

K-12 Funding (M&O, Capital and All Other)

FY 2003 through FY 2012 est

JLBC Staff
7/14/2011

All Funding ^{1/}

Source/ Item	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011 est	FY 2012 est
Equalization Formula Only ^{2/}										
(state, local & federal "stimulus")	4,060,904,900	4,268,108,600	4,544,505,400	4,871,047,900	5,339,245,700	5,674,219,900	5,765,295,100	5,948,356,200	5,572,319,000	5,486,397,500
Funding per Student	4,480	4,571	4,680	4,880	5,212	5,431	5,526	5,634	5,229	5,089
Inflation Adjusted Funding per Student	4,480	4,499	4,509	4,571	4,725	4,768	4,712	4,703	4,324	4,169
State Only ^{3/}										
(equalization + non-formula, SFB, and misc)	3,538,885,300	3,524,104,900	3,780,671,700	4,286,562,500	4,756,129,200	5,120,387,900	4,609,651,800	4,411,699,900	4,111,680,500	4,075,085,400
Funding per Student	3,904	3,774	3,894	4,294	4,643	4,901	4,418	4,178	3,858	3,780
Inflation Adjusted Funding per Student	3,904	3,714	3,751	4,023	4,209	4,302	3,768	3,488	3,191	3,096
State & Local Only ^{4/}										
(equalization + non-formula, SFB, and misc)	6,692,657,300	6,722,449,100	7,149,715,500	7,667,598,300	8,614,407,700	8,932,579,600	8,576,430,500	8,016,125,900	8,309,854,000	8,223,932,500
Funding per Student	7,384	7,200	7,363	7,681	8,409	8,550	8,220	7,592	7,797	7,628
Inflation Adjusted Funding per Student	7,384	7,085	7,094	7,196	7,623	7,506	7,010	6,338	6,448	6,249
State, Local and Federal ^{5/}										
(equalization + non-formula, SFB, and misc)	7,594,983,000	7,709,180,400	8,212,245,900	8,816,254,600	9,628,347,200	9,967,624,300	9,691,607,100	9,803,450,200	9,378,898,700	9,292,977,200
Funding per Student	8,380	8,256	8,458	8,832	9,399	9,540	9,289	9,285	8,800	8,620
Inflation Adjusted Funding per Student	8,380	8,126	8,148	8,274	8,521	8,375	7,922	7,751	7,278	7,061
Technical Assumptions										
ADM Pupil Count	906,362	933,734	970,985	998,221	1,024,401	1,044,785	1,043,355	1,055,864	1,065,747	1,078,055
Inflation Adjustment Factor	1.000	0.984	0.963	0.937	0.907	0.878	0.853	0.835	0.827	0.819

- 1/ Includes monies used for "Maintenance and Operations" (M&O) functions, such as administration, instruction, and instruction support. Also includes capital funding and funding reported under "Adjacent Ways," "Debt Service" and "Other" in the ADE Annual Report. "Other" funding is from items such as federal & state projects, food services, self-insurance, gifts and donations, auxiliary operations and extracurricular activities. Includes SFB funding for new school construction, including proceeds from lease-purchase issuances, but not lease-purchase debt service monies appropriated to the SFB or the SFB's operating budget. The corresponding "M&O only" table includes only M&O funding.
- 2/ Includes all state, local and federal monies that help fund the Basic State Aid formula, including GF, land trust, Prop 301, Qualifying Tax Rate (QTR), State Equalization Tax Rate (SETR), federal monies from the American Recovery and Reinvestment Act of 2009 (ARRA), and federal monies from the Education Jobs Fund Program Act of 2010. Figures have been adjusted to account for the impact of temporary factors that otherwise would distort long-term trends, including K-12 rollovers, school district cash balance deductions, temporary federal stimulus monies, and the suspension of the State Equalization Tax Rate (SETR) for FY07-F09 (see next page for details).
- 3/ Includes all state monies (GF, land trust & Prop 301) used for formula programs, non-formula programs, ADE administration, and School Facilities Board (SFB) funding. Figures have been adjusted to account for the impact of temporary factors that otherwise would distort long-term trends, including K-12 rollovers, school district cash balance deductions, temporary federal stimulus monies, and the suspension of State Equalization Tax Rate (SETR) for FY07 - FY09 (see next page for details).
- 4/ Includes all state and local monies used for formula programs, non-formula programs, ADE administration, SFB funding, and miscellaneous, including local override funding. Excludes all federal monies. ADE estimates of local funding for FY 2011 and FY 2012 are not available; we have assumed \$2.7 B in local and state non-formula monies for FY 2011 and FY 2012, which is the historical average since FY 2003.
- 5/ Includes all state, local and federal monies used for formula programs, non-formula programs, ADE administration, SFB funding, and miscellaneous. Recent ADE estimates of federal monies for FY 2011 and FY 2012 are not available. We have assumed \$1.035 B in "non-stimulus" federal monies per year for FY 2012 & FY 2012, which was the FY 2008 total (FY 2008 was the last "pre-stimulus" year), plus adjustments for estimated remaining ARRA & EduJobs monies.

All Funding (continued)

Source/ Item	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011 est	FY 2012 est
Equalization Formula Only DETAIL										
General Fund	2,251,864,800	2,588,311,700	2,720,094,300	3,119,561,100	3,505,087,300	3,450,940,400	3,195,449,100	2,836,783,400	3,031,430,300	3,015,201,100
Permanent State School Fund	70,263,000	59,761,100	46,509,100	50,295,000	45,220,700	45,220,700	45,220,700	16,269,400	26,000,000	46,475,500
QTR	1,342,861,800	1,391,244,200	1,516,657,300	1,602,196,600	1,702,657,200	1,819,150,600	1,915,549,700	1,996,028,800	2,027,532,800	2,041,470,100
SETR	173,091,400	180,033,900	194,287,500	203,714,700	-	-	-	243,439,100	253,613,500	261,970,300
Prop 301	31,530,100	48,757,700	66,957,200	86,280,500	86,280,500	86,280,500	86,280,500	100,660,600	86,280,500	86,280,500
Equalization total	3,869,611,100	4,268,108,600	4,544,505,400	5,062,047,900	5,339,245,700	5,401,592,200	5,242,500,000	5,193,181,300	5,424,857,100	5,451,397,500
Adjustments: 1/										
Rollover 2/	191,293,800	-	-	(191,000,000)	-	272,627,700	262,609,800	350,000,000	-	-
Cash Balances 3/	-	-	-	-	-	-	260,185,300	(115,892,400)	-	-
ARRA 4/	-	-	-	-	-	-	-	521,067,300	42,643,500	-
EduJobs 5/	-	-	-	-	-	-	-	-	104,818,400	35,000,000
Equalization total - adjusted	4,060,904,900	4,268,108,600	4,544,505,400	4,871,047,900	5,339,245,700	5,674,219,900	5,765,295,100	5,948,356,200	5,572,319,000	5,486,397,500
State Only DETAIL										
Basic State Aid (BSA) (w/o land trust \$)	2,251,864,800	2,588,311,700	2,720,094,300	3,119,561,100	3,505,087,300	3,450,940,400	3,195,449,100	2,836,783,400	3,000,765,300	3,015,201,100
Additional State Aid (ASA) 6/	254,066,500	269,669,700	279,818,000	294,126,200	324,244,300	366,134,800	295,940,800	231,187,600	419,264,000	351,525,000
Other Formula programs	27,658,900	29,699,700	31,463,300	33,752,200	37,733,700	35,938,200	35,702,100	35,976,500	36,226,000	34,226,000
Non-Formula programs	53,584,500	61,130,400	91,978,800	100,554,500	83,615,100	82,423,700	114,333,900	49,560,600	28,546,600	27,985,300
ADE Administration	10,997,000	10,606,400	5,467,800	7,293,500	11,046,200	10,720,200	9,508,400	9,028,800	8,248,600	7,591,300
BSA - Permanent State School Fund	70,263,000	59,761,100	46,509,100	50,295,000	45,220,700	45,220,700	45,220,700	16,269,400	46,475,500	46,475,500
School Capital Equity Fund	(17,460,400)	-	-	-	-	-	-	-	-	-
SFB - New School Facilities (NSF)	-	-	-	250,000,000	250,000,000	362,000,000	-	-	-	-
SFB - NSF Debt Service	-	25,876,200	50,094,200	50,940,100	75,733,500	71,832,600	79,103,000	100,604,700	63,520,100	160,105,700
SFB - Building Renewal	38,274,100	-	70,000,000	70,000,000	86,283,500	43,141,800	-	-	-	-
SFB - Building Renewal Grants	-	-	-	-	-	-	7,000,000	2,667,900	2,667,900	2,667,900
SFB - Deficiencies Correction	15,000,000	(100,000,000)	100,000,000	20,000,000	-	-	-	-	-	-
SFB - Deficiency Revenue Bonds	300,000,000	247,100,000	-	-	-	-	-	-	-	-
SFB - Other	1,547,100	1,574,500	5,606,500	1,643,700	1,744,600	4,322,300	1,610,800	1,422,400	1,388,200	1,313,600
Prop 301 - Classroom Site Fund	298,461,400	265,305,200	296,182,500	379,860,300	447,839,800	500,932,700	332,716,300	270,460,100	254,335,900	290,213,500
Prop 301 - Other	43,334,600	65,070,000	83,457,200	99,535,900	102,780,500	102,780,500	102,780,500	102,780,500	102,780,500	102,780,500
State total	3,347,591,500	3,524,104,900	3,780,671,700	4,477,562,500	4,971,329,200	5,076,387,900	4,219,365,600	3,656,741,900	3,964,218,600	4,040,085,400
Adjustments: 1/										
Rollover 2/	191,293,800	-	-	(191,000,000)	-	272,000,000	330,886,200	350,000,000	-	-
State Equalization Tax Rate 7/	-	-	-	-	(215,200,000)	(228,000,000)	(240,600,000)	-	-	-
Cash Balances 3/	-	-	-	-	-	-	300,000,000	(116,109,300)	-	-
ARRA 4/	-	-	-	-	-	-	-	521,067,300	42,643,500	-
EduJobs 5/	-	-	-	-	-	-	-	-	104,818,400	35,000,000
State total - adjusted	3,538,885,300	3,524,104,900	3,780,671,700	4,286,562,500	4,756,129,200	5,120,387,900	4,609,651,800	4,411,699,900	4,111,680,500	4,075,085,400

1/ To offset the impact of temporary factors that otherwise would distort long-term trends.

2/ A positive number offsets the effects of a K-12 rollover for a fiscal year. The negative FY 2006 number offsets the impact of the one-time rollover "payback" that occurred that year.

3/ The final FY 2009 budget included a \$(300) M one-time deduction to be offset with local cash balances (ADE deducted \$260 M from Basic State Aid and \$40 M from the Homeowner's Rebate). The FY 2010 budget included a related \$116 M one-time increase.

4/ The FY 2010 and FY 2011 budgets used one-time federal monies from the American Recovery and Reinvestment Act (ARRA) to offset a portion of state K-12 formula costs for those years.

5/ Education Jobs Fund (EduJobs) figures assume that public schools will use one-time federal Education Jobs Fund monies to offset an estimated \$105 M formula shortfall in FY 2011 and a \$35 M Capital Outlay Revenue Limit (CORL) reduction in FY 2012. Public schools received an additional \$68 M in "EduJobs" funding (\$208 M total) that also could have been used to offset formula reductions, but such offsets were not assumed in state budgets for the affected fiscal years.

6/ Additional State Aid ("Homeowner's Rebate" plus "1% Cap") funding is not adjusted for statutory changes that have affected programs costs, such as reductions in the assessment ratio for business property and funding ASA on the QTR only.

7/ For FY 2007 through FY 2009 the state temporarily backfilled with General Fund monies the reduction in K-12 local property tax revenues associated with a 3-year suspension of the State Equalization Tax Rate (SETR).