

HB 64 – Senate Education Funding Plan

- Builds on the formula enacted in H.B. 59.
- Increases the per pupil formula, special education, career-technical education, and K-3 literacy amounts as recommended by the Executive and the House.
- Provides career-technical funding outside of the cap and guarantee beginning in FY 2017.
- Modifies the income index to limit its effect to districts below 150% of the median and to incorporate a measure of average income as well as median income. For districts that qualify, slightly increases the positive effect of the income adjustment.
- Increases funding for supplemental targeted assistance and targets it more directly to the most rural low-wealth districts.
 - Funding for supplemental targeted assistance increases from \$92.2 million in FY 2015 to \$122.8 million in FY 2016 and \$126.1 million in FY 2017. The number of districts receiving the funding decreases from 470 in FY 2015 to 310 in FY 2016 and 313 in FY 2017.
- Removes the proration of transportation funding and, therefore, the transportation supplement and lowers the state share floor of transportation funding from 60% to 50%, both of these changes are recommended by the Executive and the House.
- Adds a new supplement outside the cap targeted to districts with low density to aid these districts with transportation operating & maintenance costs.
 - A total of \$14.9 million is provided to the 333 lowest density districts in FY 2016 and \$27.4 million is provided to the 370 lowest density districts in FY 2017.
- Adds a new supplement outside the cap targeted to districts with low density to aid these districts with technology costs.
 - A total of \$52.7 million is provided to 340 districts in FY 2016 and \$101.1 million is provided to 377 districts in FY 2017.
- Provides capacity aid as recommended by the House at a reduced level, but outside of the cap.
 - Capacity aid is provided to the 305 districts with total valuations below the state median. Funding totals \$104.8 million in FY 2016 and \$105.5 million in FY 2017.
- Incentivizes performance through two new components funded outside the cap based on districts' four-year graduation rates and third grade reading proficiency rates.
 - The graduation bonus provides \$29.7 million in FY 2016 and \$30.2 million in FY 2017. It is calculated by multiplying the district's graduation rate by a per pupil amount equal to 5% of the formula amount (\$295 in FY 2016 and \$300 in FY 2017). Each district's per pupil amount is then multiplied by the number of the district's graduates to get total funding for the district.
 - The third grade reading bonus provides \$33.7 million in FY 2016 and \$34.3 million in FY 2017. It is calculated by multiplying the district's third grade reading proficiency rate by a per pupil amount equal to 15% of the formula amount (\$885 in FY 2016 and \$900 in FY 2017). Each district's per pupil amount is then multiplied by the number of the district's third graders who are proficient in reading then by the district's state share index to get total funding for the district.
- Incorporates funding to guarantee districts receive at least 20% of the formula amount per pupil as recommended by the House, but phases in the guarantee at 15% in FY 2016 and 25% in FY 2017.
 - Funding of \$5.9 million in FY 2016 and \$9.3 million in FY 2017 is provided to 26 districts.
- Updates the transitional aid guarantee to FY 2015, as recommended by the House.
 - Transitional aid falls from \$195.2 million for 198 districts in FY 2015 to \$124.3 million for 150 districts in FY 2016 and \$87.6 million for 100 districts in FY 2017.
- Caps state aid increases to 7.5% of the prior year, except for new components mentioned above.
 - The cap lowers funding for 193 districts by a total of \$474.4 million in FY 2016 and lowers funding for 138 districts by a total of \$352.4 million in FY 2017.