

## Governor's School Finance Proposal

The Governor has asked the field to make some suggestions and recommendations to improve upon his new school finance proposal. Over the past two weeks superintendents and business managers have sent several suggestions. Below is a draft of what has been suggested by the field.

\*It seems the best solution for would be to fund the current formula over 4-5 years while allowing an increase in the LOB cap. I believe the Democrat's plan will be similar to that. However, if that is not an acceptable solution the following concerns should be addressed in any new plan:

1. There must be a mechanism to fund additional at-risk or ELL students, additional student transportation costs, and enrollment weightings.

Solution: Create a Qualified Assistance for Student Needs program. This fund would be appropriated to the State Board, which would distribute to districts to address additional costs in the following areas: At-Risk, Bilingual, Transportation, and enrollment weightings. The amount would be limited by the appropriation. Recommended amount: **\$20 million**. (This is about the same amount as now).

*Promotes educational improvement by providing resources for districts with demonstrated increases in higher cost students.*

2. There should be some type of state equalization on any local mill rate effort. All districts should be able to increase their mill rate without a protest petition.

Solution: Provide a fixed amount of dollars for equalization of local mill levy increases, distributed by the Department of Education. The maximum aid provided would be for 3% per year of the operating budget. The amount would be limited by the appropriation. There would be **no limit on the increase in local mill levies, and no equalization paid above the 3% percent threshold**.

Recommended amount: 3% of the proposed total operating budget (the baseline total of approximately \$3.47 billion) would require maximum state aid of **\$45 million** at the 81.2% equalization formula currently used.

Elected local school boards should be able to increase the levy without protest or election.

*Promotes educational improvement by giving all districts a more equitable opportunity to enhance their budget and promote excellence.*

3. The new hold harmless formula creates too many winners and losers. True hold harmless should keep everyone at the current level.

Solution: The baseline or "hold harmless" amount should be zero for all districts. No district should gain or lose due to the change in formula. This would **eliminate \$45 million** from the new formula to be used other ways.

*Promotes educational improvement by giving all districts a more equitable opportunity to enhance their budget and promote excellence.*

4. Full day kindergarten should be funded, not simply counted.

Solution: The baseline amount should be modified to phase-in funding for all-day kindergarten over a 5-year period. Each district would receive a .1 increase in their baseline amount for students in all day kindergarten programs.. Those charging may continue to charge for the unfunded amount. Cost would be **\$15 million** per year.

*Promotes educational improvement by funding early learning programs, supporting the Governor's goal of improving fourth grade reading.*

5. There must be some equalization of bond and interest.

Solution: The current system of bond and interest aid could be continued with two changes. First the amount would be capped at a level set by the state. Second, to receive state funding, projects would have to approved by the State Board of Education after a needs review. The Board would allocate funding based on available funding.

Local school boards should be able to approve bonds without public vote.

Recommended funding level: **\$5 million**

6. New facilities weightings should not be included as a perpetual entitlement.

Solution: New facilities weighting in the current system is the only state-funded weighting with a time limit – districts only receive the weighting for two years. The funds, estimated at \$20 million, would be removed from the baseline amount and placed in a separate fund to be distributed by KSDE according to the current eligibility on a per pupil basis. The actual amount per pupil will depend on the number of student attending in a new facility. The amount could be capped at \$950 per student in case the number of eligible students would drop below about 21,050 students. The amount would be limited by appropriation to the current level. No net cost to state.

7. Funding for capital outlay equalization should be restored.

Solution: Funding for capital outlay could be restored, funded by using one mill of the 20 mill statewide levy, and capped at that amount going forward. Funds would be prorated if necessary. State aid would replace the 1 mill amount, making a net cost of around **\$25 million**, but no further general state aid would be required going forward.

*Five, six and seven promote educational opportunities by allowing all districts more equitable funding for facilities and equipment. Without these revenues, districts must divert resources from the classroom for these purposes.*

The above suggestions would cost an additional **\$65 million** above the Governor's proposed \$45 million increase for a total of **\$110 million**.