



## Parent's Guide to PA's Proposed Basic Education Funding Formula

Basic Education Funding Formula Goal: to provide sufficient, predictable and equitable funding for school districts across the Commonwealth.

1. The formula starts with the number of students educated in a district: a 3-year average of Adjusted Daily Membership (ADM).
2. It factors in adjustments for specific student populations in schools and unique local circumstances that affect how much money school districts need to educate their students and the ability of the local community to contribute to that education.

Student factors: we know it costs more to educate students in poverty, students learning to speak, read and write in English, and to account for school district costs that remain when a student attends a charter school. Further, the density, or more accurately sparsity, of a student population affects district costs. A district with a very spread-out student population may not have as many students to educate, however, they likely have added transportation costs and operate a number of small schools that are further apart than densely populated urban areas. The following factors are incorporated into the formula to account for these additional educational costs:

- Poverty (moderate and deep poverty)
- Concentrated poverty (high numbers of students in a district in deep poverty)
- English language learners
- Charter school enrollment
- Sparsity of student population

Local district factors: school districts have unique needs based on the tax effort and ability and geographic location. The following district factors are used in the formula:

- District wealth compared to state median (using median household income)
- Local tax-related revenue (local tax effort)
- Local ability to raise revenue (local tax capacity)

3. Apply the designated weights for each factor as found in the formula

4. Plug the numbers into the formula and...PRESTO!

- a. Add all student factors together
- b. Multiply that sum by median household income index and the combined local tax factors
- c. Divide this number (the school district's weighted and adjusted student count) by the Statewide weighted and adjusted student count
- d. Multiply by the total BEF dollar allocation for that year
- e. Arrive at school district dollar allocation