

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 910

PRINTER NO. 1672

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

June 22, 2015

PRIME SPONSOR

Senator Smucker

DESCRIPTION

Senate Bill 910 establishes a new section 2502.53 (Student-Weighted Basic Education Funding) in the Public School Code to provide for the formula recommended by the Basic Education Funding Commission to be implemented for basic education funding payments beginning with the 2014-2015 school year. Each school district would receive the amount it received for the 2013-14 school year and a distribution of any additional appropriations through the new formula.

The formula utilizes the following factors:

Student-Based Factors

Student Count – Uses 3-year average adjusted average daily membership (ADM)

- Adjusted ADM weight = 1

Poverty – 5-year U.S. Census Bureau American Community Survey Estimate

- ADM living in Acute Poverty (0-99%) weight = 0.6
- ADM living in Poverty (100-184%) weight = 0.3
- ADM in living Concentrated Poverty (> 30% Acute Poverty) weight = 0.3

English Language Learners – Uses school district’s number of limited English proficient (LEP) students.

- LEP student weight = 0.6

Charter School Enrollment – Uses school district’s charter school ADM

- Charter school ADM weight = 0.2

School District-Based Factors

Sparsity-Size Adjustment

- Measures a school district’s sparsity and size relative to the other 500 school districts and makes an adjustment to the weighted student count for small rural school districts.

Median Household Income Index

- Measures a school district’s median household income compared to the Statewide median household income.

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Local Effort Capacity Index

- Measures a school district's local tax effort based on local tax revenue per household and its median household income compared to the State median.
- Makes an adjustment for excess spending based on a school district's current expenditures per student weighted ADM compared to the State median.
- Measures a school district's ability to generate local tax revenue per student weighted ADM compared to the State median.

Formula Application

Multiply the sum of the student-based factors and the sparsity-size adjustment by the median household income index and the tax effort capacity index to determine the funding distribution factor. Each school district receives the amount it received for the 2013-14 school year and a pro rata share of new funding based on the amount appropriated and the funding distribution factor.

The legislation is scheduled to become effective immediately.

FISCAL IMPACT:

Senate Bill 910 will have no adverse fiscal impact on Commonwealth funds. The legislation provides for the distribution of funds appropriated by the General Assembly for basic education funding in the annual General Appropriations Act.