



## School Finance

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TO: Chief School Administrators  
District Business Managers

From: Dale M. Dennis, Deputy Commissioner  
Division of Fiscal and Administrative Services

S. Craig Neuenswander, Director  
School Finance

Date: November 10, 2016

Subject: Addendum to FY 2017 Est. Local Tax Proportion and Disparity Test  
2016 Special Legislative Session – Substitute for House Bill 2001

As approved during the 2016 special legislative session, this confirms Substitute for House Bill 2001 did not change the FY 2016 state aid.

However, the 2016 Substitute for House Bill 2001 did amend the statutes relating to school finance for FY 2017. This amendment specifically relates to the formula for providing Supplemental General State Aid and amended laws related to Virtual State Aid. Supplemental General State Aid is funded at the old formula prior to the 2014-15 school year. This formula is based on the districts' assessed valuation per pupil in comparison to the state 81.2 percentile assessed valuation per pupil, which is funded at 100%.

The Virtual State Aid base amount for full-time virtual students remains at \$5,000, rather than increasing to \$5,600; there was no change to the base amount for part-time virtual or virtual credits earned by students 19+ years of age.

In addition, Senate Substitute for HB 2655 reinstated the capital outlay state aid formula in effect for the 2014-15 school year; that is, it is based on the districts' assessed valuation per pupil in comparison to the median assessed valuation per pupil, which is funded at 25%. Each \$1,000 above the median lowers the equalization factor by 1% and each \$1,000 below the median increases the equalization factor by 1%.