



# At-A-Glance: Capital Outlay in K-12 Education



Capital outlay is included in the state's education funding formula, the Basic Education Program (BEP), as a non-classroom component.

Capital outlay refers to expenditures for the acquisition of, or additions to, major fixed assets such as land or buildings. Capital outlay also includes the repayment of debt related to such expenditures.



When generating a funding amount for capital outlay, the BEP formula takes into account a certain cost per square foot, per student, at the elementary, middle, and high school grade levels.

The formula also adjusts for equipment costs, architects' fees, debt retirement, and a building lifespan of 40 years. A district's average daily membership (ADM) is then applied to the formula to determine the number of square feet per school system to determine the total amount of state funding to be provided.

As a non-classroom component of the BEP, capital outlay is funded at the statewide level based on a 50/50 split between the state and local governments. Each individual district's local match may be higher or lower than 50 percent, however, depending on its fiscal capacity to raise local funds.