



Expected Local Share

In most states, the education funding formula includes an expectation that the local school district will contribute some portion of the amount needed to fund education in that district. This expected local contribution is subtracted from the total amount calculated by the state to be necessary to educate the district's students, and the difference is the amount of state education funding the district will receive. (This is generally the case regardless of whether the locality actually raises the expected amount in education taxes.) The amount of the expected local contribution varies from district to district, and states base their expectations on several different factors. This map indicates what factors states use to calculate the expected local contribution. A striped state is one that uses more than one kind of factor in its calculation. This report describes how each state sets its expectations for districts' local contributions to education funding.

Alabama

Alabama expects school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise for its education costs is based on property values. Each district is expected to contribute \$10.00 for every \$1,000 of assessed local property wealth for the purpose of funding its schools.

Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected local contribution and gives the difference in the form of state education aid.

Alaska

Alaska expects most school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise for its education costs is based on its property values: Each district is expected to contribute \$2.65 for every \$1,000 of local property wealth for the purposes of funding its schools.

Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected local contribution and a portion of the district's federal impact aid. It then provides the difference in the form of state education aid. However, the expected local contribution cannot exceed 45% of the district's formula amount for the prior year.

The amount of federal impact aid that is deducted is determined by a formula that results in lower deductions for districts that plan to allocate more than their expected local share.

Arizona

Arizona expects school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise is based on its property values and a tax rate that varies depending on the grade levels it serves.

For FY2021, Arizona expected elementary and high school districts to impose property taxes of \$18.37 for every \$1,000 of assessed local property wealth and unified school districts to impose \$36.74 for every \$1,000 of assessed local property wealth. Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected local contribution and provides the difference in the form of state education aid.

Arkansas

Arkansas expects localities to contribute revenue to the funding of public schools. The amount each locality is expected to raise for its education costs is based on its property values and its revenue from other local sources: Each locality is expected to contribute \$25.00 for every \$1,000 of assessed local property wealth for the purpose of funding its school district, along with revenue from a variety of other sources, including local sales and use taxes.

Once the state calculates the total amount of funding necessary to educate students within a district, it estimates the value of 98% of what should be raised from the expected local tax rate and subtracts that amount. The state also subtracts the value of a variety of other, smaller local revenue sources (see “Other Local Taxes for Education” for a description of these additional sources of local revenue). Once these expected local contributions have been subtracted, the state provides the difference in the form of state education aid.

If a district’s net revenues are less than 98% of the expected local contribution due to nonpayment or under collection, the state will provide the district with the difference between the past calendar year’s net revenues, as reported to the state treasurer, and 98% of the amount that should have been generated by the expected tax rate of \$25.00 for every \$1,000 of assessed local property wealth. If the district’s net revenues from this tax are greater than 98% of the expected local contribution due to higher collection rates, the state will recoup the difference.

California

California expects school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise is based on that district’s school funding history.

Each county collects property tax at a rate of \$10.00 for every \$1,000 of assessed local property wealth. School districts receive a portion of revenue from this property tax. The portion that each district receives is based on formulas specified in a 1979 statute and varies widely from county to county. Once the state calculates the total amount of funding necessary to educate students within a district, it estimates the value of the expected local contribution, subtracts that amount, and provides the difference in the form of state education aid.

The state must contribute at least \$200 for every student to all school districts, regardless of their local ability to pay for schools. Each district must also receive at least the amount of state funding that it received in 2012-13.

Colorado

Colorado expects school districts to contribute some revenue to the funding of public schools through the imposition of property taxes and the collection of motor vehicle registration fees. The amount each district is expected to raise varies depending on its property values, its school funding history, and the property tax rates approved by its voters in prior years, as well its revenue from other local taxes.

Colorado school districts must levy property taxes for education. The intended required property tax rate for each school district is the lowest of \$27.00 for every \$1,000 of assessed local property wealth, the tax rate currently required to fully fund the district's formula amount, the lowest tax rate that would have fully funded the district's formula amount at any point after 1994, or the highest tax rate approved by the district's voters at any point after 1994. If the intended required rate for a district is greater than its tax rate in 2019, then the district is required to increase its tax rate by up to \$1.00 per \$1,000 of assessed property value each year, as needed, until the intended rate is reached.

Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the revenue from the required local property taxes for that year, as well as any revenue from county vehicle registration fees that is distributed to the school district, and provides the difference in the form of state education aid.

Connecticut

Connecticut expects school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise is based on a combination of its property values and its residents' income, as well as other indicators of economic health.

Once the state calculates the total amount of funding necessary to educate students within a district, it determines what percentage of this amount the state will provide in the form of state education aid. It bases this calculation on information about the district's property values (weighted at 70% within the formula) and its median household income (weighted at 30%). For the state's 19 most economically burdened districts (based on a state ranking that awards points based on factors such as average income, unemployment rates, numbers of families receiving temporary assistance, property values, and property tax rates), the state increases its support by a prescribed amount.

Additionally, the formula requires the state to fund a minimum of 1% of each district's necessary funding, regardless of its local wealth. This minimum level rises to 10% for certain low-performing school districts.

Delaware

Delaware expects school districts to raise some revenue for the funding of public schools through the imposition of property taxes, but no specific amount is expected of each district.

Once the state calculates the total amount of funding necessary to educate students within a district, it provides that entire amount in the form of state education aid. No local share is subtracted in this calculation.

One part of Delaware's funding formula provides units of funding in amounts that are responsive to both the local per-student property tax valuation and the district's level of property tax effort relative to the statewide average property tax effort. The state funding provided for staff salaries is intended, though not required, to cover 70% of a recommended average total competitive starting salary.

District of Columbia

The District of Columbia comprises a single taxing jurisdiction. Education revenue is collected by the District of Columbia and appropriated to school districts including District of Columbia Public Schools and public charter school districts for distribution to individual schools.

Florida

Florida expects school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise is based on a combination of its property values and a defined share of the amount calculated by the state to be necessary to educate Florida's students.

Each year, the state legislature prescribes a statewide amount of education funding that must be covered by local revenue. Once the state calculates the total amount of funding necessary to educate students in all districts, it considers this figure, the total local share required for the year, and the value of taxable property statewide to set a statewide property tax rate (\$3.720 for every \$1,000 of assessed local property wealth in FY2021). This rate is adjusted for varying local levels of property wealth and for differences in districts' property assessment policies. Adjustments are also made to ensure that no district is responsible for more than 90% of the total amount of funding calculated by the state to be necessary to educate its students. In FY2021, districts' final, adjusted property tax rates ranged from \$1.555 to \$3.846 for every \$1,000 of assessed local property wealth. The state calculates the total amount of funding necessary for each district, subtracts the expected local contribution, and provides the difference in the form of state education aid.

School districts may also levy additional discretionary property taxes (see "Property Tax Floors and Ceilings" for more information). If the district's discretionary operations tax generates less than the state average because of low property wealth, the state will provide additional aid to close the gap between the district's receipts and state average receipts.

Georgia

Georgia expects school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise for its education costs is based on its property values: Each district is expected to contribute at least \$5.00 for every \$1,000 of taxable local property wealth (minus certain exempted property) for the purpose of funding its schools.

For districts in which a tax rate of \$5.00 for every \$1,000 of taxable local property wealth would generate 20% or more of the amount calculated by the state to be necessary to educate the students within the district, the amount of the expected local share is adjusted using a formula that takes into account the property values of all districts in the state. Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected local contribution and provides the difference in the form of state education aid.

Separate from each district's expected local contribution, the state provides grants to certain districts meant to compensate for disparities in property wealth. Districts with lower than average property wealth receive these grants to fill the gap between the property tax revenue the districts are able to raise and what they would raise if they had the state average property value. In order to receive this funding, districts must levy tax rates of at least \$14.00 for every \$1,000 of assessed local property wealth by July 2019.

Hawaii	Hawaii operates as a single, statewide school district; education revenue is collected by the state and distributed directly to schools.
Idaho	Idaho does not expect districts to contribute revenue to their public schools. However, school districts are permitted, with voter approval, to impose taxes to generate supplemental revenue for maintenance and operations (see “Property Tax Floors and Ceilings” for more information).
Illinois	<p>Illinois expects school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise for its education costs is based primarily on its property values, in accordance with a multistep calculation.</p> <p>A district’s expected local share is calculated through a multistep formula that considers the ratio of a district’s resources, including a measure of assessed property wealth, current state assistance, and revenue from the state’s corporate personal property replacement tax, to its necessary funding amount. The remainder of a district’s formula amount is meant to be funded by the state.</p> <p>Districts continue to receive funding from the state that equals or exceeds the amount they received prior to the state’s last major funding reform. Because it is guaranteed to all districts, this funding is counted as part of a district’s local resources. Because the state plans to move toward full formula funding over the span of a number of years, annual increases in funding are distributed to districts with the greatest need for state assistance. To determine need, districts are assigned to a percentile ranking comparing their ratio of resources to education costs against those of all other districts. Districts are then sorted into tiers according to the degree to which their local resources can be expected to cover their local education costs, and a greater percentage of available state aid is distributed to districts with less ability to fund their own education costs.</p>
Indiana	<p>Indiana does not expect school districts to contribute revenue to their public schools.</p> <p>However, school districts are permitted to impose taxes to generate supplemental revenue for specific purposes such as capital improvement, transportation, and debt service, as well as for operating costs if the taxes are approved by voters (see “Property Tax Floors and Ceilings” for more information on supplemental taxes).</p> <p>Actual state education aid disbursements are limited to the amount appropriated for that purpose and will be prorated as necessary so that each district receives state aid in proportion to the amount calculated by the state to be necessary to educate students within that district.</p>

Iowa

Iowa expects its school districts to raise revenue to support their public schools. The amount each district is expected to raise is 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.

Each district is expected to contribute \$5.40 for every \$1,000 of assessed local property wealth. Additionally, once the state provides funding for up to 87.5% of the cost per pupil, the remaining 12.5% must be covered out of local property taxes. Beginning in FY2023, the state will provide up to 88.4% of the cost per pupil. Districts are also limited in how much they can spend. They may not spend more than an authorized budget amount, which includes a district's regular program district cost as well as various supplemental amounts, budget adjustments, and revenues from sources outside the funding formula.

Because the funding formula amount that is subject to this state-local share arrangement is based on the number of full-time-equivalent students in a district, districts with declining enrollment see reductions in available resources. To provide time for such districts to adjust their spending, they may request a guaranteed regular program district cost of up to 101% of the prior year's regular program district cost. This is called a budget adjustment amount.

Kansas

Kansas expects school districts to contribute revenue to their public schools. The amount each district is expected to raise is based on a combination of its property values and a defined share of the amount calculated by the state to be necessary to educate its students.

The formula amount—the base amount for each student and the supplemental funding for students and districts in specified categories—is fully funded by the state, less the district's remaining funds from prior years, tuition for students residing outside the district, and some federal aid dollars. However, districts are required to adopt budgets exceeding the formula amount by a minimum of 15%. These required additional dollars are funded by a combination of local and state dollars, in a ratio determined by the district's per-pupil property valuation. Districts with lower levels of assessed property value per pupil receive more state support in funding the above-formula portion of their budgets. State aid decreases as per-pupil property values increase, and districts at the highest levels of property valuation per pupil—at the 81.2 percentile or above for the state—must fund the entire additional amount from local dollars. However, even the districts with the highest property valuations per pupil receive state funding for the formula amount itself.

Districts are also required to contribute revenue to the fund that supports public schools statewide. They must impose a tax of \$20.00 for every \$1,000 of assessed local property wealth. The revenue raised from this tax is not retained by the district; except for proceeds necessary to finance certain kinds of school district bonds, districts must remit this money to the state for deposit in the state school district finance fund. The state school district finance fund is used to fund all districts' formula amounts.

Kentucky

Kentucky expects school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise for its education costs is based on its property values: Each district is expected to contribute \$3.00 for every \$1,000 of assessed local property wealth for the purpose of funding its schools.

Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected local contribution and provides the difference in the form of state education aid.

Louisiana

Louisiana expects school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise for its education costs is based on a combination of its property values, its sales tax base, and its revenue from other local sources, adjusted to satisfy a statewide expected local contribution.

Louisiana works to maintain a taxation arrangement in which the state shoulders 65% of the cost of education and local school districts absorb 35% of the cost. The state computes expected local property tax rates and sales tax rates for each district to maintain this ratio. If a community's property value sees an increase of 10% or more in one year, then the state caps the increase in locally contributed property tax revenue at 10%. Similarly, if a community's sales tax base sees an increase of 15% or more in one year, then the state caps the increase at 15%.

Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected local contribution and provides the difference in the form of state education aid. Additionally, the state funds a minimum of 25% of each district's necessary funding, regardless of that district's local wealth. The state also gives incentive funding to encourage districts to raise and spend more money from local sources than the expected amount.

Maine

Maine expects its municipalities to raise revenue to support their public schools. The amount each municipality is expected to raise is based on its property values and the amount necessary to satisfy the statewide expected local contribution of 45% of what the state calculates to be necessary to educate students.

School districts in Maine generally encompass multiple towns. Each town is expected to contribute either the proceeds from a given tax rate (in FY2022, \$7.26 for every \$1,000 of assessed local property wealth) or a share of the district's total needed funding in proportion to the number of district students residing in the municipality, whichever is less. The expected tax rate is set annually based on local property values and the statutory target of 45% of the statewide share of education funding to be covered by local revenue. Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected local contribution and provides the difference in the form of state education aid.

Towns in Maine that choose to do so may raise less or more money locally than the expected amount. However, when a school district's actual local contribution falls below the expected local contribution, state aid is reduced by the same percentage by which the district is underfunding its local share.

Maryland

Maryland expects school districts to contribute revenue to their public schools. The amount each district is expected to raise is based on a combination of its property values, its residents' income, and a defined share of the base amount calculated by the state to be necessary to educate its students.

Maryland expects school districts to contribute half of the base cost of education. To calculate the statewide expected local contribution rate, Maryland takes one-half of the total enrollment in the state's public schools, multiplies that figure by the base amount, and divides that quantity by the sum of the wealth in all Maryland school districts. This quotient is the local contribution rate; the rate is multiplied by a district's wealth to determine that district's expected local contribution. (For these purposes, wealth is defined through a compound measure that considers both the property values and the amount of taxable income in each district.) By design, if the state as a whole is financially healthier, then districts are expected to raise less as the denominator representing statewide wealth increases; conversely, if enrollment drastically increases, districts are expected to raise more.

Districts' contributions toward supplemental funding for particular categories of students are calculated differently. Districts provide up to 50% of the costs of supplemental allocations for different categories of at-risk students, including English-language learners, low-income students, and special education students. Additionally, each district is required to raise at least the same amount of revenue in the current year as it did in the prior year. Finally, the state may not contribute less than 15% of the amount of funds calculated by the state to be necessary to educate the students within each district, regardless of a district's local wealth.

Massachusetts Massachusetts expects municipalities to contribute revenue to their public schools. The amount each municipality is expected to contribute is based on a combination of its property values, residents' income, and defined share of the amount calculated by the state to be necessary to educate students within the municipality's local school district.

In Massachusetts, school districts do not directly raise revenue; rather, municipalities raise revenue for schools. The state sets required local contributions for municipalities based on their target local shares. Each municipality's target local share is based on a statewide target for the proportion of education funding to be covered by state and local funds, the municipality's aggregate property values, and the municipality's aggregate income, based on its residents' tax returns. Municipalities, in total, are expected to cover 59% of the statewide foundation budget, and the state is expected to cover 41%. The target local share differs for each individual municipality depending on its property wealth and its residents' income, weighted equally. The target calculation also sets the maximum local share of the formula amount at 82.5%, so districts receive a minimum of 17.5% of the formula amount in the form of state aid regardless of local wealth and income levels.

A municipality's local contribution may be adjusted to account for the expected size of the changes in its local revenues over the prior year and for constraints on the municipality due to limits on permissible local tax rates (see "Property Tax Floors and Ceilings" for more information). When a municipality is a member of multiple regional school districts, or when it operates a local district in addition to being a member of one or more regional school districts, the municipality's local contribution is shared across the various school districts based on the size of their formula amounts as calculated for all the municipality's students.

Michigan Michigan expects school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise for its education costs is based on its property values and its school funding history: Each district is expected to contribute \$18.00 for every \$1,000 of assessed local property wealth (excluding the value of principal residences and agricultural properties) for the purpose of funding its schools, or a lower rate that depends on the district's school funding history.

In calculating the amount of funding necessary for each district, the state considers the number of students enrolled in the district, excluding students with disabilities. The base amount for students with disabilities is covered entirely by the state and is not subject to the local contribution requirement. Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected local contribution and provides the difference in the form of state education aid.

For districts where the local property tax rate for education was lower than \$18.00 per \$1,000 of assessed local property wealth in 1993-94, prior to the state's last major funding reform, the expected local contribution is calculated based on that lower rate. Additionally, school districts whose property values have risen faster than the rate of inflation will see their tax rates reduced; however, the expected local contribution is calculated based on the unreduced rate, and state aid is provided as though these districts were levying the full \$18.00 per \$1,000 of assessed property wealth.

Minnesota

Minnesota expects districts to contribute property tax revenue to the funding of their public schools. The state expects school districts to fund a large majority of their facilities and equipment costs through their local property tax.

The state calculates the amount of funding necessary for general education in each district and provides that amount as state aid, less the amount of revenue that counties contribute from fees and fines, such as power line taxes and alcohol licenses. In addition, districts are expected to impose taxes sufficient to raise funding for facilities and equipment costs in amounts that vary depending on their enrollment numbers and the square footage and age of their facilities.

School districts are also permitted to impose taxes to generate supplemental revenue for specific purposes. The state provides partial matching funds to districts that raise this supplemental local revenue through a variety of optional local levies (see “Property Tax Floors and Ceilings” for more information about these levies). The state also provides support for districts whose property values have declined since the most recent valuation.

Mississippi

Mississippi expects school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise for its education costs is based on property values. Each district is expected to contribute \$28.00 for every \$1,000 of assessed local property wealth (subject to different assessment ratios for different classes of property) for the purpose of funding its schools.

As a matter of policy, the state should not contribute less than 73% of the amount of funds it has calculated to be necessary to educate the students within each district, regardless of its local wealth. However, in practice, the state may provide a smaller share of districts’ needed funding if the legislature appropriates insufficient funding to cover the 73% requirement. Once the state calculates the total amount of funding necessary for each district, it subtracts the expected local contribution and provides the difference in the form of state education aid.

Additionally, taxpayers may claim an exemption from taxes on homesteads; the state provides a small reimbursement to school districts to offset this exemption.

Missouri

Missouri expects school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise for its education costs is based on its property values, its revenue from other local sources, and historical property values: Each district is expected to contribute \$34.30 for every \$1,000 of local property wealth, as assessed in the 2004-05 school year, for the purpose of funding its schools.

If the local valuation has decreased below its valuation in that year, the state aid will rise to compensate; however, districts are not expected to increase their contribution if the local valuation increases. Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected revenue from local property taxes as well as other sources of revenue distributed to school districts and provides the difference in the form of state education aid (see “Other Local Taxes for Education” for a description of other local revenues in Missouri).

Montana

Montana expects school districts to contribute revenue to their public schools. The amount each district is expected to raise is based on a combination of its property values and a defined share of the amount calculated by the state to be necessary to educate its students.

Each district is funded with both a per-district amount and a per-student amount (see “Base Amount” for a description of these allocations). The state automatically funds 44.7% of each of these amounts for every district. Districts may be expected to contribute up to the remaining 35.3% of the per-district and per-student amounts, along with 40% of the estimated allocation for special education (see “Special Education” for a description of this allocation), using local funds. For districts whose local funding base is insufficient to fully support these percentages, the state provides additional aid. The remaining 20% of the per-district amount and the per-student amount, if included in the district’s budget, is covered entirely with local funds.

In addition to funding 44.7% of the per-district and per-student allocations and the aid to districts with low tax bases, the state funds a number of allocations in their entirety—without any local funding expected. These include funding for students from low-income households and support for certain targeted programs for American Indians. Districts must budget at least 80% of the per-district amount and the per-state amount, 100% of the amounts fully covered by the state, and 140% of the estimated allocation for special education in each year. It is optional for districts to budget for, and impose taxes to fund, the remaining 20% of the per-district amount and the per-student amount.

Nebraska

Nebraska expects school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise for its education costs is based on its property values and its residents’ income.

Each district is expected to contribute \$10.00 for every \$1,000 of assessed local property wealth (subject to different assessment ratios for different classes of property) for the purpose of funding its schools. In addition, the state applies 2.23% of the state income taxes received from a district’s residents to its expected local contribution for the purposes of determining the state aid allocation. Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected local contribution and provides the difference in the form of state education aid.

Nebraska provides a mixture of additional targeted adjustments and income tax rebates to school districts before providing state aid.

Nevada

Nevada does not expect school districts to contribute revenue to their public schools. Rather, beginning in FY2021-22, counties are required to collect revenues for schools and transfer those revenues to the state for the support of education statewide.

Each county’s board of commissioners is required to impose a property tax of \$7.50 for every \$1,000 of assessed local property wealth for the purposes of funding its schools. The state also expects counties to contribute all receipts from the Local School Support Tax, a sales and use tax of 2.25%, and a gross receipts tax of 0.35%. Both sources of funding are remitted to the State Education Fund and distributed through the funding formula.

**New
Hampshire**

New Hampshire expects its school districts to raise revenue to support their public schools. The amount each district is expected to raise is based on a combination of its property values and a defined share of the amount calculated by the state to be necessary to educate its students.

Statewide, school districts are expected to contribute a total of \$363 million to public education. The Department of Revenue Administration determines the property tax base in each municipality and sets a uniform education tax rate that will produce a total of \$363 million in local revenue when applied to the tax base in all municipalities. This target was set in 2005 and has not been adjusted for inflation. In FY2022, this tax rate was \$1.825 for every \$1,000 of assessed local property wealth. Each municipality gives the revenue directly to its local school district. Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected local contribution and provides the difference in the form of state education aid.

New Jersey

New Jersey expects school districts to contribute revenue to their public schools. The amount each district is expected to raise is based on a combination of its property values and its residents' average income.

The state sets both a theoretical property rate and an income rate each year. The local share of each district's adequacy budget — the amount calculated by the state to be necessary to adequately educate its students — is equal to the average of its local assessed property wealth times the property rate and its local income level times the income rate. The two rates are set such that, once the state calculates the total amount of necessary funding in each district and subtracts the amount appropriated for state education aid, the overall local contribution will cover the remaining amount of necessary funding.

New Mexico

New Mexico expects school districts to raise some revenue for the funding of public schools through the imposition of property taxes but does not expect them to contribute toward the state-calculated formula amount.

Once the state calculates an amount of funding necessary to educate students within a district, the state provides this entire amount in state education aid. Separate from this calculation, school districts are required to raise \$0.50 for every \$1,000 of assessed local property wealth for school operations.

School districts must budget and report on the use of a portion of their state revenue equal to 75% of federal and local revenue for purposes relating to the Indian Education Act, school facilities, or "at-risk" student interventions.

New York

New York expects school districts to contribute revenue to their public schools. The amount each district is expected to raise is based on a combination of its property values and its residents' income.

Each district is expected to contribute the lesser of two per-pupil amounts, produced through two different formulas that consider both local property values and levels of local income. The first formula uses property wealth per student count, weighted for student need, and adjusts for local property wealth and local income levels in that district. The second formula uses state sharing ratios, which are adjusted slightly for high-need districts, and likewise accounts for local property wealth and local income levels. Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected local contribution and provides the difference in the form of state education aid.

North Carolina

North Carolina does not expect districts to contribute revenue to their public schools' instructional and operational expenses. However, facilities expenses generally are the responsibility of county governments.

In calculating the amount of funding necessary to educate students within a district, the state considers only instructional and operational expenses. The state provides this entire amount in state education aid. Separate from this calculation, county governments are expected to raise all revenue necessary for their school districts' school facilities, including long-term capital investments and day-to-day maintenance costs. The amount counties must contribute is dependent only on local expenses and not on any measure of the local ability to pay.

Although facilities expenses are the primary responsibility of the county, subject to appropriation, the state may provide additional funding for capital expenses from the North Carolina Education Lottery.

North Dakota	<p>North Dakota expects school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise for its education costs is based on its property values and its revenue from other local sources: Each district is expected to contribute \$60.00 for every \$1,000 of taxable local property wealth and 75% of revenue from several other sources, including mineral revenues, mobile home taxes, telecommunications taxes, and taxes on the distribution and transmission of electric power.</p> <p>Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected local contribution and provides the difference in the form of state education aid. However, the final determination of state aid is adjusted for districts with very low property values, for districts whose property values have increased significantly from the prior year, for districts with very high end-of-year fund balances, and for changes to districts' calculated aid amount since FY2013. Beginning in FY2025, all districts will be expected to contribute \$60.00 for every \$1,000 of assessed local property wealth and 75% of revenue from other sources.</p> <p>School districts that are currently expected to contribute less than \$60.00 for every \$1,000 of assessed local property wealth will have their expected local contribution gradually increased until they contribute \$60.00 for every \$1,000 of assessed local property wealth by FY2025.</p>
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Ohio	<p>Ohio expects school districts to contribute revenue to their public schools. The amount each district is expected to raise is based on a combination of its property values and its residents' income.</p> <p>Once the state calculates the total amount of funding necessary to educate students within a district, it calculates the share that local school districts are expected to contribute. This is accomplished through a multistep formula: First, the state assigns a percentage for each district by ranking all school districts based on each district's median gross income, compared to the median gross income statewide. Each district's local share is then calculated using that percentage, the local property valuation per pupil, and the average and median income per pupil of the district's residents. However, the state may not contribute less than 5% of each district's necessary funding, regardless of its local wealth.</p>
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Oklahoma

Oklahoma expects both school districts and counties to contribute revenue to the funding of public schools. The amount each district or county is expected to raise for its education costs is based on its property values and its revenue from seven state collections.

Each district is expected to raise \$15.00 for every \$1,000 of assessed local property wealth and is authorized to impose two separate and additional taxes (see “Property Tax Floors and Ceilings”). Both of these additional taxes are levied as a matter of course at the maximum level in all districts. Each county is expected to impose a tax of \$15.00 for every \$1,000 of assessed local property value, of which \$5.00 is earmarked for the county’s school districts, and to impose a separate tax of \$4.00 for every \$1,000 of assessed local property value, all of which is for education. Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the amount that should be raised by the district-imposed \$15.00 tax and 75% of the amount that should be raised by the county-imposed \$4.00 tax. The state also subtracts revenue from a number of state revenue sources, which is distributed to counties and school districts. These sources include motor vehicle collections, gross production collections, Rural Electric Association Cooperative taxes, and earnings on state school lands.

The state also provides Salary Incentive Aid, which supports staff salaries in school districts; the state calculates an amount for each district, subtracts the amount that would be raised by the remaining three taxes combined (\$20.00 for every \$1,000 of assessed local property wealth), and provides the difference in the form of Salary Incentive Aid. In addition, districts are empowered to impose two additional taxes: a tax of up to \$5.00 for every \$1,000 of assessed local property wealth for a district’s building fund and a tax to support a district’s sinking fund, which may be as high as necessary to support the construction bonds issued by a district.

Oregon

Oregon expects school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise for its education costs is based on its property values, its revenue from other local sources, and historical property values. Each district is expected to contribute property tax revenue at a tax rate determined based on each district’s past tax rates and property assessment history. However, the rate is capped at \$5.00 per \$1,000 of real market value.

The state expects districts to contribute revenue received from a number of other sources, including federal forest reserves, state-managed forest lands, and state lands dedicated to public schools, called the Common School Fund. Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected local contribution and provides the difference in the form of state education aid.

Most districts may levy a limited, optional tax for school operations with voter approval (see “Property Tax Floors and Ceilings” for a description of this policy). If the proceeds from this tax exceed the lesser of two thresholds—25% of the amount equal to the sum of the district’s base funding and its state grants for transportation, facilities, and high-cost services for students with disabilities; or a set amount per student in the district’s adjusted student count, which was set at \$2,000 in FY2019 and is adjusted upward by 3% per year—then the revenues exceeding this threshold are counted as part of the district’s local share.

Pennsylvania

Pennsylvania expects school districts to contribute revenue to the funding of public schools. The amount of state formula funding a district receives is based on its local property tax effort, property values, and residents' income. However, no specific tax rate is expected of each district.

Pennsylvania distributes formula funding in amounts based on each district's level of tax effort and its tax capacity. The state compares each district's local property tax rate to the state median, adjusting for the level of need of the student population that the district serves. To determine the tax capacity of a district, the state estimates how much the district could raise based on the total market value of its properties and the total personal income of its residents and compares this amount to the estimated state median. Districts with a higher tax effort and with lower tax capacity than the state medians will receive more in state aid, on the assumption that the remainder of education expenditures will be covered by local tax dollars.

Rhode Island

Rhode Island expects school districts to contribute revenue to their public schools. The amount each district is expected to raise is based on a combination of its property values and its students' level of financial need.

Once the state calculates the total amount of funding necessary for core instruction in each district, it calculates the share of the amount that will be covered by state aid. This is accomplished through a multistep formula that considers local property values, property values statewide, and the percentage of district students whose family income is at or below 185% of the federal poverty level. After the state calculates this share, the rest of the district's necessary funding is expected to be covered by local tax revenue.

However, school districts in Rhode Island that choose to do so may raise less or more money locally than the expected amount.

South Carolina

South Carolina expects its school districts to raise revenue to support their public schools. The amount each district is expected to raise is based on a combination of its property values and a defined share of the amount calculated by the state to be necessary to educate its students.

Statewide, school districts are expected to contribute approximately 30% of the total cost of public education. The collective local share percentage is multiplied by a district-specific index of taxpaying ability (a measure of a district's property wealth relative to the level of property wealth statewide) to determine the share of funding that each district is expected to raise locally. Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected local contribution and provides the difference in the form of state education aid.

South Dakota

South Dakota expects school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise for its education costs is based on its property values and its revenue from other local sources. School districts are expected to contribute a property tax rate that varies based on the type of property and to contribute revenue from six other local sources.

For general education for FY 2021-22, school districts are expected to contribute \$1.409 for every \$1,000 of assessed agricultural property value, \$3.153 for every \$1,000 of assessed owner-occupied property value, and \$6.525 for every \$1,000 of all other types of assessed local property value. For special education, districts are expected to contribute \$1.47 for every \$1,000 of assessed local property value. Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected local contribution and provides the difference in the form of state education aid.

Between FY2017 and FY2022, revenue from six additional revenue sources, including the utility tax, bank franchise tax, and wind farm tax, are being phased in as part of districts' expected local contribution. This phase-in annually increases the local share of the formula amount and adjusts the districts' state aid allocations. Other revenue that is phased in from these additional revenue sources will not offset state or local funding and will not take any funds away from the state's education system. The state's share of the funding ratio will be adjusted so that the state's dollar amount contribution is not reduced and local property taxes are not impacted.

Tennessee

For funding generated by the base and weights in the TISA formula, the state pays 70% of the statewide total. The remaining 30% is the collective responsibility of local funding entities. Each LEA contributes a proportion of the statewide local share of 30% based on their fiscal capacity, or their ability to contribute financially. This amount, called the required local contribution or local match, makes up a portion of the funds generated by TISA, and must be included in local budgets.

In addition to the required local contribution, many local governments contribute additional funds towards K-12 education. To ensure that additional state education dollars are not used to supplant these local funds, local governments must continue to provide the same amount of local funding from year to year. This total, called the maintenance of effort, may be higher than the required local contribution. Local governments are required to meet the maintenance of effort every year. This legal requirement was not altered in the passage of the TISA Act.

The combined measure of fiscal capacity is applied at the county level. Therefore, the state and local shares for a county-level school system would be the same as the state and local shares for a city-level school system within the same county. Once a district's local capacity percentage is calculated, this figure is multiplied by the district's resource costs in each category and then by the statewide average local share for that category (such as 70% for classroom components) to determine the dollar amount of the district's expected local contribution. However, school districts in Tennessee that choose to do so may raise more money locally.

Texas

Texas expects school districts to contribute revenue to their public schools. The amount each district is expected to raise is based on its property values and estimates of statewide and district property value growth each tax year.

School districts are generally expected to contribute less than \$9.30 for every \$1,000 of assessed local property wealth for the purpose of funding their schools. The precise amounts depends on the rate of property value growth in both the district and the state as a whole. In FY2021, districts were generally expected to contribute \$9.134 per \$1,000 of assessed local property wealth. This rate may be reduced if the state sees a sufficient year-to-year increase in property values or for specific districts seeing year-to-year increases in their local property values. Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected local contribution and provides the difference in the form of state education aid. When a district's expected rate generates more funding than the amount calculated to be necessary, the excess is recaptured by the state and used to support other districts.

When the state's total property tax base has increased in value by more than 2.5% from the previous year, the general expected rate is reduced in accordance with a statutory formula that considers the rate of value growth. In districts where the value of the local property tax base has increased since the previous year but by less than 2.5%, the expected tax rate is limited to the prior-year expected tax rate. In districts where the value of the local property tax base has increased by 2.5% or more since the previous year, the expected tax rate is reduced in accordance with a statutory formula that considers both the current year's and prior year's property values. Further compression is applied only to districts with property growth faster than the statewide average. When that formula produces a calculated rate that is less than 90 percent of the state's highest local expected rate, the district's rate is instead set at its prior-year expected rate.

Utah

Utah expects its school districts to raise revenue to support their public schools. The amount each district is expected to raise is 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 the statewide expected local contribution.

The expected tax rate is composed of two components, each of which is calculated to raise a specific amount. First, the state sets a partial statewide local contribution amount that changes from year to year (\$575.93 million in FY2022) and calculates the property tax rate that would be required to produce that amount; the first component of the expected tax rate is equal to the greater of that rate (\$1.475 for every \$1,000 of assessed local property wealth in FY2022) or a legislated rate of \$1.60 per \$1,000 of property wealth. Next, the state calculates an amount that is related to the prior-year local contribution and adjusted for incremental annual increases (\$22.48 million in FY2022) and determines the property tax rate that would be required to produce that amount (\$0.061 per \$1,000 of property wealth in FY2022); this is the second component of the expected tax rate. Together, these components added up to an expected local tax rate of \$1.661 per \$1,000 of property wealth in FY2022.

If the expected tax rate raises at least the amount of funding determined by the state as necessary to educate students within a district, that district receives no state aid. If this tax rate generates more funding than is calculated to be necessary for the district, the excess is rebated to the state department of education and redirected to aid other districts. School districts are permitted to impose additional taxes to generate supplemental revenue (see “Property Tax Floors and Ceilings”). For one of these levies, additional tax effort will be partially matched by the state to guarantee a certain revenue for weighted student count.

Vermont

Vermont does not expect districts to contribute revenue to their public schools. Instead, the state imposes an education property tax that supports education costs, less federal and state grants and other sources of revenue to a school district.

The state imposes a uniform tax rate on non-homestead property and a minimum tax rate on homestead residential property (see “Property Tax Floors and Ceilings”). With voter approval, school districts may choose a higher level of per-pupil spending than the level called for in the funding formula. When higher per-pupil spending is approved, district residents are subject to a higher state tax rate on homestead property, as follows: The state calculates the per-pupil revenue expected from a property tax of \$10.00 per \$1,000 of assessed homestead property wealth statewide (\$11,317 in FY2022). Residents of districts that approve a per-pupil spending amount above this level must pay a state tax rate on homestead property that is commensurately higher; for example, if the allocation exceeds the calculated per-pupil dollar amount by 10%, then district residents must pay a state tax rate that is 10% higher, or \$11.00 per \$1,000 of assessed residential property wealth. For households with annual incomes below \$90,000, the state education tax rate remains related to the local school district’s approved per-pupil amount, but the amount due is based on income rather than property value. In FY2022, these taxpayers must pay 2% of their household income for every \$13,770 of their district’s approved per-pupil spending. Tax rates are further limited for households with annual incomes under \$47,000.

All education taxes, whether paid on non-homestead property, homestead property, or household income, are paid into the state education fund. Once all district budgets are adopted and tax rates computed, the state provides each district with its funding amount in the form of state education aid.

Virginia

Virginia expects school districts to contribute revenue to their public schools. The amount each district is expected to raise is based on a combination of its property values, its residents’ income and economic activity, and an estimate of its revenue from local sales tax receipts, adjusted to satisfy a statewide expected local contribution.

Once the state calculates the total amount of funding necessary to educate students within a district, it calculates the share of the amount that each district should be able to pay. This is accomplished through a multistep formula that considers local property valuation, local income levels, and, to a lesser extent, local taxable retail sales. Adjustments are then made so that the average local share of each district’s necessary funding amount is 45% and the average state share is 55%. Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected local contribution and provides the difference in the form of state education aid.

Separately, the state distributes 1.125% of state sales tax revenue to districts in proportion to their estimated school-age population. This amount is subtracted from the aid computation, reducing both the state and local shares of the program.

Washington

Washington does not expect districts to contribute revenue to their public schools. However, school districts are permitted to impose taxes to generate supplemental revenue, such as for transportation (see “Property Tax Floors and Ceilings”).

A district that imposes supplemental taxes may be eligible for a partial or full matching amount of additional state aid, with higher optional maintenance and operations tax rates generating more additional aid.

West Virginia

West Virginia expects school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise for its education costs is based on its property values. Each district is expected to contribute \$1.94 for every \$1,000 of assessed tangible agricultural property wealth; \$3.88 for every \$1,000 of assessed owner-occupied property wealth, including farms; and \$7.76 for every \$1,000 of other assessed local property wealth.

These rates are established annually by the state legislature. Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts 85% of the expected local contribution, deducts 4% as an allowance for discounts and nonpayment, and provides the difference in the form of state education aid.

According to the Growth County School Facilities Act, any West Virginia county that has experienced an increase in second-month net enrollment of 50 or more during any three of the past five years is designated as a “growth county” and may apply an additional appraisal or valuation. The resulting property tax revenues collected are appropriated by the county board of education for construction and maintenance or repair of school facilities. These local funds are not considered as part of the computation of local share for these counties.

Wisconsin

Wisconsin expects school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise for its education costs is based on its state-imposed annual revenue limit minus its general school aid amount from the prior year. General school aids are based on a multistep calculation that considers a district’s student count, shared education costs, and property values.

Wisconsin provides aid in an amount based on a district’s actual prior-year expenditures from general aid and property taxes and relative property wealth per member. The state aid amount functions as a cost reimbursement: For each district, the state calculates “shared costs,” defined as the amount a district expended in the prior year on general educational expenditures that were supported with either property tax revenue or state general aid. Once the state calculates the district’s shared costs, it determines the expected local proportion at three tiers of shared costs.

Wyoming

Wyoming expects school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise for its education costs is based primarily on its property values: Each district is required to contribute \$25.00 for every \$1,000 of assessed local property wealth for the purpose of funding its schools. Additionally, each county is required to impose a tax of \$6.00 for every \$1,000 of assessed local property wealth, with the revenue to be pooled at the county level and then allocated to the districts within the county in proportion to their enrollment.

The state also expects districts to contribute revenue received from a number of other sources, including both school district and county taxes, federal forest reserve revenues, and railroad car company taxes. Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected local share and provides the difference in the form of state education aid. When a school district's expected local contribution exceeds the amount calculated by the state to be necessary for that district, the excess revenue is rebated to the Wyoming Department of Education and redirected to aid other districts.

Actual state education aid disbursements are limited to the amount appropriated for that purpose and the excess revenue received, and will be prorated as necessary so that each district receives state aid in proportion to the amount calculated by the state to be necessary to educate students within that district. Additionally, no school district may receive less total revenue than it did in FY2006, except as justified by a decrease in student enrollment.

For a complete list of primary sources, please see the appropriate state page at funded.edbuild.org

