestead property tax rate increases in direct proportion to the rate of increase in per pupil spending. Above the 125% threshold the tax rate increases twice as fast. Beginning in FY 2010 the legislature added an additional local voting requirement for districts with above average pupil spending and with a budget increase greater than a state determined allowable increase. These districts must first approve a spending budget at the allowable increase and then get approval on a second vote for any additional spending.

Property Assessment Ratios Used/Legal Standards For Property Assessment
All property is taxed at a percentage of its fair market value.

Measure of Local Ability To Support Schools
The state taxing system provides the same tax base per pupil in all districts within Vermont. All districts with the same per pupil spending have the same tax rate. All homestead property owners with the same market value living in districts with the same per pupil spending pay the same tax amount within the accuracy limits of the property value assessment system of the state.

School District Budget and Tax Rate Procedures/Sources of Local Revenue
Boards of directors for all school districts (277) adopt budgets as each determines is necessary. Each district then votes to adopt the board’s budget. Voter adopted budgets are then converted to per pupil spending amounts using the weighted and scaled pupil count system which then translates to a tax rate for homestead property owners. All school taxes are now state taxes and there are no local tax dollars going toward education in Vermont.

State Support for Nonpublic Schools
Certain school districts (104) do not operate all grade levels and must pay tuition to other public or approved independent schools for students in those grades. To that extent there is state funding of independent (private) schools.
**Description of the Formula**

The foundation formula is based on pupils in average daily membership (ADM) for the current year. Basic program funding is determined by multiplying total ADM by a per pupil amount generated by the foundation formula to determine funding for school divisions (state average $5,552 per pupil in ADM for FY 2009-10) and adjusted by the Composite Index of local ability to pay (see Measure of Local Ability to Support Schools). The division’s share of a 1% state sales and use tax is distributed to divisions on the basis of school-age population. Remaining cost is shared by the state and local division according to a Composite Index of local ability to pay. The required local effort as determined by the Composite Index factor may not exceed 80% of remaining program cost (Basic Aid); thus, ensuring 20% state funding for all divisions.

Since November 2004 an additional one-quarter percent state sales and use tax revenue has been allocated to school divisions through the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund. Half of this amount (one eighth of a percent) is distributed on school age population and allocated as part of Basic Aid. The remaining half (one-eighth of a percent) is appropriated to support specific SOQ Basic Aid program goals in the area of increasing elementary resource teachers, reducing class size in middle and high school, and increasing instructional technology positions.

Basic Aid, textbooks, gifted education, special education, vocational education, English as a second language, Remedial summer school, and Prevention, Intervention, and Remediation are funded as part of the Virginia Standards of Quality (SOQ) program. School personnel costs for fringe benefits such as retirement, social security and group life insurance are also funded under the SOQ. The SOQ programs require a local cash match for the purpose of meeting the school division’s required local effort. Remedial summer school is the only SOQ program that does not require a local match.

Additional funds are provided to school divisions based on Incentive programs, most which are distributed using the Composite Index, include clinical faculty, summer Governor’s school, Career Switcher mentoring grants, certain special education programs (if applicable), and technology through the Virginia Public School Authority. Categorical programs are also funded to include adult education and literacy, school nutrition, Virtual Virginia, American Indian Treaty Commitment and special education programs.
Profits from the State Lottery Proceeds Fund are provided to school divisions, and many are allocated based on the local Composite Index. These profits are used to fund foster care and at-risk students, Enrollment Loss, the Virginia Preschool Initiative, early reading intervention, the Mentor Teacher program, K-3 primary class size reduction, school breakfast, Standards of Learning algebra readiness, regional alternative and special education programs, Individual Student Alternative Education Plan, categorical career and technical education, Education for a Lifetime, Project Graduation, supplemental Basic Aid, and Academic Year Governor’s Schools.

**Division-Based Components**

**Density/Sparsity of Small Schools**
The Appropriation Act specifies that a minimum number of instructional positions will be maintained on a division-wide basis, regardless of the school division’s population. This includes a minimum of 51 professional instructional and aide positions, one gifted professional instructional position, and six occupational and special education professional instructional and aide positions per 1,000 students included in the ADM.

**Grade Level Differences**
Does not apply.

**Declining Enrollment or Growth (Enrollment Loss program)**
In 2009-10, the state provided an additional payment, equal to the state share per pupil of Basic Aid for each division. The number of students lost was weighted at a value (.85, .70, .45 or .30) in an inverse relationship to the fiscal capacity of the school division. The weighted number of students lost was then multiplied by the state share of Basic Aid per pupil for each division to equal the state’s share for declining enrollment.

**Capital Outlay and/or Debt Service**
- **Literary Fund Loans** are available from the state with a ceiling of $7.5 million per project and with interest rates determined by a school division’s Composite Index (fiscal equalization mechanism). Due to availability of funds, Literary Fund Loans have not been issued since January 2008.

- **Virginia Public School Authority (VPSA)** offers school divisions a credit rating and lower interest rates to secure loans that school divisions might not have otherwise been able to obtain. The VPSA also enables divisions to sell their bonds often without voter approval at a lower interest rate.

- **Lottery Funds** not designated for specific programs (listed above) are provided to school districts to support the state share of the lottery per adjusted pupil in average daily membership amount which is determined by the school district’s Composite Index of local ability to pay. However, there are restrictions on how these funds may be expended. No more than 50% of lottery funds can be used for recurring costs, i.e., current expenditures, and at least 50% must be spent on nonrecurring expenditures, including school construction, additions, infrastructure, site acquisition, renovations, technology, and other expenditures related to modernizing
Transportation
State determines per pupil costs for regular, special arrangement, and exclusive schedule pupil transportation programs. Per pupil costs are based on a matrix through use of two variables: geographical density and division size, i.e., number of pupils, for each of the above programs. These costs are included in the Basic Aid account and are shared between state and local school divisions according to a school division’s Composite Index of local ability to pay. Also, the state contributes to the bus replacement costs based on a twelve-year replacement cycle.

Student-Based Components

Special Education
Funding for special education provides for the state share of salary costs of instructional positions generated based on staffing standards for special education. (The Virginia legislature identifies 14 categories of disability, each with a maximum allowable student to teacher ratio. The number of students in each division who fall into each of the 14 categories determines the number of teachers for which the state will share the funding costs.) Each special education student is counted in their respective school and up to three disabilities per student may be recognized for calculating instructional positions for funding. Once the number of funded teachers is determined, it is multiplied by the state-specified salary to determine the total salary cost, which is funded on a per pupil basis. The additional per pupil special education funds are shared between the state and local school divisions according to a school division’s Composite Index of local ability to pay.

Low Income / At-Risk
At-Risk Program
State payments for at-risk students are disbursed to school divisions based on the estimated number of federal free lunch participants in each division to support programs for students who are educationally at-risk. Funding is provided as a percentage add-on to Basic Aid to support the additional costs of educating at-risk students. A local match based on the district’s Composite Index of local ability to pay is required.

See Other.

English Language Learner/Bilingual Education
English as a Second Language (ESL)
State SOQ funds are provided to support school divisions providing the necessary educational services to children not having English as their primary language. The funding supports the salary and benefits cost of instructional positions at a standard of 17 positions per 1,000 ESL students. This cost is shared between the state and local school divisions according to a division’s Composite Index of local ability to pay and contributes toward the required local effort.
**Gifted and Talented Education**
State provides additional payment through the Standards of Quality (SOQ) Program for Gifted Education to support the cost of one instructional position per 1,000 students in ADM. This cost is shared between the state and local school divisions according to a division’s Composite Index of local ability to pay. Because gifted and talented funding is an SOQ account, its local match contributes toward the division’s required local effort.

**Other Programs Offered Statewide:**

*Prevention, Intervention & Remediation*
This SOQ program is designed to assist students who need additional instruction by providing one hour of additional instruction per day for identified students. Funding is calculated using the percent of students eligible for the federal Free Lunch program as a proxy for the number of eligible students. A pupil-teacher ratio is then applied to the pool of identified students using a range between 18:1 through 10:1, depending upon a school division’s combined failure rate on the English and Mathematics Standards of Learning tests. Higher combined failure rates are assigned lower pupil-teacher ratios. A local match based on the division’s Composite Index of local ability to pay is required and contributes toward the required local effort.

*Career and Technical Education (Vocational Education)*
State SOQ funds are used to support Career and Technical Education courses for students in grades 6-12. The funding supports the salary cost of instructional positions based on class size maximums established by the Board of Education. This cost is shared between the state and local school divisions according to a division’s Composite Index of local ability to pay. The local match qualifies toward the required local effort. A small amount of the funding for career and Technical Education is categorical and is expended for regional vocational schools.

*Remedial Summer School*
Remedial Summer School programs provide additional education opportunities for at-risk students. These SOQ funds are available to school divisions for the operation of programs designed to remediate students who are required to attend such programs during a summer session. The state share of per pupil funding is provided to support a thirty day summer program. No local match is required.

**Incentive Programs:**

*School Breakfast*
This state reimbursement program provides up to a $0.20 per meal reimbursement to school divisions that increase the number of breakfasts served to students.

*Technology (Virginia Public School Authority)*
The state provides incentive funding through the Virginia Public School Authority of $26,000 per school and $50,000 per division. Localities are required to provide a match for the total equal to 20 percent of all grant amounts. At least 25 percent of the local match shall be used for teacher training in the use of this technology.
Categorical Programs:

**Adult Education**
State funds are provided to improve educational opportunities for adults and to encourage the establishment of adult education programs that will enable all adults to acquire basic educational skills necessary to function in a literate society. The program also enables adults to complete secondary school, obtain a GED, or to benefit from job training and retraining programs. Reimbursements to school division adult education programs are based on 60% of the fixed cost-per-class or fixed cost-per-student.

**School Nutrition**
This state reimbursement program is required by the federal National Nutrition School Lunch Program, the School Breakfast Program, and the After School Snack Program. State funds are required to meet maintenance of effort and match requirements for the federal funds received for the school lunch programs. The rate of reimbursement is determined by the number of reimbursable lunches served during the previous year.

**Categorical Special Education Programs**
Categorical funding is provided for three special education programs: Homebound, Jails, and State Operated Programs. 1) Homebound funding provides for the continuation of educational services for students who are temporarily confined to their homes for medical reasons. State funds reimburse school divisions for a portion of the hourly rate paid to teachers employed to provide homebound instruction to eligible children. 2) Local school divisions are reimbursed for the instructional costs of providing special education and related services to children with disabilities in regional or local jails. 3) Education services are continued for students placed in state-operated facilities and are provided through contracted services with local school divisions. Funded positions are based on caseloads. A funding amount per position (to cover both personal and non-personal costs) is applied to each position to determine the total amount of funding for each division that provides education services in state operated programs.

Lottery-Funded Programs:

**Academic Year Governor’s Schools**
These programs give gifted and talented high school students an opportunity to study with fellow students of similar interest and abilities from across the Commonwealth. The schools offer specialized curriculum offerings. State funds are provided to assist with the state share of the incremental costs of operations during the school year. These funds are not to be used for capital outlay, structural improvements, renovations, or fixed equipment costs. Funds may be used for the purchase of instructional equipment. Funding is provided on a per pupil basis.

**Alternative Education**
State funds for Alternative Education programs are provided for the purpose of educating certain expelled students and, as appropriate, students who received long-term suspensions from public schools, and students returned to the community from the Department of Youth and Family Services.
Early Reading Intervention
The Early Reading Intervention program is designed to reduce the number of students needing remedial reading services. Program funds are used by local school divisions for: special reading teachers; trained aides; volunteer tutors under the supervision of a certified teacher; computer-based reading tutorial programs; aides to instruct in class groups while the teacher provides direct instruction to the students who need extra assistance; or extended instructional time in the school day or year for these students. A local match based on the district’s Composite Index of local ability to pay is required.

Foster Care
Foster care funding provides reimbursement to localities for educating students in foster care that are not residents of their school district. State funds are provided for prior year local operations costs for each pupil not a resident of the school division providing his education if the student has been placed in foster care or other custodial care within the geographical boundaries of such school division by a Virginia agency, whether state or local, which is authorized under the laws of the Commonwealth to place children.

Individual Student Alternative Education Plan (ISAEP)
An Individual Student Alternative Education Plan (ISAEP) may be developed when a student demonstrates substantial need for an alternative program, meets enrollment criteria, and demonstrates an ability to benefit from the program. The need is determined by a student’s risk of dropping-out of school. Funding is based on submitted reimbursement requests, up to the approved allocation for the year.

K-3 Primary Class Size Reduction
The state provides incentive funding for K-3 class size reduction below the required pupil-teacher ratio. Payments are based on the incremental cost of providing the lower class sizes based on the lower of the statewide average per pupil cost of all divisions or the actual division per pupil cost. Schools with free lunch eligibility percentages of 16 percent and greater are eligible for funding. A local match based on the district’s Composite Index of local ability to pay is required.

Special Education – Regional Tuition
Regional tuition reimbursement funding provides for students with low-incidence disabilities who can be served more appropriately and less expensively in a regional program than in more restrictive settings. A joint or a single school division operates regional special education programs. All reimbursement is in lieu of the per pupil basic operation cost and other state aid otherwise available.

Standards of Learning (SOL) Algebra Readiness
Funding is based on the estimated number of 7th and 8th grade students who are at-risk of failing the Algebra I end-of-course. This number is approximated based on the free lunch eligibility percentage for the school division. A local match based on the district’s Composite Index of local ability to pay is required.

Virginia Preschool Initiative
The Virginia Preschool Initiative provides funding for programs for unserved, at-risk four-year-old children, which include quality preschool education, health services, social services, parental involvement, and pupil transportation. The estimated number of unserved at-risk four-year-olds is multiplied by $6,000 for full-day programs and $3,000 for half-day programs. A local match based on the district’s Composite Index of local ability to pay is required.

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases
Does not apply.

Property Assessment Ratios Used/Legal Standards for Property Assessment
State law requires that real property is assessed at 100% of fair market value with periodic reassessments. Additionally, the property valuation component of the Composite Index, referred to as true valuation of property, is state-equalized through the application of biennial sales-ratio studies conducted by the Virginia Department of Taxation.

Measure of Local Ability to Support Schools
Composite Index which includes real and public service corporation property valuation, Virginia adjusted gross income, and taxable retail sales receipts calculated on both a per pupil and per capita basis.

School Division Budget and Tax Rate Procedures/Sources of Local Revenue
The 136 school divisions are fiscally dependent on county Boards of Supervisors or City Councils to approve the school budget and set tax rates for all purposes. The sources of local school revenue are derived primarily from the property tax, followed by the sales tax, and other miscellaneous taxes.

State Support for Nonpublic Schools
Does not apply.
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.

**Low Income / At-Risk**
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.
Description of the Formula

The Public School Support Program (PSSP) is a plan of financial support for the public schools in the State of West Virginia, which specifies statutorily the responsibilities of both the State and the fifty-five county school districts. The State’s responsibility for the basic program allowance is the total of the allowances calculated under Steps 1 through 7, less the aggregate amount calculated as the school district’s local share.

The PSSP is a basic foundation allowance program that provides funding to the local school districts for personnel salaries (Steps 1, 2, and 5), employee benefit costs (Step 3), transportation operating costs (Step 4), general operating costs, substitute costs and allowances for faculty senates (Step 6), and improvement of instructional programs, increase in technology funding, and advanced placement programs (Step 7). Additional allowances are provided for alternative education programs, increased enrollment, and other programs.

The number of personnel allowed for funding for each district is determined by the district’s net enrollment. Each district’s state aid allowance is determined by the salary degree classifications (pay grade for service personnel) and years of experience of the personnel actually employed by the district. The allowance for student transportation is determined by the actual transportation expenditures incurred by each district, within limits, and funding for technology and improvements to instructional programs (Step 7a and 7b) is based on the previous year’s appropriation plus 15% of the increase in local share for each purpose, respectively.

Districts are divided into the following four groups based on student net enrollment per square mile:

<table>
<thead>
<tr>
<th>Group</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sparse</td>
<td>Less than 5 students per sq. mile</td>
</tr>
<tr>
<td>Low</td>
<td>5 to less than 10 students per sq. mile</td>
</tr>
<tr>
<td>Medium</td>
<td>10 to less than 20 students per sq. mile, and</td>
</tr>
<tr>
<td>High</td>
<td>20 or more students per sq. mile</td>
</tr>
</tbody>
</table>
For the 2010-11 year, the funding limits for professional educators (PE) and service personnel (SP) are as follows, plus the minimum limits that districts must maintain in professional instructional personnel (PI) are:

<table>
<thead>
<tr>
<th>Category</th>
<th>PE</th>
<th>PI</th>
<th>SP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sparse</td>
<td>72.65</td>
<td>66.15</td>
<td>45.78</td>
</tr>
<tr>
<td>Low</td>
<td>72.50</td>
<td>66.10</td>
<td>45.20</td>
</tr>
<tr>
<td>Medium</td>
<td>72.35</td>
<td>66.00</td>
<td>44.63</td>
</tr>
<tr>
<td>High</td>
<td>72.20</td>
<td>65.90</td>
<td>44.07</td>
</tr>
</tbody>
</table>

The above ratios increase by 0.5% per year through the year 2012-13.

The formula identifies school counselors and school nurses as professional student support personnel; funds the number of these personnel employed during the 2007-08 year at the same percentages as the number of professional educators employed that are State Aid eligible as to funded, and; increases the allowance by 0.5% per year through the year 2012-13.

For the districts with student net enrollments of less than 1,400, increases each district’s net enrollment by an amount determined by the following formula: Determine the enrollment difference between the district’s actual enrollment and 1,400; multiply the difference by the percent derived by dividing the district’s student population density into the student population density of the district with the lowest density, and; restrict the total net enrollment for each eligible district so that it does not exceed 1,400.

The same four groups created for steps 1 and 2 are used to determine the allowance for student transportation operating costs and bases the allowances on the following percentages of actual expenditures:

<table>
<thead>
<tr>
<th>Category</th>
<th>Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sparse</td>
<td>95%</td>
</tr>
<tr>
<td>Low</td>
<td>92.50%</td>
</tr>
<tr>
<td>Medium</td>
<td>90%, and;</td>
</tr>
<tr>
<td>High</td>
<td>87.50%</td>
</tr>
</tbody>
</table>

An additional allowance of 10% is provided for the districts that use alternative fuels or transport students to and from multi-county vocational centers and exclude the allowance for additional buses from the allowance limit of 1/3 above the state average on a per mile basis. Also, one half of 1.0% of each district’s total transportation allowance must be reserved for expenditures for trips related to academic classroom curriculum.

**District-Based Components**
**Density/Sparsity of Small Schools**
Districts are divided into the following four groups based on student net enrollment per square mile:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
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<td>Low</td>
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<td>-</td>
<td>10 to less than 20 students per sq. mile, and</td>
</tr>
<tr>
<td>High</td>
<td>-</td>
<td>20 or more students per sq. mile</td>
</tr>
</tbody>
</table>

These groupings are utilized in calculating the allowances for salaries and transportation in order to provide more funding for the rural districts.

**Grade Level Differences**
Does not apply.

**Declining Enrollment or Growth**
Increased enrollment is addressed through statute; additional funds are provided for counties experiencing enrollment growth. The foundation formula is based on enrollment; therefore, declining enrollment generates decreased basic state aid.

**Capital Outlay and/or Debt Service**
The funding formula does not provide funds for either capital outlay or debt service.

**Transportation**
Districts are divided into four groups based on student population density (see above) and are used to determine the allowance for student transportation operating costs by multiplying actual expenditures by the following percentages:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
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</tr>
<tr>
<td>High</td>
<td>-</td>
<td>87.50%</td>
</tr>
</tbody>
</table>

An additional allowance of 10% is provided for the districts that use alternative fuels or transport students to and from multi-county vocational centers and exclude the allowance for additional buses from the allowance limit of 1/3 above the state average on a per mile basis. Also, one half of 1.0% of each district’s total transportation allowance must be reserved for expenditures for trips related to academic classroom curriculum.

**Student-Based Components**

**Special Education**
An allowance is provided for advanced placement at 1.0% of the state average per pupil state aid times the number of students enrolled in advanced placement, dual credit and international baccalaureate programs.

Although not a part of the Public School Support Program, a provision is included in WVC §18-20-5 that requires the State to make an appropriation to the Department of Education to be distributed to the county boards in accordance with State Board Policy to support children with high acuity needs that exceed the capacity of the school district to provide with available funds. Each county board is required to apply to the State Superintendent for receipt of this funding in a manner set forth by the State Superintendent that assesses and takes into account varying acuity levels of the exceptional students.

**Low Income / At-Risk**
No specific funds are provided for Low Income / At-Risk.

**English Language Learner/Bilingual Education**
The PSSP includes a provision that provides supplemental funding for programs for Limited English Proficient students where the cost of the program in a particular district exceeds the district’s capacity to provide the program with the funds that the district has available. The statute does not require any specific amount of funding to be appropriated, but any funds so appropriated in any year must be distributed to the various districts in a manner that takes into account the varying proficiency levels of the students and the capacity of the district to deliver the needed programs. Districts are required to apply for the funds that are available in accordance with the provisions contained in State Board policy.

**Gifted and Talented Education**
Gifted and talented students are not specifically funded through the funding formula.

**Revenue and Expenditure Information**

**State Mandates Restricting Revenue or Expenditure Increases**
There are no restrictions on the level of expenditure increases or revenues set by the funding formula.

**Property Assessment Ratios Used/Legal Standards for Property Assessment**
The County Assessor certifies the taxable assessed valuations of all property in the district. The district’s local share of funding effort is 90% of the regular levy proceeds less a 5% allowance for discounts, exonerations, delinquencies, and payments to the Assessor’s Valuation Fund.

**Measure of Local Ability to Support Schools**
Certified assessed value of taxable property.

**School District Budget and Tax Rate Procedures/Sources of Local Revenue**
All 55 school districts are fiscally independent. Total local levy taxes vary by property class. The levy rates used for calculating local share for the year were as follows: For Class I property -
19.40¢ per $100 assessed valuation; for Class II property – 38.80¢ per $100 assessed valuation; and for classes III and IV property – 77.60¢ per $100 assessed valuation.

State Support for Nonpublic Schools
Does not apply.
Description of the General Aid Formula

Equalization Aid

Equalization Aid comprises approximately 97% of total general school aid in Wisconsin and is the only type of general aid for most districts. The equalization formula uses a three-tier, guaranteed-tax-base configuration to share in the local costs of elementary and secondary (K-12) education. The total Equalization Aid eligibility for 10-11 is $4,548,061,640.

District-based factors used in the calculation of equalization aid include the equalized property value of a district, membership, and shared cost. Equalized property value is the full market value of taxable property in the district as determined by the Department of Revenue as of January 1 of each year. Shared cost is defined as costs funded by either local property tax or general state aid; costs funded by federal and state grants, donations, and other miscellaneous local revenue are not used in the formula. Membership is the number of full-time-equivalent resident pupils.

The primary tier provides aid for district shared costs up to $1,000 per member (primary cost ceiling), which is calculated using a statutory primary guaranteed valuation of $1,930,000 per member. The percentage of the $1,000 per-member cost required to be paid for by the district's tax base is the same percentage the district's per-member value is of the state per-member primary guarantee. The remainder is primary-tier Equalization Aid.

The secondary tier provides aid for district per-member shared costs that exceed $1,000 but are less than the secondary cost ceiling ($9,298 in for aids computed in 2010-11). The secondary cost ceiling is set at 90% of the prior year statewide total shared cost per member. In 2010-11, the secondary guaranteed valuation was $1,243,890. The percentage of the secondary per-member cost required to be paid for by the district’s tax base is the same percentage the district’s per-member value is of the state per-member secondary guarantee. The remainder is secondary-tier Equalization Aid.
The tertiary tier provides aid for shared costs per member that exceed $9,298. The tertiary guaranteed valuation is the state average value per member and was $581,087 in 10-11. The percentage of the tertiary per-member cost required to be paid for by the district’s tax base is the same percentage the district’s per-member value is of the state per-member tertiary guarantee. The remainder is tertiary-tier Equalization Aid.

A district’s total Equalization Aid is the sum of aid generated at all three tiers. There are two important additional concepts in the formula allocation of Equalization Aid:

1.) If a district's value per member exceeds the state guarantee at the secondary or tertiary tiers, negative aid is generated. Negative aid at any tier can reduce, or in some cases, eliminate a district's positive aid from another tier. A hold-harmless provision in state statutes entitles a district to receive at least the positive aid generated at its primary tier, regardless if the sum of all three tiers is a negative number. Districts not generating positive aid at the primary tier do not get any Equalization Aid from the state.

2.) The Equalization Aid formula accommodates the differing grade configurations found in Wisconsin districts. For elementary school districts (grades K-8), the guaranteed valuation is adjusted to one-and-a-half (1.5) times the K-12 guaranteed valuation, and for high school districts (grades 9-12), the guaranteed valuation is adjusted to three (3) times the K-12 guaranteed valuation.

Other General Aids

There are 3 other general aid programs in Wisconsin:

1.) Special Adjustment Aid - provides general aid to school districts generating less than 85% of the state aid generated in the previous year. Otherwise known as "parachute" aid, it is meant to mitigate severe declines in aid from year to year.

2.) Inter and Intra-District Aid – provides general aid to school districts for pupil transfers resulting from a plan to reduce racial imbalance. (Intra applies to within-district transfers, and Inter applies to between-district transfers.)

<table>
<thead>
<tr>
<th>Other General Aid Programs</th>
<th>Participation Rates</th>
<th>Eligibility (2010-11)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integration Aid (inter and intra)</td>
<td>Beloit, Madison, Racine, Milwaukee, and Wausau receive intra-district aid for 29,096 transfers; Milwaukee and 23 suburban districts receive inter-district aid for 2,756 transfers</td>
<td>$78.8 million for both programs</td>
</tr>
<tr>
<td>Special Adjustment Aid</td>
<td>Additional aid to a school district that receives less than 85 percent of state aid in current year than it received in the</td>
<td>$25.5 million</td>
</tr>
</tbody>
</table>
Governance

The state has 368 K-12 districts, 46 elementary (K-8) districts, and 10 union high school (9-12) districts, for a total of 424 school districts in 2010-11. All are fiscally independent; that is, they do not depend on other local units of government such as counties or municipalities for their local tax revenue. In addition, 12 cooperative educational service agencies (CESAs), which are fiscally dependent on school districts, provide programs and services to local districts. Three counties operated county children with disabilities education boards (CCDEBs), all fiscally independent. School districts are classified as common (367), union high (10), unified (46), and a first class city (Milwaukee). Common and union high districts are required to hold an annual meeting at which a majority of electors present approve the district's property tax levy. However, the school board has the authority to adjust the tax levy if it is determined that the annual meeting has not voted a tax sufficient to operate and maintain the schools or for debt retirement. School boards in unified and first class city school districts do not hold annual meetings.

District-Based Components

Density/Sparsity of Small Schools
The state’s 2007-09 biennial budget enacted this categorical aid program. The statutory provision for this aid program is found in s. 115.436, Wis. Stats. Districts that have 725 or less members, whose membership is less than 10 members per square mile of district’s geographic area and have at least 20 percent of its membership qualify for free or reduced-price lunch under the National School Lunch program will receive $300 per pupil. The 2010-11 appropriation for Sparsity Aid is $14.9 million.

High-Poverty Aid
The state’s 2007-09 biennial budget enacted this categorical aid program. The statutory provision for this aid program is found in s. 121.136, Wis. Stats. A school district is eligible for High Poverty Aid if, in the October preceding each biennium, the number of pupils eligible for free or reduced-price lunch divided by the district's September membership is equal to at least 50 percent. The 2010-11 appropriation for High-Poverty Aid is $18.7 million.

Grade Level Differences
Does not apply.

Declining Enrollment or Growth
Does not apply.
Capital Outlay and/or Debt Service
Capital outlay financed directly from taxes is included in a district’s shared cost calculation for equalization aid purposes. Long-term indebtedness is limited to 10% of equalized valuation in K-12 districts, 5% in other districts, and for Milwaukee, 5%, plus an additional 2%.

Transportation
State pupil transportation aids are a categorical aid and determined under the provisions of s. 121.58, Wis. Stats. The appropriation for reimbursement of transporting public and nonpublic school pupils is found in s. 20.255(2)(cr), Wis. Stats. School districts that furnish transportation to and from public and nonpublic schools are entitled to receive state aid at the following rates:

<table>
<thead>
<tr>
<th>Distance in Miles</th>
<th>Regular Year</th>
<th>Summer School</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Than 2 Miles (hazardous area)</td>
<td>$15/pupil</td>
<td>--</td>
</tr>
<tr>
<td>2-5 miles</td>
<td>$35/pupil</td>
<td>$4/pupil</td>
</tr>
<tr>
<td>Over 5 up to 8</td>
<td>$55/pupil</td>
<td>$6/pupil</td>
</tr>
<tr>
<td>Over 8 up to 12</td>
<td>$110/pupil</td>
<td>$6/pupil</td>
</tr>
<tr>
<td>Over 12</td>
<td>$220/pupil</td>
<td>$6/pupil</td>
</tr>
</tbody>
</table>

Distances are measured from the pupil's residence to the school attended; following the shortest commonly traveled route. Half payment is made for pupils enrolled and transported less than 91 days (regular year) or 16 days (summer school). Pupil transportation aid is based on student ridership in the previous year. The 2010-11 appropriation for Transportation Aid is $26.3 million.

Student-Based Components

Categorical Aids
The state provides two types of categorical aids: (1) formula-driven, in which funds are automatically provided to school districts based on specific criteria, and (2) grant programs, under which districts must submit a request for the funds. The 2010-11 program appropriations are listed below:

<table>
<thead>
<tr>
<th>Categorical Aid Programs</th>
<th>Funding (2010-11)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Education</td>
<td>$368.9 million</td>
</tr>
<tr>
<td>High Cost Special Education</td>
<td>$3.5 million</td>
</tr>
<tr>
<td>CCDEBs</td>
<td>$4.1 million</td>
</tr>
<tr>
<td>SAGE (based on low-income concentration)</td>
<td>$109.1 million</td>
</tr>
<tr>
<td>SAGE debt service aid</td>
<td>$148,500</td>
</tr>
<tr>
<td>Telecommunications Access Program</td>
<td>$11.2 million</td>
</tr>
<tr>
<td>Program</td>
<td>Amount</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Technology Infrastructure</td>
<td>$4.3 million</td>
</tr>
<tr>
<td>School Library Aid (est, as this is based on program revenue)</td>
<td>$32 million</td>
</tr>
<tr>
<td>Pupil Transportation</td>
<td>$26.3 million</td>
</tr>
<tr>
<td>Bilingual Bicultural Education</td>
<td>$9.5 million</td>
</tr>
<tr>
<td>Head Start Supplement</td>
<td>$7.0 million</td>
</tr>
<tr>
<td>Preschool to Grade 5 Grants</td>
<td>$7.1 million</td>
</tr>
<tr>
<td>Alcohol and Other Drug Abuse</td>
<td>$4.4 million</td>
</tr>
<tr>
<td>Alternative Education Grants</td>
<td>$4.8 million</td>
</tr>
<tr>
<td>State Nutrition Programs</td>
<td>$7.6 million</td>
</tr>
<tr>
<td>Children-at-Risk Programs</td>
<td>$3.5 million</td>
</tr>
<tr>
<td>Initial Educator Mentoring Grants</td>
<td>$1.3 million</td>
</tr>
<tr>
<td>Peer Review and Mentoring</td>
<td>$482,500</td>
</tr>
<tr>
<td>Open Enrollment Transportation</td>
<td>$482,500</td>
</tr>
<tr>
<td>Environmental Education</td>
<td>$130,500</td>
</tr>
<tr>
<td>CESA Administration</td>
<td>$290,000</td>
</tr>
<tr>
<td>Gifted and Talented</td>
<td>$263,500</td>
</tr>
<tr>
<td>Supplemental Aid</td>
<td>$120,600</td>
</tr>
<tr>
<td>English as a Second Language</td>
<td>$96,500</td>
</tr>
<tr>
<td>Advanced Placement Courses</td>
<td>$96,500</td>
</tr>
<tr>
<td>Youth Options Transportation Aid</td>
<td>$19,300</td>
</tr>
</tbody>
</table>

**Special Education**

Special Education is funded by a combination of state, local, and federal monies. State categorical aids assist with the costs of providing special education and related services. This includes reimbursement for teachers and teacher aides, physical and occupational therapists, speech/language therapists, special education directors, school psychologists, social workers, school nurses, school counselors, and special transportation. Staff must hold appropriate licensure in order to be eligible for reimbursement.

School districts, cooperative educational service agencies, county children with disabilities education boards, and 2r charter schools who operate programs for children with disabilities are reimbursed for special education costs in the year after costs are incurred. Funds are appropriated through the state budget process. Recipient agencies must complete the Special Education Fiscal Report program, PI-1505-SE.
There are 11 major areas of state aid to school districts, CCDEBs, and CESAs which provide programs for Special Education children:

- early childhood
- other health impaired or orthopedically impaired
- cognitively disabled
- hearing impairment
- visual disability
- speech and language disability
- emotional disturbance
- learning disability
- school age parents
- homebound instruction
- cross categorical

**Low Income / At-Risk**
Does not apply.

**English Language Learner/Bilingual Education**
Bilingual/Bicultural Education Aid is funded as a categorical aid; brief information is contained in the Categorical Aid chart.

**Gifted and Talented Education**
Gifted and Talented Education is funded as a categorical aid; brief information is contained in the Categorical Aid chart.

**Revenue and Expenditure Information**

**State Mandates Restricting Revenue or Expenditure Increases**

**Revenue Limits**

Wisconsin Act 16 implemented Revenue Limits beginning with the 1993-94 school year. A district's Revenue Limit is the maximum amount of revenue it may raise through state General Aid, state Computer Aid, and select property tax levies.

A district’s maximum is derived from enrollment changes (3-year rolling average), a per-pupil allowable inflationary increase ($200.00 in 10-11), and the prior year controlled revenue. A district may increase its maximum limit by an additional amount of specific exemptions upon application and approval by the Department of Public Instruction. A district then determines the maximum allowable levy for Funds 10, 38 and 41 by subtracting Computer Aid and the October 15 General Aid Certification provided by the department from the revenue limit. (*General school aids* include equalization, integration, and special adjustment aids. *Computer aid* is state funding provided to local units of government, including school districts, equal to the amount of property tax that would otherwise have been paid on exempt equipment.)
A district’s total property tax levy is comprised of the controlled levies: General (10), Non-Referendum Debt (38) (authorized after August 12, 1993), Capital Expansion (41); and the non-controlled levies: Referendum Debt (39), Community Service (80), and Property Tax Chargebacks. (Property Tax Chargebacks allow districts to, in the current year, recover uncollectable taxes from a prior year.)

The *gross school property tax levy* is the total school district levy; however, property tax credits (school levy tax credit, first dollar credit, and lottery credit) provide below-the-line tax relief to taxpayers.

**Property Assessment Ratios Used/Legal Standards For Property Assessment**

Full market value of taxable property in the school district as determined by the Department of Revenue (DOR) as of January 1 of each year.

**Measure of Local Ability to Support Schools**

Per pupil value of taxable property.

**School District Budget and Tax Rate Procedures/Sources of Local Revenue**

School districts derive their revenue through four major sources: state aid, property tax, federal aid, and other local non-property tax revenues such as fees and interest earnings.

**Comparative Revenue and Expenditure Information**

**Comparative Cost & Comparative Revenue**

In cooperation with the Wisconsin Association of School Business Officials Accounting Committee, the Department of Public Instruction (DPI) School Financial Services Team has developed several cost and revenue "benchmarks" that can be used for informational and general analysis purposes. Cost and revenue measures, themselves, cannot indicate the extent or quality of a particular district's educational program. Users of this data are encouraged to pursue the reasons for cost differences between districts. Data can be found at:

http://dpi.wi.gov/sfs/cmprvcst.html

**State Support for Nonpublic Schools**

<table>
<thead>
<tr>
<th>Program</th>
<th>Students (est)</th>
<th>Amount (mil)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milwaukee Parental Choice Program 2010-11</td>
<td>20,300</td>
<td>$130.8</td>
</tr>
<tr>
<td>Milwaukee-Racine Charter School Program 2010-11</td>
<td>7,417</td>
<td>$57.3</td>
</tr>
</tbody>
</table>

Note: Additional narrative description and historical statistics for general and categorical state aid in Wisconsin can be found in “State Aid to School Districts, Information Paper 27,” Wisconsin Legislative Fiscal Bureau.

http://legis.wisconsin.gov/lfb/
Description of the Formula

The Wyoming School Foundation Program provides a guaranteed level of funding to every Wyoming public school district which is computed via the Wyoming Funding Model. The funding model calculates this "guarantee," which is essentially a block grant and is based on a number of factors – the most important of which is the number of students enrolled in the district in the prior year.

Other components having a significant impact on a district's guarantee include special education and pupil transportation costs incurred in the prior year, the number of full-time vocational education students and teachers, the amount of square footage each district building has, the experience and education of the district staff, and the size and location of certain statutory defined “small schools” operated by the district. Very small school districts meeting certain enrollment criteria may qualify for additional funding.

Once a district's guarantee is established, that funding level is compared to the district's available local revenue sources. If a district's local revenues turn out to be less than its guarantee, the state of Wyoming makes up the difference through a series of entitlement payments distributed to the district throughout the school year.

A few school districts, on the other hand, have access to local revenues in excess of their guarantees. These districts must rebate the excess to the state of Wyoming – a process known as recapture. All recaptured monies flow into a School Foundation Program fund and are eventually redistributed to those districts receiving entitlement payments from the state.

District-Based Components

Density/Sparsity of Small Schools

School adjustments:
For all schools with 49 or fewer ADM, resource with 1 assistant principal position plus 1 FTE teacher position for every 7 students for all staff;
For a all schools within a district comprised of less than 243 total K-12 ADM and notwithstanding all other teacher resources, resource each school with a minimum of 1.0 core teacher at every grade with
reported ADM, plus 20% of core teachers for elementary specialist teachers and 33% of core teachers for middle and high school specialist teachers;

Minimum of 6.0 teachers for elementary schools greater than 49 ADM;
Minimum of 8.0 teachers for middle schools with greater than 49 ADM;
Minimum of 10.0 teachers for high schools with greater than 49 ADM.

For K-6 school, resource as elementary school;
For a 5-8 or 6/7-9 school, resource as a middle school;
For a K-7, K-8 or K-9 school, resource K-5 teachers as elementary school and remaining teachers as middle school, and resource all other staff resources at the highest-grade prototype;
For K-12 school, resource K-5 teachers as elementary, 6-8 teachers as middle school, 9-12 as high school, and resource all other staff resources at the highest-grade prototype;
For 6/7-12 school, resource 6-8 teachers as middle school and 9-12 teachers as high school, and resource all other staff resources at the highest-grade prototype.

Grade Level Differences
Elementary schools are resourced core teachers at 1:16 (teachers to students), middle schools and high schools are resourced at 1:21 (teachers to students).

Elementary schools are resourced a minimum of 6 teachers, middle schools are resourced a minimum of 8 teachers, and high schools are resourced a minimum of 10 teachers.

Elementary schools are resourced 20% of their core teachers for specialist teachers; middle schools and high schools are resourced 33% of their core teachers for specialist teachers.

To view a detailed list, please review the final legislation and final recalibration report mentioned below.

Declining Enrollment or Growth
Declining enrollment schools use a 3-year average of their ADM and schools that are growing use their previous year’s ADM. The state no longer uses a 60-day recalculation of a district’s ADM.

Capital Outlay and/or Debt Service
School Facilities Commission (SFC), a separate state agency, now handles the construction of new schools and also a portion for capital outlay for those buildings requiring remodeling or major maintenance. There are also some funds available through SFC for emergency funds needed for the schools. Districts can still pass bond issues with voter approval for enhancements in excess of the state building adequacy standards.

Transportation
The state reimburses 100% of a school district’s pupil transportation costs.

Student-Based Compensation
Special Education
The state reimburses 100% of a school district’s approved special education costs.

Low Income / At-Risk
Low Income / At-Risk now falls under other programs such as extended day, tutorial system for Saturday school and a Summer School program which are grant programs outside of the block grant.

**English Language Learner/Bilingual Education**
The funding model provides a 1.0 teacher FTE position for every 100 ELL students.

**Gifted and Talented Education**
The funding model provides $29.19 per ADM for gifted and talented.

**Other**
The state’s funding model was recalibrated during the 2006 and 2011 legislative sessions. To view the final recalibration report and final legislation, please use the following web address:

**Revenue and Expenditure Information**

**State Mandates Restricting Revenue or Expenditure Increases**
School districts are only allowed to retain 15% of their guarantee amount in their general fund. The additional mills that could be levied are no longer in existence. Districts were allowed with voter approval to levy 2 extra for operation and 2 extra for maintenance.

**Property Assessment Ratios Used/Legal Standards For Property Assessment**
Property is assessed at its fair market value. The State Board of Equalization prescribes the form of assessment and adopts procedures to ensure that all property in the state is assessed at fair market value. Legal standards for property assessment fall under the Revenue Department. Please see this site: http://legisweb.state.wy.us/statutes/statutes.aspx?file=titles/Title39/Title39.htm for legal definitions. Data contained in this statute covers Taxation and Revenue. Specific additional detail is contained in W.S. 39-11-101 through W. S. 39-11-104.

**Measure of Local Ability To Support Schools**
Local revenues, mainly 6 and 25 mill property taxes, compared to the guarantee. The federal report prepared shows maintenance of effort (MOE) maintained by the districts which might be a reflection of a district’s ability to support schools. The amount of funding to the districts through the funding model might be an indicator of a district’s inability to meet costs derived from local support.

**School District Budget and Tax Rate Procedures/Sources of Local Revenue**
Thirty-nine districts are fiscally dependent and nine are independent. The maximum local levy without voter approval is 26 mills. No voter approval is necessary for a budget increase. Voter approval is required for assessing three mills beyond the 26 mills and for capital construction projects. A simple majority is required for approval. The majority of local revenues for schools come from property taxes and school land income payments.

**School District Budget and Tax Rate Procedures/Sources of Local Revenue**
Increased assessed valuation in Wyoming has changed the financial condition. Some districts that were previously dependent have now become independent. Currently there are 39 dependent and 9 independent districts. Districts levy 25 mills for operation. Budget increases are handled through local district boards; no voter approval necessary. Districts can still pass bond issues with voter approval for enhancements in excess of the state building adequacy standards.
State Support for Nonpublic Schools
Does not apply.