

## **The plan rolled out to the State Board of Education**

### ***Big differences from earlier presentations!***

Governor Brownback's school finance plan, something that has been presented in various forms for several months, was officially rolled out on December 14, 2011 at the State Board of Education meeting. The plan as explained to the SBOE is significantly different from that presented to the Legislative Education Planning Committee just one week before.

### **The good points**

- It anticipates no further cuts to K-12 Education funding.
- It allows maximum flexibility in addressing student needs by removing restrictions on spending on at-risk or bilingual students.
- It counts kindergartners as full time students

### **The alarming points**

#### ***The plan has a 'TABOR' effect on school finance!***

- The Brownback plan ***permanently locks in school funding at the current inadequate level*** which is significantly below that called for by any of the cost studies done for the legislature during the Montoy school finance lawsuit. There is no effort to actually fund schools at the level called for by the Legislative Post Audit study, the Augenblick and Myers study or the State Department's cost survey. All three of these studies were done at the request of the Kansas Legislature as they sought to settle the Montoy case.
- Under the Brownback plan ***school funding will be permanently locked in at this low level*** except as enrollment increases. There will be no adjustments for increases due to inflation using any inflation factor such as the CPI-U.
- Local school districts will be permitted to raise as much local tax revenue as their voters will approve. While one could argue that this would allow for increases in funding, such increases would be tied to the property tax valuation of the community. High property tax valuation districts would more easily raise money than low property tax valuation districts.
- It also appears that ***districts that raise local property tax revenues would have those increases offset by state decreases in the Governor's Supplemental Equalization***. This means that districts wishing to increase funding do not see the increase from local levies until such time as offsetting reductions would cause overall funding to drop below the base line amount, (the prior year's funding plus/minus enrollment changes).

***Only those who believe that schools are adequately funded at this time and that inflation will not be a factor in costs to schools in the future, will find this plan is adequate.***

### **Gone from previous presentations**

#### ***What were they talking about before that is not here now?***

- A reduction in the statewide mill levy for education (several staff presentations suggested a reduction in the statewide mill levy of up to 5 mills).
- 'Skimming' off of local effort in property wealthy districts (previous presentations suggested that local effort in property wealthy districts would be skimmed to provide equity funds).
- Competitive block grants - these had taken various forms during preliminary presentations but they all are gone from the plan presented to the State Board of Education.
- The ability to raise sales taxes for schools county by county.

### **Understanding the proposed base funding**

#### ***They say BSAPP goes all the way up to \$4,492!***

This may be the most difficult thing to understand in the whole plan.

Base State Aid per Pupil (BSAPP) is set in statute at \$4,492 for each child before weightings. But due to the cuts to school finance of

the past few years, schools are actually receiving only \$3,780 per unweighted pupil. The way our current formula works, each student starts with \$3,780 but that number is multiplied by weighting for which the student is eligible (at-risk weighting, bilingual weighting, transportation weighting, etc.). Some students generate on \$3,780 in state funding but others generate much more.

The Brownback plan would eliminate all weightings and give each full time equivalent student the statutory BSAPP of \$4,492. This might actually be less than what a district is receiving per pupil right now if your district has a lot of students in poverty, bilingual students or students eligible for transportation weighting. It might be more if you don't have such students.

The Brownback plan purports to take care of this by guaranteeing that no district would get less money than right now. So if a district's weighted enrollment funding this year is greater than \$4,492/pupil, no worry, UNTIL?

Demographic changes bring in an increase of at-risk or bilingual students or you go into the future with climbing costs that are never adjusted for inflation (see **The Alarming Points** above).

So in the immediate future **you are no worse off than you are right now**. But in the long term, you will be dependent on increases in local property taxes to meet rising costs. This is consistent with recent efforts to shift responsibility for state services to the local level.

## Putting it all in perspective

The Governor's plan is beautiful in its simplicity. And if you think it is appropriate to permanently turn our back on the funding levels for our schools called for by every Legislative cost analysis, then this simplicity is for you. If you believe that schools will never need an increase in state funding due to inflation or that changing demographics might be a factor in educational costs, then this plan will work.

But the bottom line is that we know school funding is inadequate right now. We know that inflation is a cost driver in school budgets just as it is in personal budgets. We know that as student populations change, so do costs in meeting those students' needs.

To the extent that the Brownback plan permanently enshrines the cuts to education funding of the last few years, it is a plan that is inadequate for a state that hopes to capitalize on a recovering economy and develop a workforce ready for the challenges of the 21<sup>st</sup> century.