

K-12 School Finance: General & Supplemental/LOB State Aid per district

UNDERSTANDING THE FLOW OF EDUCATION FINANCE AS RELATES TO SPECIAL EDUCATION

HOUSE SUB SB 387: ADDS \$77.5 MILLION IN NEW SPECIAL EDUCATION MONEY & PROVIDES FOR HISTORIC CONSTITUTIONAL FUNDING

Total Foundation Aid
BASE x 11 Weightings

General & Supplemental
(includes foundation aid & supplemental general (LOB)
Budget 2023-24 = \$5.4 billion

LOB IS LOCALLY GENERATED BASED ON STATE FUNDING UP TO 33% AND ALSO STATE EQUALIZED FOR THOSE DISTRICTS ABOVE AVPP BELOW 82.5 PERCENTILE. REGARDLESS OF WHETHER LOB IS RAISED LOCALLY AND ENHANCED WITH STATE AID, ALL LOB MONIES SHOULD BE USED FOR THE STUDENTS THE MONEY IS ATTRIBUTED TO FOR THE STUDENT IMPROVEMENT.

Modified Total Foundation Aid which includes Special Education State Aid X Local Option Budget (LOB) rate (average 31.5%, maximum 33%)

Other weightings: transportation, low/high enrollment, etc.

At-risk Weighting
of Free Lunch students x .484 = at-risk weighting*



ALL At-Risk LOB funding MUST be transferred into the At-Risk Fund and used for at-risk “above and beyond” services
*High Density has a separate formula (when enrollment is greater than 35%) & Pre-K has a different qualifier for funding

Approximately \$727 million MUST be used for at-risk expenditures (including Pre-K) 2024

Bilingual (English Language Learners)

\$46.8 million budgeted '23-24

x 31.5% = \$15.4 m LOB
Total = \$61.9 m

Total of \$61.9 m raised for Bilingual students MUST be placed in Bilingual fund & used for bilingual services

Current Law: No

\$168 million LOB attributable for special education state aid but not required to be used for special education students

Districts transfer LOB currently to SPED accounts, \$40-60 m more.

Special Education State Aid

\$528 million x 31.5% = \$166-8 m

Count ALL the \$

SB 387: Yes

\$168 million attributable to special education state aid MUST be used for special education students

Add \$77.5 m

For any increases ABOVE maintenance of effort, require SBO to make consideration of 92% excess cost by district. By counting all the money and adding \$77.5 million, above the Governor’s budget, we are at 99.7% excess cost.