



AUGENBLICK,
PALAICH AND
ASSOCIATES



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Recommendations for Base Student Count Approach

Enrollment Trends Workgroup

Dr. Amanda Brown, APA

Michaela Tonking, APA

Overview

Adjusted Base Funding Count Approaches

- Revisit what we are trying to solve for
- Recap of other state count approaches
- Recap of scenarios explored
- Recommendation

What are we trying to solve for?

Improving responsiveness of the PCFP to changing enrollment patterns

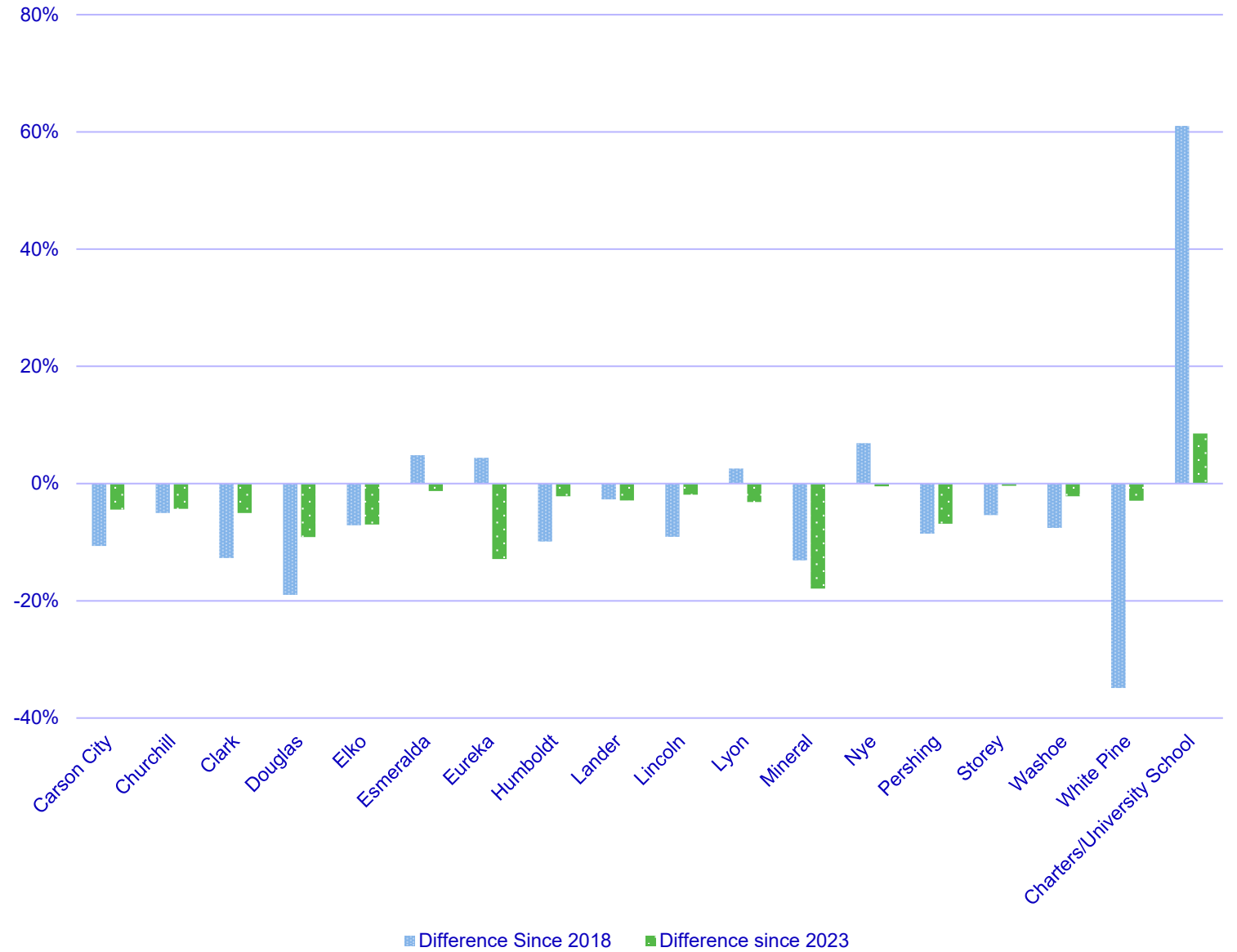
- Providing a softer landing for LEAs facing declining enrollment
- At the same time, need to preserve the ability to support LEAs with growing enrollment

Addressing instability of funding

- Year-to-year fluctuations and within-year changes in enrollment create challenges

LEA Enrollment Trends

Percent Change in Enrollment since SY18 and SY23





ADE Reporting and Funding True-Up Process

- Budgets are approved in the spring prior to the school year
- After budget and staffing is set:
 - ADE reporting and funding true-up up occurs quarterly during the school year; and
 - Districts must make midyear budget adjustments when enrollment changes.

Recap: How do other states approach student counts for base funding?

How/when do they count students?

- 26 states use averaging, 15 states use a single day count, and 10 states use multiple day counts

What year(s) of student count(s) is used for funding?

- 15 states fund on current year student counts, and 17 states fund on prior year student counts
- 19 states use an approach that either averages, combines, or provides the “better of” multiple years of student counts

Recap: Pros and Cons

- Using multiple years of data provides greater budget stability and supports declining LEAs **but** funds more students than currently enrolled and underfunds growing LEAs
- Current year data are better aligned with the year the student is served **but** require a true-up process with midyear adjustments to funding, creating less predictability and stability

Recap: What scenarios have been considered?

Approach considered	Goal: budget predictability	Goal: budget stability	Goal: responsive to LEAs with declining enrollment	Goal: responsive to LEAs with growing enrollment
1. Maintain current quarterly ADE approach, but change hold harmless provision to 3%			X	X
2. Use a single day count (current year) vs. quarterly average				
3. Use a single day count (prior year) vs. quarterly average	X			
4. Move to prior year four-quarter average from most recent quarter ADE	X	X		
5. Use a two-year average (prior year and two years prior)	X	X	X	
6. Use a greater of approach (prior year or two-year average)	X	X	X	X
7. Adjust EEGA rules				X

Study Team's Recommendation

Use the greater of prior year or two-year (prior year and two years prior) average of ADE (using the average of first three quarters)

Revise the Exceptional Enrollment Growth Adjustment (EEGA) to be available to all LEAs and address rapid growth/expansion by:

- Reducing required growth rate from 25% to 15% to qualify for all LEAs;
- Adding consideration of LEA size (e.g., for districts or charters under 500 enrollment, lower the EEGA percentage); and
- Allowing for EEGA adjustment if opening a new campus or multisite charter school or adding a grade level.

Changes will eliminate need for ADE hold harmless provision