

NATIONAL CENTER FOR EDUCATION STATISTICS

# Public School Finance Programs of the United States and Canada: 1998–99



U.S. Department of Education  
Office of Educational Research and Improvement

NCES 2001–309

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February 2001

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### **Suggested Citation**

U.S. Department of Education, National Center for Education Statistics. *Public School Finance Programs of the United States and Canada: 1998-99*. NCES 2001-309; Compilers Catherine C. Sielke, John Dayton, and C. Thomas Holmes, of The University of Georgia and Anne L. Jefferson of the University of Ottawa. William J. Fowler, Jr., Project Officer. Washington, DC: 2001.

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**Contact:**

William J. Fowler, Jr.

202-502-7338

E-mail: [William\\_Fowler@ed.gov](mailto:William_Fowler@ed.gov)

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# Public School Finance Programs of the United States and Canada 1998–99

## User's Guide

Funding provided by the National Education Association

Collection contracted by the American Education Finance Association

Published by the National Center for Education Statistics

Compiled by Catherine C. Sielke, John Dayton, and C. Thomas Holmes of The  
University of Georgia and Anne L. Jefferson of the University of Ottawa

### **Contact:**

William J. Fowler, Jr., Project Officer

202–502–7338

E-mail: [William\\_Fowler@ed.gov](mailto:William_Fowler@ed.gov)

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*William J. Fowler, Jr.*

*National Center for Education Statistics*

There is intense interest among the education finance research community for information describing state systems for financing local school districts. As a result, the **National Center for Education Statistics (NCES)** partnered with two private entities, the **American Education Finance Association (AEFA)** and the **National Education Association (NEA)** to publish work that the AEFA and NEA had contracted with researchers from The University of Georgia. This contracted work continued and expanded the previous editions they had sponsored of *Public School Finance Programs in the United States and Canada*, 1993–94, Volumes 1 and 2, edited by Stephen D. Gold, David M. Smith, and Stephen B. Lawton and published by The Nelson A. Rockefeller Institute for Government in 1995. The length of time between publications speaks to the enormous difficulty of the undertaking.

The 1995 edition of the publication separated the 806 page descriptions of state aid formulas into two volumes. Volume I included the United States summary, the Canadian summary, and the state descriptions from Alabama through Montana; Volume II presented information on Nebraska through Wyoming

and the Canadian provinces. The 1995 two-volume set was released in hard copy. Since that publication, the state and province descriptions have grown to almost 1,300 pages, making hard copy publication prohibitive and unwieldy. This NCES publication of information for the 1998–99 school year is being made available via the Internet at the NCES Web site <http://nces.ed.gov>, the NCES education finance Web site <http://nces.ed.gov/edfin>, and on a CD-ROM. The NCES Internet site and the CD-ROM information contain state and province descriptions of their state aid systems, amounting to almost 1,300 pages of text. The increase in the size of the publication has led NCES to create the entire document electronically in a portable document file (PDF) format. This electronic format is one in which the entire 1,300 pages of text may be searched by a reader for a particular word or phrase. Work continues on summary information by all the partners, and if budgets permit, may be published by NCES at some future date.

The authors of the individual state and province chapters were often members of the AEFA or the NEA, and thus represent a wide variety of occupations, expertise, and familiarity with the specifics of states' or provinces' school district aid operation. To obtain reasonable assurance of the accuracy of the information presented by each individual state author, NCES had an expert familiar with a state's financing mechanisms independently review each chapter. Of course, some astute reader may still identify some inaccuracy, given the enor-

mous complexity and subtlety of an individual state funding system. For this reason, NCES includes its standard disclaimer:

**The papers in this publication were requested by the National Center for Education Statistics, U.S. Department of Education. They are intended to promote the exchange of ideas among researchers and policymakers. The views are those of the authors, and no official support by the U.S. Department of Education is intended or should be inferred.**

## User's Guide

The descriptive information in this publication is designed to be useful to the education finance research community and fiscal policy analysts whose backgrounds and training are very diverse. The AEFA compilers sought to balance the simplicity of the descriptions to make them understandable to a wide audience and, at the same time, technically correct. Some of the terms and concepts will be new and foreign to the reader who is unfamiliar with the arcane art of education state aid formulas. To true finance sophisticates, though, these descriptions may lack the abstruse detail to deploy similar formulas in other venues.

The publication and CD-ROM contains an introduction by the compilers from The University of Georgia and the University of Ottawa; a short biogra-

phy for each of the U.S. chapter authors, as well as contact information, including, in most cases, an e-mail address; contact information (address and phone number) for most of the Canadian provinces; a PDF file for each individual state and the District of Columbia describing their elementary/secondary financing system; and a PDF file for 11 of the Canadian provinces (Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Ontario, Quebec, Saskatchewan, and Yukon Territory) describing their financing system.

The compilers from The University of Georgia requested a description of each state or province's funding mechanism by asking for uniform information, which is presented in table 1. Not all chapter authors chose to include each component of the requested information.

The detail for each of the components of the description of a state or provincial aid formula, starting with category VII (Special Education) through category XIX (Aid to Private Schools), appears in table 2.

### Information Perspective

Many in the education finance community are interested in summary information, such as the number of states using a particular funding formula, or a particular pupil weighting unit. At the request of the AEFA compilers, NCES expedited the electronic issuance of these individual state and province chap-

Table 1.—Information requested regarding each state or province  
funding mechanism

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- I. GENERAL BACKGROUND
  - State/Province support
  - Local funding
  - Funding summary, 1998–99
- II. LOCAL SCHOOL REVENUE
  - Property taxes
  - Other local revenue
  - Income tax
  - Sales tax
  - Tax credits and exemptions
- III. TAX AND SPENDING LIMITS
- IV. STATE/PROVINCIAL EARMARKED TAX REVENUE
- V. BASIC SUPPORT PROGRAM
  - Funding in 1998–99
  - Nature of program
  - Allocation units
  - Local fiscal capacity
  - How formula operates
  - State/Province share
  - Local share
  - Weighting procedures
  - Adjustments for special factors
  - Aid distribution schedule

Table 1.—Information requested regarding each state or province  
funding mechanism—Continued

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	Districts off formula
	Extent of participation
VI.	TRANSPORTATION
VII.	SPECIAL EDUCATION
VIII.	COMPENSATORY EDUCATION
IX.	GIFTED AND TALENTED EDUCATION
X.	BILINGUAL EDUCATION
XI.	EARLY CHILDHOOD EDUCATION
XII.	OTHER CATEGORICAL PROGRAMS
XIII.	TEACHER RETIREMENT AND BENEFITS
XIV.	TECHNOLOGY
XV.	CAPITAL OUTLAY AND DEBT SERVICE
XVI.	STANDARDS/ACCOUNTABILITY MEASURES
XVII.	REWARDS/SANCTIONS
XVIII.	FUNDING FOR NON-TRADITIONAL PUBLIC SCHOOLS
XIX.	AID TO PRIVATE SCHOOLS
XX.	RECENT/PENDING LITIGATION
XXI.	SPECIAL TOPICS

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SOURCE: Collection criteria requested by The University of Georgia.

Table 2.—Components of the description of a state or provincial aid formula for categories Special Education through Aid to Private Schools

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Funding in 1998–99

Percentage of total state aid

Description

Extent of Participation

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SOURCE: Compiler's sketch.

ters, even though it was not possible to simultaneously include summary information. The NCES hopes that such work may be published in the future.

### How to Use This CD-ROM

This CD-ROM contains a PDF file (see CD-ROM File Structure) for each state including the District of Columbia and 11 of the Canadian Provinces and Territories; and a small overview report containing information regarding the collection of the financial data, introduction from the compilers regarding the project, and contact information for each state including the District of Columbia and the 11 Canadian Provinces and Territories that submitted financial information. In order to read the PDF files, you must obtain a copy of Adobe® Acrobat® Reader.™ Adobe® Acrobat® Reader™ is free, and freely distributable

software that lets you view and print Adobe® Portable Document Format (PDF) files on all major computer platforms including Windows® 95, Windows 98, Windows NT,® Macintosh, Sun, UNIX and several other operating systems, as well as fill in and submit PDF forms online.

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### Macintosh 4.0 System Requirements

- Apple Power Macintosh or compatible computer
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- 4.5 MB of available RAM (6.5 MB recommended)
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## How to View the PDF Files

Once you have downloaded and installed the Reader™, in order to view the PDF file from the CD-ROM, place the CD-ROM in the drive, open Adobe® Acrobat® Reader,™ and then with your mouse click “file” then “open” and select any one of the PDF files on the CD-ROM. If you are viewing the PDF files from the NCES Web site, simply click on the link to the PDF file in your browser. Either the browser will handle the PDF file, or it will bring up another program for viewing the PDF file. Either way, a special window will appear that contains buttons that work only for PDF files. Use these buttons to navigate through the file.

## Using the Search Function and Search Terms

Since this publication is electronic, posted on the Internet, and available on CD-ROM, readers may take advantage of Adobe® Acrobat’s® search mechanism. To view instructions on how to use the software, users should start Adobe® Acrobat® Reader™ and point the mouse toward the “Help” function and click (figure 1). This leads the reader to the Adobe® Acrobat® Reader™ Guide.

To find a particular term in the text, point the mouse toward the “Binoculars” and click (figure 2). You will see a pop-up box in which you can type the word for which you want to search. For example, if you wanted to search the publication for the words “property tax,” you would type “property tax” in the find

Figure 1.—Arrow points to the “Help” function in Adobe® Acrobat® Reader™

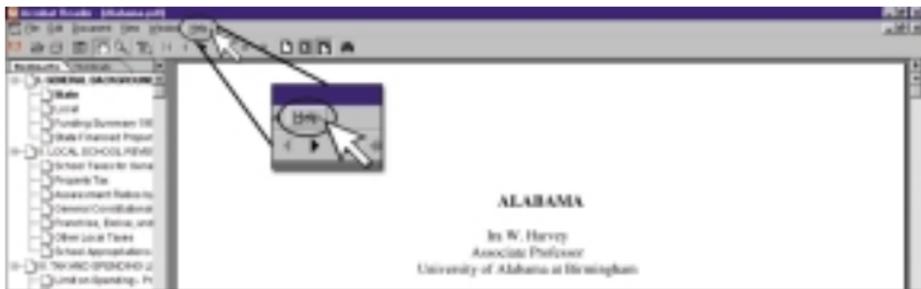
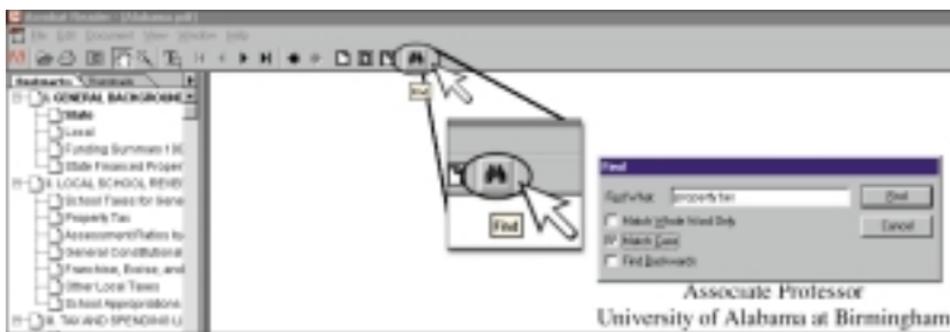


Figure 2.—The “binocular” symbol brings up the “find” box so text search can begin



box and click on “find.” One by one, the words “property tax” will be highlighted in the document. Although any compilation of search terms will be insufficient, the list in table 3 indicates some commonly used funding terms.

Table 3.—Commonly used funding terms

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Assessment practices	Pre-kindergarten
At-risk students	Private school
Basic Support	Property tax
Bilingual education	Retirement
Bonds	Pupil unit
Capital Spending	Required tax rate
Compensatory education	School budget
Debt service	Special education
Earmarked	Spending limit
Fiscal Capacity	State share
Foundation	Tax limit
Gifted and Talented	Teacher retirement
Hold Harmless	Transportation aid
Income	Vocational education
Local	Weighting

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SOURCE: Project Officer's sketch.

## Printing the PDF File

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