

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

FY 2009 through FY 2018 est

JLBC Staff
8/30/2017

All Funding ^{1/}

Source/ Item	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 est	FY 2018 est
Equalization Formula Only ^{2/} (state, local & federal "stimulus")	5,787,415,400	5,743,522,300	5,550,278,800	5,409,764,900	5,509,774,200	5,721,658,100	5,837,228,913	6,155,131,994	6,270,416,755	6,452,305,200
Funding per Student	5,531	5,471	5,297	5,142	5,193	5,335	5,379	5,641	5,676	5,761
Inflation Adjusted Funding per Student	5,531	5,366	5,156	4,945	4,892	4,936	4,897	5,045	5,023	5,032
State Only ^{3/} (equalization + non-formula, SFB, and misc)	4,631,772,100	4,425,458,000	4,080,080,700	4,013,021,200	4,091,263,800	4,414,967,000	4,507,726,513	4,916,001,594	5,023,741,100	5,330,613,300
Funding per Student	4,427	4,216	3,894	3,814	3,856	4,117	4,154	4,505	4,547	4,760
Inflation Adjusted Funding per Student	4,427	4,135	3,790	3,668	3,633	3,809	3,782	4,030	4,024	4,157
State & Local Only ^{4/} (equalization + non-formula, SFB, and misc)	8,576,430,500	8,016,125,900	8,132,845,600	7,895,860,800	8,109,640,500	8,430,688,700	8,628,028,400	8,975,568,600	9,174,744,778	9,594,870,500
Funding per Student	8,197	7,636	7,761	7,505	7,643	7,861	7,951	8,226	8,305	8,567
Inflation Adjusted Funding per Student	8,197	7,489	7,555	7,217	7,201	7,273	7,238	7,357	7,349	7,483
State, Local and Federal ^{5/} (equalization + non-formula, SFB, and misc)	9,691,607,100	9,803,450,200	9,689,254,900	9,180,176,900	9,384,923,500	9,627,815,600	9,897,557,500	10,277,520,400	10,526,333,078	10,946,458,800
Funding per Student	9,263	9,339	9,247	8,726	8,845	8,977	9,120	9,419	9,528	9,774
Inflation Adjusted Funding per Student	9,263	9,159	9,000	8,391	8,333	8,305	8,304	8,425	8,432	8,537
Technical Assumptions:										
ADM Pupil Count	1,046,319	1,049,732	1,047,864	1,052,087	1,061,059	1,072,451	1,085,209	1,091,125	1,104,753	1,119,964
Inflation Adjustment Factor ^{6/}	1.000	0.981	0.973	0.962	0.942	0.925	0.910	0.894	0.885	0.873
Inflation Rate	2.7%	2.0%	0.8%	1.2%	2.1%	1.8%	1.6%	1.8%	1.1%	1.3%

^{1/} Includes all funding reported in "Revenues Received by Source" tables in the Annual Report of the Superintendent of Public Instruction. Those tables report all K-12 revenues under 1 of 7 categories: 1) Maintenance and Operations (M&O), 2) Unrestricted Capital Outlay, 3) Classroom Site Fund (CSF) and Instructional Improvement Fund (IIF); 4) School Facilities; 5) Adjacent Ways; 6) Debt Service; and 7) Other. "Other" funding is from sources such as federal & state projects, food services, self-insurance, gifts and donations, auxiliary operations and extracurricular activities. The corresponding "Non-Capital Funding Only" table includes only M&O, CSF and IIF and "Other" funding.

^{2/} Includes all state, local and federal monies that help fund the Basic State Aid formula, including Additional Teacher Salary Increase monies and the State Aid Supplement from Proposition 123, but excluding ESA funding. Figures have been adjusted to account for temporary factors that 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 and miscellaneous) used by ADE and the School Facilities Board (SFB) for formula programs, non-formula programs and agency administration. Excludes Teacher Certification Fund monies, which are from teacher fees. 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 G F monies.

^{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. Data on local funding for FY 2017 and FY 2018 are not available. The table assumes that the \$4.060 B level of local funding assumed for FY 2016 will grow in FY 2017 and FY 2018 by 1.25% and 1.4% , respectively, for enrollment and 0.99% and 1.31%, respectively, for inflation.

^{5/} Includes all state, local and federal monies used for formula programs, non-formula programs, ADE administration, SFB funding, and miscellaneous. Data on federal monies for FY 2017 and FY 2018 are not available. The table assumes that the \$1.302 B level of federal monies reported for FY 2016 will increase by \$49.6 M for FY 2017 based on August 2017 estimates from the U.S. Department of Education and will remain at the assumed FY 2017 level for FY 2018.

^{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 2018 are CY 2016 actuals).

All Funding (continued)

Source/ Item	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 est	FY 2018
Equalization Formula Only DETAIL										
General Fund	3,217,869,400	2,835,861,400	3,000,228,100	3,030,490,900	3,095,511,100	3,250,195,500	3,344,869,413	3,469,735,594	3,540,568,200	3,616,073,800
Permanent State School Fund	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	235,343,500
QTR	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	2,096,191,500	2,133,112,204	2,217,561,400
SETR	0	243,439,100	253,613,500	257,839,300	265,470,500	276,339,900	281,554,400	283,483,900	290,651,651	297,046,000
Prop 301	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	86,280,500
Equalization total	5,264,620,300	5,180,802,500	5,379,885,400	5,443,124,600	5,531,674,200	5,713,938,500	5,837,228,913	6,155,131,994	6,270,416,755	6,452,305,200
Adjustments: <u>1/</u>										
Rollover <u>2/</u>	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	5,787,415,400	5,743,522,300	5,550,278,800	5,409,764,900	5,509,774,200	5,721,658,100	5,837,228,913	6,155,131,994	6,270,416,755	6,452,305,200
State Only DETAIL										
Basic State Aid (BSA) (w/o land trust \$)	3,217,869,400	2,835,861,400	3,000,228,100	3,030,490,900	3,095,511,100	3,250,195,500	3,344,869,413	3,469,735,594	3,540,568,200	3,616,073,800
Additional State Aid (ASA) <u>7/</u>	295,940,800	231,187,600	414,716,400	305,775,400	286,677,100	336,776,400	359,909,200	377,979,600	403,693,800	410,546,000
Other Formula programs	35,702,100	35,976,500	35,830,800	33,760,100	33,816,100	33,298,500	33,448,100	32,293,500	33,226,000	33,226,000
Non-Formula programs	114,333,900	49,560,600	28,546,600	27,995,700	36,584,300	38,810,600	44,336,300	41,034,200	42,196,300	100,581,200
ADE Administration	9,508,400	9,028,800	8,248,600	7,634,400	7,717,000	8,261,000	8,264,800	8,236,300	8,905,100	8,956,800
BSA - Permanent State School Fund	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	235,343,500
SFB - New School Facilities (NSF)	-	-	-	-	-	672,000	858,200	2,249,600	24,253,200	87,008,400
SFB - NSF Debt Service	79,103,000	100,604,700	63,459,100	160,105,700	169,429,700	172,719,800	160,739,300	171,109,400	170,006,600	169,761,700
SFB - Building Renewal	-	-	-	-	-	-	-	-	-	-
SFB - Building Renewal Grants	7,000,000	2,667,900	2,667,900	14,167,900	2,667,900	16,667,900	15,128,600	31,667,900	31,667,900	33,835,800
SFB - Deficiencies Correction	-	-	-	-	-	-	-	-	-	-
SFB - Deficiency Revenue Bonds	-	-	-	-	-	-	-	-	-	-
SFB - Access Our Best Public Schools	-	-	-	-	-	-	-	23,900,000	500,000	-
SFB - Other	1,610,800	1,422,400	1,309,900	1,283,500	1,652,100	1,587,100	1,629,600	1,451,100	1,666,700	1,680,700
Prop 301 - Classroom Site Fund	332,716,300	270,460,100	252,281,000	283,543,800	293,860,300	406,722,200	389,287,000	434,123,400	444,472,600	530,818,900
Prop 301 - Other	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	102,780,500
State total	4,241,485,900	3,670,500,000	3,935,566,000	4,014,013,400	4,077,171,600	4,414,967,000	4,507,726,513	4,916,001,594	5,023,741,100	5,330,613,300
Adjustments: <u>1/</u>										
Rollover <u>2/</u>	330,886,200	350,000,000	-	-	(21,900,000)	-	-	-	-	-
State Equalization Tax Rate <u>8/</u>	(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	4,631,772,100	4,425,458,000	4,080,080,700	4,013,021,200	4,091,263,800	4,414,967,000	4,507,726,513	4,916,001,594	5,023,741,100	5,330,613,300

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 2007 and FY 2013 numbers offset the impact of the one-time rollover "paybacks" that occurred during those years.

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).