

How Foundation Aid Plan Works at Full Targeted Aid

The following examples show how a full targeted aid program would work. Please keep in mind that these examples assume full targeted aid, although the plan does not reach full targeted aid until Fiscal Year 2011. At that time, more funding will be available statewide and each community's situation may have changed in terms of its student population or the community's fiscal capacity.

Allenstown FY06 **Determining Educational Need**

Number of students:

Elementary (549 x 1)	549
High School (242 x 1.1)	266
Special Education Students (117 x 1)	117
Free & Reduced Lunch (163 x 1)	157
Limited English Proficiency Students (0 x 1)	0
Total Weighted Students¹	1,089

Education Operating Need

$$\begin{array}{rclcl} \text{Weighted students} & \times & \text{Average base cost per weighted pupil}^2 & = & \\ \mathbf{1,089} & & \mathbf{\$5,816} & & \mathbf{= \$6,334,206} \end{array}$$

$$\mathbf{Education\ Need} \quad = \quad \mathbf{\$ 6,334,206}$$

¹ No student may be counted twice in the categories of special education, free & reduced lunch and limited English proficiency.

² Statewide average education operating cost per pupil of \$7,809 is adjusted by statewide ratio of number of pupils to number of weighted pupils to obtain \$5,816 per weighted pupil.

Allenstown FY06

Determining Fiscal Capacity

Equalized Property Values: \$224,959,168

Total Household Income:

Median Household Income x Number of Households = Total Household Income
\$41,958 x 1,975 = **\$82,867,050**

Fiscal Capacity:

Equalized Property Values + (4.5³*Total Household Income) x Fiscal Effort Factor
2

\$224,959,168 + \$ 372,901,725 x 0.0089
2

***Fiscal Capacity* = \$2,660,481**

Education Need – Fiscal Capacity = Targeted Aid Grant

\$ 6,334,206 – \$2,660,481 = \$3,673,725

³ Because equalized property values for the state are 4.5 times total household income, household income must be multiplied by 4.5 in order to truly give equal weight to the two factors.