

## Components of a Public School Funding Formula

|   | A   | B  | C  | D  | E   | F   |
|---|---|--|--|--|---|---|
| 1 |   | <b>Basis of Formula (Resource Allocation, Student-Centered, or Hybrid)</b>   | <b>Methods for Counting Students and Frequency of Counts (Attendance or Enrollment/Membership and Daily, Monthly, Fall, Spring, etc.)</b>  | <b>Number of Budgeted Distributions (Line Items)</b>   | <b>Flexibility of Expenditures</b>  | <b>Accountability / Transparency</b>  |
| 2 | <b>Idaho's Current Public Schools Formula</b> | Resource Allocation: Support Units Drive Funding for Allowable Staff and Discretionary Funds, etc.   | Attendance: Average Daily Attendance (ADA) Fall and Best 28 Weeks  | 35 Categorical Distributions (both Statutory and Non-Statutory)  | Moderate Flexibility: Funding is approximately 80% fixed and 20% discretionary  | ISAT Scores, Continuous Improvement Plans, and Performance Certificates for Charter Schools   |
| 3 | <b>Massachusetts</b>                          | Hybrid: Determines the foundation (or adequate funding amount) per student by looking at 11 different expenditure categories   | Enrollment Only in the Fall  | After the state has calculated the foundation amount, it is adjusted depending on the student's grade level and if they qualify as an ELL or Special Ed student, or if they are in a vocational ed program. These amounts are further adjusted based on a wage adjustment factor (cost of living) and the percentage of at-risk students served in the district  | Sliding Scale Flexibility: More Oversight as Outcomes are <u>Not</u> Met  | Progress and Performance Index (PPI) and Program Improvement Plans  |
| 4 | <b>Indiana</b>                                | Student-Centered: Foundation formula with additional funding from categorical programs (or grants). The foundation amount is \$5,085 per student   | Membership: Two counts annually (one in September and one in February, each for six months of the year)                                    | Funds are distributed primarily on the basic foundation amount plus four other grant distributions for specific purposes (honors, career-technical, special education, and a complexity grant that utilizes demographic factors to provide funding based on the school's percentage of students who met certain criteria)  | Increased Flexibility: H1009 (P.L. 244) consolidates several local funds (General, Capital, Transportation, Bus Replacement, Art/Historical, and Playground) into two funds: 1. Education Fund, and 2. Operations | "Student-Centered Accountability" uses assessment and student growth scores to grade schools on a scale of A - F. School Improvement Plans and School Quality Reviews are used for accountability   |
| 5 | <b>Utah</b>                                   | Student-Centered: In 2017-18 the foundation amount was \$3,311. In addition, the state provides additional equalization funding to low property tax districts  | Average Daily Membership. Provides additional funding for growing districts and there is a hold-harmless provision for shrinking districts | The state distributes funding based on the foundation formula plus program-specific allocations  | High Flexibility: Districts have a great deal of flexibility in how they expend their state funding   | Standardized student assessments of growth and created the Assessment & Accountability Policy Advisory Committee  |
| 6 | <b>Nevada</b>                                 | Hybrid: Combines a student-centered foundation formula and equalization. Each district's foundation amount is determined separately by reviewing its relative wealth, total salary and transportation costs, along with other costs determined by the state  | Daily Counts are Converted to Quarterly Reports and Funding is Adjusted Accordingly  | The majority of funding is distributed through the state's primary school funding formula ("The Nevada Plan") which has been in place in the state since 1967. The state did make some major adjustments to the plan in 2015, including providing additional funding through weights for ELL and At-risk students  | High Flexibility: Districts have a great deal of flexibility in how they expend their state funding   | The state has recently implemented a new "Weighted Student Formula" that requires the Clark County school district to account for student expenditures at the school building level. They may push this requirement out to other districts in the state |
| 7 | <b>Maryland</b>                               | Student-Centered: Foundation formula and then it provides additional funding for At-Risk, ELL, and Special Ed students   | Count Enrolled Students as of September 30. No Other Adjustments   | 1. Collapsed 50 Distributions into Eight 2. Geographical Cost of Education Index (GCEI). The bulk of state funding is distributed through a foundation formula. The foundation amount per student was determined by two studies that the state commissioned in 2001. The foundation amount is suppose to increase each year based on inflation. The state only has a couple of funding programs outside of the primary formula - this includes funding to help equalize local property wealth and one for transportation costs | High Flexibility: Districts have a great deal of flexibility in how they expend their state funding   | Maryland uses achievement indicators that include growth, gap reduction, and college and career preparation. Each school is measured against annual measureable objectives (AMO) targets under the new "School Progress" plan                           |
| 8 | <b>California</b>                             | Student-Centered: Base Dollar Amount Per Student + Weights. There is an additional weight of 20% for At-risk and ELL students (a student can only qualify as one not both) and an additional grant for districts with high concentrations of at-risk students. The state also adjusts the weights for students in K-3 and 9-12 | Daily Attendance Throughout the Year. Districts are Credited for Time Students are Actually in the District                                | The state distributes most of their funding through the primary formula but has a couple of block grant programs that also provide funding to schools  | High Flexibility: Districts have a great deal of flexibility in how they expend their state funding   | Compare low performing districts to high performing districts and identify themes for success. The state has devised a new system that requires districts to be more open to the public about their funding   |
| 9 | <b>Oregon</b>                                 | Student-Centered: Set at \$4,500 for 2017-18 school year. This foundation amount is adjusted based on the average years of experience held by each district's teachers   | Prorate Average Daily Membership Based on Actual Time in Each District   | Distributes the majority of their funding through their primary school funding formula. State also provides separate funding for transportation, capital costs, small high schools, and high-cost special ed students  | Sliding Scale Flexibility: Earn More Flexibility as Outcomes are Met  | Yearly report cards that provide educators with an opportunity to communicate directly with parents about how local schools are performing. Previously used Accountability Compacts   |

### Components of a Public School Funding Formula Continued...

|    | G   | H   | I  |
|----|---|---|--|
|    | Local Funding (Formula and/or Levies) -- see attached table for additional detail   | Mastery-Based Education -- see attached document for additional detail  | Distribution and Timing of Funds   |
| 10 |   |   |  |
| 11 | <b>Idaho's Current Public Schools Formula</b><br>Removed 3 mil property tax levy for maintenance and operations in 2006. However, school districts may ask voters to approve levies to generate supplemental revenue. For the 2017 tax year, school districts will receive \$299.8 million from levies (excluding bond and plant facility levies). Of this amount, \$188.8 million will come supplemental levies approved by 93 school districts. | HB 110 (2015) directed the Department of Education to begin Idaho's transition to a mastery-based education system (Section 33-1632, Idaho Code). \$1.4 million was appropriated in FY 2018 (\$1,050,000 to the districts and \$350,000 to the Department of Education)   | 50% of the district's funding for 2017/2018 school year was distributed August 15, 2017. Another 20% will be distributed November 15, 2017. The next 20% will go out February 2018, and the final 10% will be distributed May 2018. There will be a fifth payment in July 2018 that is mostly for final reconciliation, if necessary, when the districts attendance has changed during the school year. The first two payments (Aug 2017 and Nov 2017) are based on prior year payment amounts and attendance counts, but the February 2018, May 2018, and July 2018 payments are based on current school year data actual average daily attendance counts |
| 12 | <b>Massachusetts</b><br>School districts contribute revenue to their public schools and the amount is based on a combination of the districts property values and its residents' income   | No Policy in Place  | Monthly Distributions  |
| 13 | <b>Indiana</b><br>School districts are permitted to impose taxes to generate supplemental revenue to support budgetary priorities such as capital improvement, transportation, racial balance, and educational quality  | No Policy in Place  | Approximately Monthly Distributions (per Indiana Code 20-43-2-1)   |
| 14 | <b>Utah</b><br>School districts raise revenue based on a combination of its property values and a defined share of the amount calculated by the state to be necessary to educate students within that district. The expected tax rate is calculated annually to satisfy a statewide expected local contribution. In FY 2016, each district was expected to contribute \$1.736 for every thousand dollars of property wealth                       | Utah SB 34 (2017) establishes the Reimbursement Program for Early Graduation From Competency-Based Education, authorizing the State Board of Education to reimburse a local education agency that offers a competency-based education for a student who graduates early from the local education agency   | Still working to collect this metric as of 09/22/2017  |
| 15 | <b>Nevada</b><br>Fixed local property tax of \$.75 cents per \$100 assessed value for operations and a variable rate for debt. Approximately 40% of all property tax collected statewide is distributed to school districts   | No Policy in Place  | Distributes per pupil funding from its Distributive School Account on a monthly basis. Final true up amounts are distributed by September 1st based upon audited enrollment and actual revenue collected by the school districts   |
| 16 | <b>Maryland</b><br>School districts contribute revenue to their public schools based on a combination of its property values and its residents' income. Statewide, approximately 50% of public school funding comes from local sources, 44% from the state, and 6% from the federal government. Does not have a specific local tax for schools, rather, revenue is collected through five individual tax types                                    | No Policy in Place  | Still working to collect this metric as of 09/22/2017  |
| 17 | <b>California</b><br>Each locality collects a property tax at a rate of 1% assessed value. Revenue from this tax is pooled at the county level and then distributed to school districts based on guidelines set statute, but amounts districts receive are variable   | No Policy in Place  | 5% in July, 5% in August, and 9% per month for the rest of the fiscal year. They currently do not need to borrow money to meet this cash flow schedule. During the recession they had to borrow extensively. California engaged in external borrowing (through Tax and Revenue Anticipation Notes) as well as internal borrowing (from special funds). They also went through several years where they delayed payments to districts. During these years, districts had to borrow to cover their costs while they waited to receive state funding  |
| 18 | <b>Oregon</b><br>Expects school districts to contribute revenue to the funding of public schools and the amount is based primarily on its assessed property values: each school district is taxed \$5.00 for every thousand dollars of assessed property wealth (a level that is usually lower than market valuation)   | In 2007, the State Board of Education voted to adopt new high school graduation requirements. To earn a diploma, students need to successfully complete the credit requirements, demonstrate proficiency in the Essential Skills, and meet the personalized learning requirements. Students also have the option to earn credit for proficiency | Still working to collect this metric as of 09/22/2017  |

### Components of a Public School Funding Formula: Fill in Your Own Scenarios for Discussion

|   | Basis of Formula (Resource Allocation, Student-Centered, or Hybrid) | Methods for Counting Students and Frequency of Counts | Number of Budgeted Distributions (Line Items) | Flexibility of Expenditures | Accountability / Transparency | Local Funding (Formula and/or Levies) | Mastery-Based Education | Distribution and Timing of Funds |
|---|---|---|---|-----------------------------|-------------------------------|---------------------------------------|-------------------------|----------------------------------|
| 1 |   |   |   |                             |                               |                                       |                         |                                  |
| 2 |   |   |   |                             |                               |                                       |                         |                                  |