Excellence in Education Summary

In Governor Sam Brownback's Roadmap for Kansas, he made a commitment to the people of our state to improve education by increasing the percentage of students who are career and college ready upon graduation and the percentage of 4th graders reading at grade level. He also vowed to introduce a new school finance formula that increases local control, transparency, breaks the cycle of litigation, and focuses more resources on the classroom.

The proposed school finance formula described below is the result of several months of discussions with hundreds of Kansans who share the Governor's interest in improving education. It is a modern formula that will provide districts with the resources and flexibility they need to help Kansas students meet today's challenges, prepare for tomorrow's opportunities, and excel in education.

The formula consists of three main funds: Base State Aid Per Pupil; Property Tax Equalization Fund and Supplemental Equalization Fund.

Base State Aid Per Pupil

The proposed formula will set base aid per pupil at the statutory amount of **$4,492**. It will pay out to school districts by multiplying this number times their full time enrollment. Full time enrollment would be calculated with the declining enrollment factor and treating kindergartners as full FTEs.

Property Tax Equalization Fund

The proposed formula will require that the 20 mills in state mandated property taxes for education be collected into a Property Tax Equalization Fund. This fund will pay out to school districts in increasingly greater amounts the lower their property tax valuations per pupil are.

Supplemental Equalization Fund

The Supplemental Stabilization Fund will make payments to school districts that do not have their Base Line requirements met through the combination of their base aid per pupil payment, their equalization fund payment, and their local effort.

The amount of the Supplemental Stabilization Fund payment will be guaranteed year to year, and if the Legislature appropriates more money for the Supplemental Stabilization Fund than is necessary to meet these obligations to school districts, then the remaining money will be focused in districts with high density at-risk student populations as determined by the State Board of Education.

Other components of the proposed formula consist of a base line amount and a 106% cap.

Base Line Amount:

Every year each school district will receive a Base Line Amount. For the first year after transitioning from the current school finance formula, **this amount will be equivalent to the amount that each school receives from the current formula** in General State Aid, Supplemental State Aid, General Fund Local Effort, and the Local Option Budget Effort.

For following years, the Base Line Amount for a school district will be equivalent to its Base Line amount from the previous year 1) plus or minus the district's FTE count (with the declining enrollment factor) times the previous year's base aid per pupil, and 2) minus the total dollar amount of any enacted downward adjustments in property tax mills levied for the district's budget.

The Base Line Amount for each school district is the starting point for calculating how much funding it gets and from what source it gets such funding.

106% Cap:

In the first year, the proposed formula would cap the amount of an equalization fund payment to any school district in excess of 106% of their baseline aid. The excess funds above this cap would then be deposited into the Supplemental Equalization Fund for distribution.

In future years, the cap would never drop below 106%, but it could be higher than 106% according to the following parameter: If a school district that is 1) above average in property tax value per pupil and 2) encompasses more than 5% of 1 mill of the entire state's taxable property raises their local mill levy for education to the point at which their total aid payment is more than 106% of their baseline aid amount, then the percentage cap will be equivalent to such district's percentage of their baseline aid amount.

In summary, the Governor's proposed formula is designed to provide stable, equitable, and fair funding to each school district. This is achieved through:

- Providing the statutory $4,492 base aid per pupil,
- Offsetting local property tax inequity through a fund that pays out to school districts with low property tax valuation per pupil,
- Further equalizing district budgets by providing payments to ensure that each district has a stable funding amount year after year, and
- Allowing for unlimited local control of property taxes for educational purposes.

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