

K-12 Funding (M&O & Other)

FY 2008 through FY 2017 est

JLBC Staff
7/20/2016

Non-Capital Funding Only ^{1/}

Source/ Item	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016 est	FY 2017 est
Equalization Formula Only ^{2/} (state, local & federal "stimulus")	5,705,999,400	5,787,415,400	5,743,522,300	5,550,278,800	5,411,340,900	5,514,983,400	5,731,858,100	5,854,562,613	6,183,022,800	6,334,046,900
Funding per Student	5,481	5,531	5,471	5,297	5,143	5,198	5,321	5,367	5,593	5,660
Inflation Adjusted Funding per Student	5,481	5,388	5,227	5,022	4,818	4,770	4,795	4,759	4,880	4,889
State Only ^{3/} (equalization + non-formula and misc)	4,670,870,700	4,544,058,300	4,320,763,000	4,012,643,800	3,839,040,100	3,922,723,300	4,233,520,200	4,369,104,513	4,698,220,100	4,839,062,500
Funding per Student	4,487	4,343	4,116	3,829	3,649	3,697	3,930	4,005	4,250	4,324
Inflation Adjusted Funding per Student	4,487	4,230	3,932	3,631	3,418	3,393	3,542	3,552	3,708	3,735
State & Local Only ^{4/} (equalization + non-formula and misc)	7,170,548,800	7,085,472,500	6,737,232,600	6,853,738,200	6,827,801,400	7,107,058,600	7,476,101,600	7,350,997,200	7,769,935,100	7,980,275,100
Funding per Student	6,888	6,772	6,418	6,541	6,490	6,698	6,940	6,739	7,029	7,131
Inflation Adjusted Funding per Student	6,888	6,596	6,131	6,201	6,079	6,147	6,254	5,975	6,132	6,159
State, Local and Federal ^{5/} (equalization + non-formula and misc)	8,202,701,700	8,197,421,600	8,512,794,100	8,403,796,500	8,107,194,300	8,373,891,700	8,664,431,600	8,610,896,300	9,029,834,200	9,240,174,200
Funding per Student	7,879	7,835	8,109	8,020	7,706	7,892	8,043	7,894	8,169	8,257
Inflation Adjusted Funding per Student	7,879	7,631	7,747	7,604	7,218	7,243	7,248	7,000	7,126	7,132
Technical Assumptions:										
ADM Pupil Count	1,041,062	1,046,319	1,049,732	1,047,864	1,052,087	1,061,059	1,077,236	1,090,818	1,105,401	1,119,045
Inflation Adjustment Factor ^{6/}	1.000	0.974	0.955	0.948	0.937	0.918	0.901	0.887	0.872	0.864
Inflation Rate	3.1%	2.7%	2.0%	0.8%	1.2%	2.1%	1.8%	1.6%	1.6%	1.0%

^{1/} Includes only funding reported under the "Maintenance and Operations (M&O), Classroom Site Fund (CSF) and Instructional Improvement Fund (IIF)" and "Other" revenue categories in "Revenues Received by Source" tables in the ADE Annual Report. It therefore excludes capital funding, which instead is reported under "Unrestricted Capital Outlay," "Soft Capital Outlay," "School Facilities," "Adjacent Ways" and "Debt Service."

^{2/} Includes all state, local, and federal monies that help fund the Basic State Aid formula and the State Aid Supplement from Proposition 123. 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 FY 2007 - FY 2009 (see next page for details).

^{3/} Includes all state monies (GF, land trust & Prop 301) reported under "M&O, CSF & IIF" and "Other" for formula programs, non-formula programs, ADE administration, and miscellaneous, and excludes local and federal monies. Figures have been adjusted to account for the impact of temporary factors that otherwise would distort long-term trends (see next page for details). Excludes appropriations from the Student Success Fund to avoid double counting of GF monies.

^{4/} Includes all state and local monies reported under "M&O, CSF and IIF" and "Other" for formula programs, non-formula programs, ADE administration, and miscellaneous, including local override funding. Excludes all federal monies. Data on local funding for FY 2016 and FY 2017 are not available. The table assumes that the \$2.982 B of local level of funding reported for FY 2015 will grow in FY 2016 and FY 2017 by 1.4% and 1.25%, respectively, for enrollment and 1.59% and 1.0%, respectively, for inflation.

^{5/} Includes all state, local, and federal monies reported under "M&O, CSF and IIF" and "Other" for formula programs, non-formula programs, ADE administration and miscellaneous. Data on federal monies for FY 2016 and FY 2017 are not available. The table assumes that the \$1.260 B level of federal funding reported for FY 2015 will remain unchanged for FY 2016 and FY 2017, which roughly reflects recent trends.

^{6/} "Inflation Adjustment Factor" represents cumulative inflation, whereas "Inflation Rate" is above prior year only. Both reflect GDP deflator for second preceding calendar year per statute under most recent data (e.g., rates applying to FY 2017 are CY 2015 actuals).

Non-Capital Funding Only (continued)

Source/ Item	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016 est	FY 2017 est
Equalization Formula Only DETAIL										
General Fund	3,489,910,000	3,217,869,400	2,835,861,400	3,000,228,100	3,032,066,900	3,100,720,300	3,260,395,500	3,362,203,113	3,491,626,400	3,586,212,000
Permanent State School Fund	45,220,700	45,220,700	16,269,400	25,497,100	46,475,500	46,475,500	46,475,500	46,475,500	219,440,500	219,804,200
QTR	1,819,150,600	1,915,549,700	1,984,272,000	2,014,266,200	2,022,038,400	2,037,936,600	2,054,647,100	2,078,049,100	2,102,191,500	2,151,774,500
SETR	0	0	243,439,100	253,613,500	257,839,300	265,470,500	276,339,900	281,554,400	283,483,900	289,975,700
Prop 301	79,090,400	85,980,500	100,960,600	86,280,500	86,280,500	86,280,500	86,280,500	86,280,500	86,280,500	86,280,500
Equalization total	5,433,371,700	5,264,620,300	5,180,802,500	5,379,885,400	5,444,700,600	5,536,883,400	5,724,138,500	5,854,562,613	6,183,022,800	6,334,046,900
Adjustments: <u>1/</u>										
Rollover <u>2/</u>	272,627,700	262,609,800	350,000,000	-	-	(21,900,000)	-	-	-	-
Cash Balances <u>3/</u>	-	260,185,300	(115,892,400)	-	-	-	-	-	-	-
ARRA <u>4/</u>	-	-	521,067,300	42,643,500	-	-	-	-	-	-
EduJobs <u>5/</u>	-	-	-	106,955,900	35,000,000	-	-	-	-	-
Miscellaneous <u>6/</u>	-	-	(192,455,100)	20,794,000	(68,359,700)	-	7,719,600	-	-	-
Equalization total - adjusted	5,705,999,400	5,787,415,400	5,743,522,300	5,550,278,800	5,411,340,900	5,514,983,400	5,731,858,100	5,854,562,613	6,183,022,800	6,334,046,900
State Only DETAIL										
Basic State Aid (BSA) (w/o land trust \$)	3,489,910,000	3,217,869,400	2,835,861,400	3,000,228,100	3,032,066,900	3,100,720,300	3,260,395,500	3,362,203,113	3,491,626,400	3,586,212,000
Additional State Aid (ASA) <u>7/</u>	366,134,800	295,940,800	231,187,600	414,716,400	305,775,400	286,677,100	336,776,400	359,909,200	366,684,000	398,836,400
Other Formula programs	35,938,200	35,702,100	35,976,500	35,830,800	33,760,100	33,816,100	33,298,500	33,448,100	33,226,000	33,226,000
Non-Formula programs	82,423,700	114,333,900	49,560,600	28,546,600	27,995,700	36,584,300	38,810,600	66,736,300	42,098,100	42,196,300
ADE Administration	10,720,200	9,508,400	9,028,800	8,248,600	7,634,400	7,717,000	8,261,000	8,264,800	8,239,400	8,905,100
State GF subtotal	3,985,126,900	3,673,354,600	3,161,614,900	3,487,570,500	3,407,232,500	3,465,514,800	3,677,542,000	3,830,561,513	3,941,873,900	4,069,375,800
BSA - Permanent State School Fund	45,220,700	45,220,700	16,269,400	25,497,100	46,475,500	46,475,500	46,475,500	46,475,500	219,440,500	219,804,200
Prop 301 - Classroom Site Fund	500,932,700	332,716,300	270,460,100	252,281,000	283,543,800	293,860,300	406,722,200	389,287,000	434,125,200	447,102,000
Prop 301 - Other	95,590,400	102,480,500	117,460,600	102,780,500	102,780,500	102,780,500	102,780,500	102,780,500	102,780,500	102,780,500
Prop 301 subtotal	596,523,100	435,196,800	387,920,700	355,061,500	386,324,300	396,640,800	509,502,700	492,067,500	536,905,700	549,882,500
State Total	4,626,870,700	4,153,772,100	3,565,805,000	3,868,129,100	3,840,032,300	3,908,631,100	4,233,520,200	4,369,104,513	4,698,220,100	4,839,062,500
Adjustments: <u>1/</u>										
Rollover <u>2/</u>	272,000,000	330,886,200	350,000,000	-	-	(21,900,000)	-	-	-	-
State Equalization Tax Rate <u>8/</u>	(228,000,000)	(240,600,000)	-	-	-	-	-	-	-	-
Cash Balances <u>3/</u>	-	300,000,000	(116,109,300)	-	-	-	-	-	-	-
ARRA <u>4/</u>	-	-	521,067,300	42,643,500	-	-	-	-	-	-
EduJobs <u>5/</u>	-	-	-	106,955,900	35,000,000	-	-	-	-	-
Miscellaneous <u>6/</u>	-	-	-	(5,084,700)	(35,992,200)	35,992,200	-	-	-	-
State total - adjusted	4,670,870,700	4,544,058,300	4,320,763,000	4,012,643,800	3,839,040,100	3,922,723,300	4,233,520,200	4,369,104,513	4,698,220,100	4,839,062,500

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 2013 number offsets the impact of a 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 used one-time federal Education Jobs Fund monies to offset an estimated \$107 M formula shortfall in FY 2011 and a \$35 M Capital Outlay Revenue Limit (CORL) reduction in FY 2012. Public schools received an additional \$66 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/ Includes shifts of surplus funding between BSA & ASA to cover shortfalls in the other program for a given fiscal year and an adjustment to correct for the inadvertent use of FY 2012 surplus monies to cover FY 2013 ASA costs.

7/ 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.

8/ 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).