

# Basic Education Funding (BEF) Overview

## Basic Education Funding Overview August 20, 2014

# Basic Education Funding (BEF) Overview

## 2014-15 State Education appropriations

- Total enacted budget: \$11.93 Billion  
Contained within this amount are the following categories:
  - Total Basic Education and Library Funding: \$10.33 Billion
  - Total Higher Education Funding: \$1.6 Billion

# Basic Education Funding (BEF) Overview

## Equalized Subsidy for Basic Education (ESBE)

- Act 31 of 1983
  - End of the 50 percent state reimbursement guarantee
  - Factor for Educational Expense (FEE)
    - $\$1,650 \times \text{MV/PI Aid Ratio} \times \text{WADM}$
  - Minimum of a 2 percent increase
  - Additional funds based on low income students, local tax effort and population density
- Act 93 of 1984 added:
  - FEE increased to \$1,725
  - Minimum of a 3 percent increase

# Basic Education Funding (BEF) Overview

## Equalized Subsidy for Basic Education (ESBE)

- Act 31 of 1985 added:
  - Small District Assistance
  - Minimum of a 2 percent increase
  - Maximum of a 7.45 percent increase
- Act 117 of 1986 added:
  - School Supplement
- Act 25 of 1991 added:
  - Low Expenditure/Low Wealth
  - Low Expenditure Poverty

# Basic Education Funding (BEF) Overview

## Equalized Subsidy for Basic Education (ESBE)

- Act 16 of 1993 added:
  - Poverty
  - Enrollment growth
  - Aid Ratio
  
- 1994 and Beyond:
  - Hold Harmless Provisions
  - Additional Supplements

# Basic Education Funding (BEF) Overview

## 2008-09 Basic Education Funding (BEF)

State Appropriation: \$5,226,142,000

- Each school district receives allocation in two pieces:
  1. Total allocation from 2007-08 (approx. \$4.9 billion)
  2. New allocation based on phase-in of New Formula (approximately \$275 million)
    - All 464 school districts qualify for State Share Phase-In (approximately \$247 million), calculated as State Funding Target (\$2.07 billion) x 10.0% or 16.75% (if EqM > 80<sup>th</sup> %)
    - 235 school districts qualify for transition funding (approximately \$22.9 million)
    - 1 school district qualifies for Commonwealth Partnership Funding (Pittsburgh; \$4 million)

# Basic Education Funding (BEF) Overview

## 2009-10 Basic Education Funding (BEF)

State Appropriation: \$4,868,741,000

Federal Appropriation: \$654,747,000

- Each school district receives allocation in two pieces:
  1. Base from 2008-09 (approx. \$4.98 billion); includes 2007-08 BEF, 2008-09 Commonwealth Partnership Funding, and 2008-09 Transition Funding
  2. New allocation based on phase-in of New Formula (approximately \$548 million)
    - All 500 school districts qualify for State Share Phase-In (approximately \$536 million), calculated as State Funding Target (\$2.32 billion) x 21.4% or 27.82% (if EqM > 80<sup>th</sup> %)
    - 95 school districts qualify for minimum increase (approximately \$10.3 million)
    - 1 school district qualifies for Commonwealth Partnership Funding (Pittsburgh; \$2 million)

# Basic Education Funding (BEF) Overview

## 2010-11 Basic Education Funding (BEF)

State Appropriation: \$4,733,523,000

Federal Appropriation: \$1,042,563,000

- Each school district receives allocation in two pieces:
  1. Base from 2009-10 (approx. \$4.99 billion); includes 2007-08 BEF, 2008-09 and 2009-10 Commonwealth Partnership Funding, 2008-09 Transition Funding, and 2009-10 Minimum Increase
  2. New allocation based on phase-in of New Formula (approximately \$784 million)
    - All 500 school districts qualify for State Share Phase-In (approximately \$762 million), calculated as State Funding Target (\$2.38 billion) x 32.06%
    - 150 school districts qualify for minimum increase (approximately \$19.5 million)
    - 1 school district qualifies for Commonwealth Partnership Funding (Pittsburgh; \$2 million)



# Basic Education Funding (BEF) Overview

## 2011-12 Basic Education Funding (BEF)

State Appropriation: \$5,354,629,000

- Each school district receives allocation in two pieces:
  1. Total state and Education Jobs Fund allocation from 2010-11 (approximately \$5.12 billion)
  2. New allocation over 6 supplements (approx. \$233 million)
    - All 500 school districts qualify for Student-Focused Funding Supplement (approximately \$105.4 million)
    - 14 school districts qualify for ELL High Incidence, Subsidy Loss, Second Class and Personal Income supplements (approximately \$29 million)
    - 352 school districts qualify for 2008-09 Hold Harmless supplement (approximately \$100.2 million)

# Basic Education Funding (BEF) Overview

## 2012-13 Basic Education Funding (BEF)

State Appropriation: \$5,403,629,000

- Each school district receives allocation in two pieces:
  1. Total allocation from 2011-12 (approx. \$5.35 billion)
  2. New allocation over 8 supplements (approx. \$39 million)
    - 7 school districts qualify for ELL High Incidence (\$17.45M)
    - 2 school districts qualify for CS Extraordinary Enrollment (approximately \$13.5 million)
    - 2 school districts qualify for Second Class County (\$1M)
    - 1 school district qualifies for Second Class SD (\$1M)
    - 1 school district qualifies for Increasing Aid Ratio (\$2M)
    - 2 school districts qualify for Personal Income (\$3.5M)
    - 1 school district qualifies for Small District Increasing Aid Ratio (\$300k)
    - 1 school district qualifies for Small District supplement (\$250k)

# Basic Education Funding (BEF) Overview

## 2013-14 Basic Education Funding (BEF)

State Appropriation: \$5,526,129,000

- Each school district receives allocation in two pieces:
  1. Total allocation from 2012-13 (approx. \$5.39 billion)
  2. New allocation over 13 supplements (approx. \$129.9 million)
    - All 500 school districts qualify for Student-Focused Funding Supplement (approximately \$99.5 million)
      - Average Daily Membership (ADM) X MV/PI Aid Ratio
    - 21 school districts qualify for other 12 supplements (approximately \$30.3 million)

# Basic Education Funding (BEF) Overview

## 2014-15 Basic Education Funding (BEF)

State Appropriation: \$5,526,129,000

- Each school district receives same allocation as 2013-14
- Pays August, October, December, February, April and June 1

# Basic Education Funding (BEF) Overview

## Increases in Funding

- Total School District Revenue
  - 1983-84: \$ 5,677,630,895
  - 2012-13: \$ 26,004,969,178
  
- Basic Education Funding
  - 1983-84: \$ 1,767,800,000
  - 2012-13: \$ 5,403,629,000