
K-12 Funding

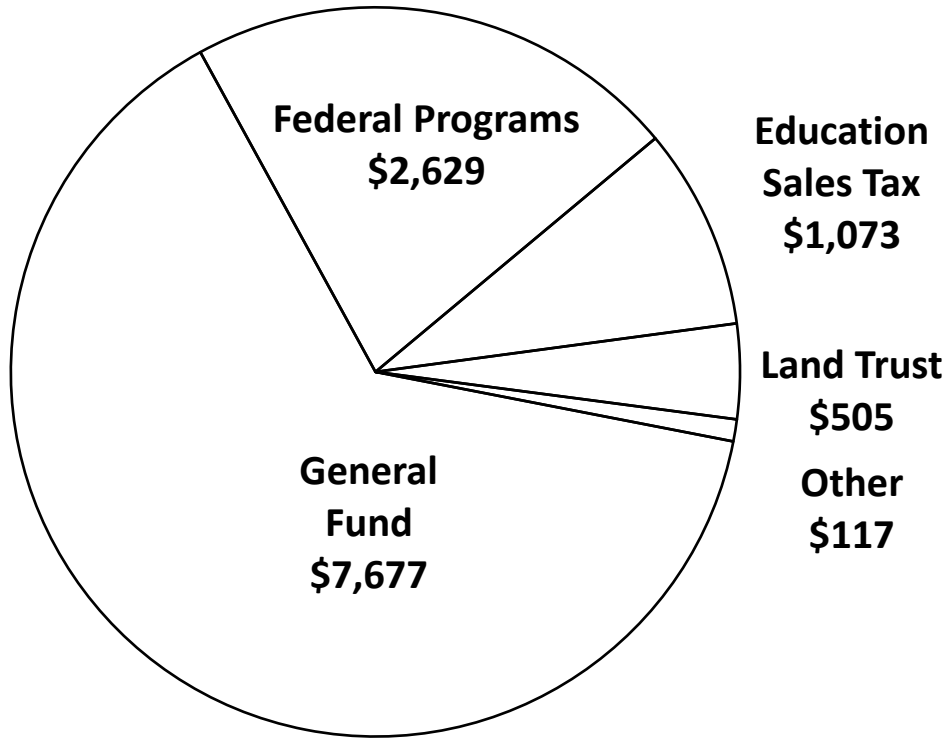
Senate Education Committee

January 15, 2025

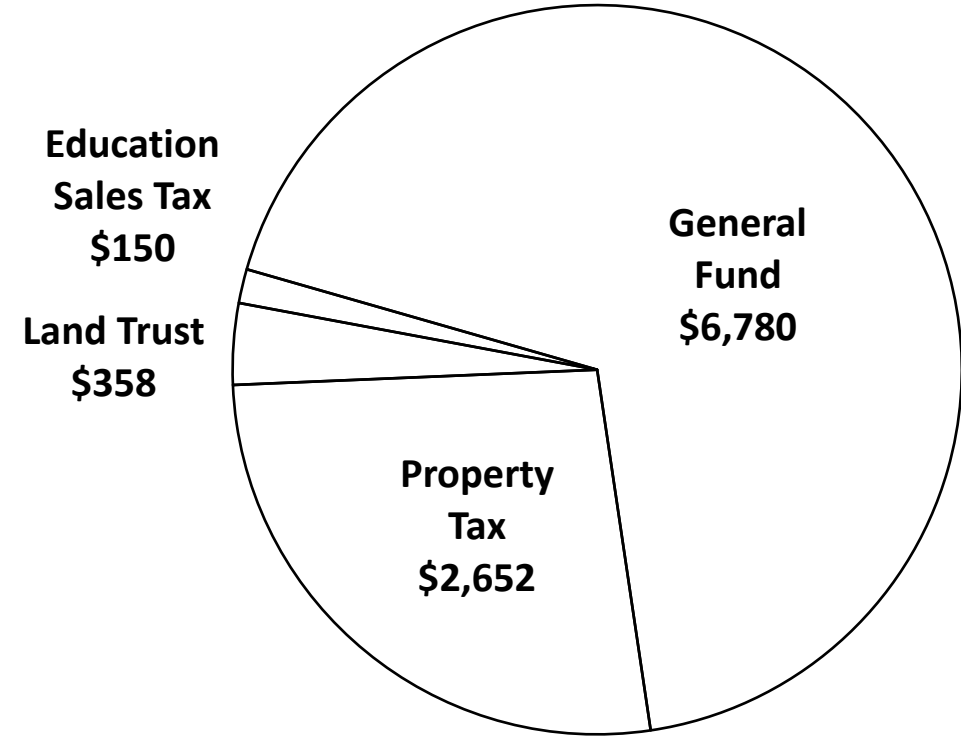


Basic State Aid Allocates \$9.9 Billion to Schools and ESAs

- Mostly Funded by ADE Resources



ADE = \$12.0 B



BSA Formula = \$9.9 B

Student Counts are Key Determinant of BSA Funding Levels

- Average Daily Membership (ADM) measures student counts:
 - Enrollment of full-time/fractional students for first 100 days, minus withdrawals
 - Students must meet minimum requirements for total instructional hours/courses to be counted
 - FY 2025 Unweighted Count (Estimated): 1.08 million
- ADM is “weighted” based on statutory factors:
 - Group A weights adjust for school size, urban/rural location, K-8/high school
 - Group B weights adjust for specific student populations (e.g. Special Ed, English Learners, K-3, etc.)
 - FY 2025 Weighted Count (Estimated): 1.55 million

Public School BSA Formula Components (Estimated)

- Base Level: \$7.87 billion
 - Calculated with current year weighted ADM; current amount is \$5,013.00
 - Voter-protected statute requires annual inflation adjustment
- Additional Assistance: \$1.03 billion
 - Districts: calculated with prior year unweighted ADM; ranges from \$549.45 to \$732.87
 - Charters: calculated with current year unweighted ADM; ranges from \$2,090.10 to \$2,435.97
- Transportation: \$214 million
 - Districts only; calculated with prior year route miles; ranges from \$2.42 to \$2.95 per route mile
 - Voter-protected statute requires annual inflation adjustment

Property Taxes Fund \$2.65 Billion of District BSA Formula

- State Partially Offsets with Homeowner's Rebate

- Qualifying Tax Rate (QTR): \$2.65 billion
 - Districts cover portion of their formula cost via primary property tax
 - Current rates are \$1.5930 for non-unified, \$3.1860 for unified
 - Adjusted annually by JLBC Staff in accordance with Truth-in-Taxation
- Homeowners receive rebate on portion of QTR taxes
 - 50% in FY 2025 with cap of \$600
 - Also provides funding for homeowners over the 1% cap
 - Total FY 2025 cost: \$527 million General Fund

ESA Formula Funds 90% of Base Support Level and CAA

- Enacted Budget Assumed \$822 million for 82,000 enrollees

- Actual enrollment is currently 86,000 and awards are \$864 M.
- Net impact on ADE budget depends on whether new ESA students are “switchers” or were always in private/homeschooled settings.
- ADE estimates that for FY 25 about 57% of ESA recipients were enrolled in a public school last year
- ESA formula cost compared with public school depends on school of origin and Group B weights

Major Non-BSA State and Local Funding Sources for Districts and Charter Schools

<u>Funding Source</u>	<u>\$ in Millions</u>
1) Classroom Site Fund	1,053
2) Bonds	875
3) Overrides	812
4) Other Tax Levies	415
5) School Facilities Division	320
6) Other State Formulas	257