

SCHOOL AID - FINAL FY 2011

The Department of Management has finalized the FY 2011 School aid amounts. The General Assembly capped the FY 2011 State school aid appropriation at \$2,499.2 million in HF 2531 (FY 2011 Standing Appropriations Act). Based on the Department of Management's official school aid amounts, capping the State school aid amount resulted in a State aid shortfall totaling \$156.1 million (the additional State aid amount needed to fully fund an allowable growth rate of 2.0%). Despite the State aid shortfall, school districts maintain spending authority on the shortfall amount and have authority to spend those funds through loans or cash reserve funds, and may recoup them through property taxes in the future. Other final FY 2011 school aid information of note includes (see following table also):

- **Combined District Cost:** The FY 2011 total combined district cost totaled \$3,881.8 million, an increase of \$73.8 million (1.9%) compared to FY 2010. Despite the reduction in State aid to school districts in FY 2010 and FY 2011, the combined district cost was not impacted.
- **School Aid Property Taxes:** The uniform levy and additional levy combined to total \$1,250.2 million for FY 2011, an increase of \$26.1 million (2.1%). These levies are used to fund the property tax portion of the combined district cost.
- **Property Tax Relief:** Property tax relief provided through the school aid formula totaled \$49.4 million in FY 2011 and impacted 143 school districts. Funding included \$24.0 million from the General Fund and an additional \$25.4 million from the Property Tax Equity and Relief (PTER) Fund that was generated from FY 2009 State sales/use tax for school infrastructure.
- **Total General Fund Levy:** School district general fund levies totaled \$1,646.6 million in FY 2011, an increase of \$133.3 million (8.8%) compared to FY 2010. The statewide average general fund levy rate (expressed in \$1,000 of taxable valuation) in FY 2011 is \$13.1313, an increase of \$0.5335 (4.2%) compared to FY 2010. The school district general fund levy consists of the uniform levy, the additional levy, the instructional support levy, the educational improvement levy, and the cash reserve levy.
- **Cash Reserve Levy:** School district cash reserve levies totaled \$297.6 million in FY 2011, an increase of \$104.2 million (53.9%) compared to FY 2010. The statewide average cash reserve levy rate in FY 2011 is \$2.3732, an increase of \$0.7634 (47.4%) compared to FY 2010. Cash reserve levies likely increased significantly due to State aid reductions in FY 2009 and FY 2010 and anticipation of a State aid shortfall for FY 2011. The cash reserve levy is included in the school district general fund levy.
- **Total School District Property Taxes:** The total school district property tax amount for FY 2011 was \$1,987.0 million, an increase of \$136.0 million (7.3%) compared to FY 2010. The average statewide total school district levy rate is \$15.7290 in FY 2011, and increase of \$0.4429 (2.9%) compared to FY 2010.

School District Funding: State Aid and Property Tax Amounts				
FY 2011 and FY 2010 (Dollars in Millions)				
	FY 2010	Estimated FY 2011	FY 2011 vs. FY 2010	Percentage Change
Total State School Aid (All Sources) *	\$ 2,349.0	\$ 2,499.2	\$ 150.2	6.4%
Total Levy to Fund Combined District Cost	\$ 1,224.1	\$ 1,250.2	\$ 26.1	2.1%
Combined District Cost	\$ 3,808.0	\$ 3,881.8	\$ 73.8	1.9%
School District General Fund Levy Total	\$ 1,513.3	\$ 1,646.6	\$ 133.3	8.8%
Average School District General Fund Levy Rate **	\$ 12.5978	\$ 13.1313	\$ 0.5335	4.2%
Cash Reserve Levy Total	\$ 193.4	\$ 297.6	\$ 104.2	53.9%
Average Cash Reserve Levy Rate **	\$ 1.6097	\$ 2.3732	\$ 0.7634	47.4%
Total School District Property Taxes (All Sources)	\$ 1,851.0	\$ 1,987.0	\$ 136.0	7.3%
Average Total School District Property Tax Rate **	\$ 15.2862	\$ 15.7290	\$ 0.4429	2.9%

*Includes adjustments for State aid shortfalls or reductions and other funds used in lieu of State General Fund dollars. Totals include funding for regular school aid, State categorical supplements, and preschool formula funding. The total does not include the \$25.4 million from the PTER Fund.

**Property tax rates expressed in \$1,000 of taxable valuations.