



Lawrence Public Schools, USD 497

Input Regarding New School Finance Framework

Lawrence USD 497 is a learning community committed to ensuring educational equity and excellence so that students of all races and backgrounds achieve at high levels and graduate prepared for success in college, careers and life in a diverse and rapidly changing world. The Lawrence Board of Education believes educational opportunity should be a function of the taxable wealth of the state as a whole. A student's zip code should not determine his/her access to educational opportunities. A system of local control by school boards helps to ensure that the needs of all students and their unique communities are met.

Developing a new or revamping a former school finance formula is a complex process. There are many unique and complex variables that can impact a district and the varying needs of students. Lawrence USD 497 advocates that the following considerations be included as the state of Kansas develops a new school finance framework.

Equity and Adequacy

The framework should meet the constitutional requirements of equity and adequacy. Public education funding needs to be adequate to meet the diverse needs of students and to ensure that teachers and staff are paid a fair and competitive wage, including benefits. Funding should be paid to districts in a known and timely fashion, be received during the appropriate fiscal year, and support recommended best practices related to class size (student/teacher ratio). The funding formula should be based on research, not politics.

Educational Risk Factors

The framework should provide funding to ensure all students have an equal opportunity to be college and career ready, as defined by the Rose Standards, and meet state educational outcomes set forth by the Kansas State Board of Education (Kansans Can!), Kansas College and Career Ready Standards (KCCRS) and Kansas Education Systems Accreditation (KESA). Some students will require greater support and instruction to meet these standards. Student risk factors should be defined by more variables than poverty, including absenteeism, retention, English Language Learner (ESL/ESOL), homelessness, mental and social risk factors, race and ethnicity and other circumstances as applicable.

Targeted Funds

The framework should support the additional costs of vocational/career and technical education programs, such as smaller class sizes and the higher cost of equipment/materials; teaching English as a Second Language, mental health support (social, emotional and behavioral) and personalized learning (academic). Student transportation should be reimbursed at a lower mileage threshold (one mile) than the current 2.5 miles for qualified circumstances, including homelessness, safety, young age and road hazards (e.g. highways, no sidewalks). Funding should be available for Safe Routes to School programs for students who walk to school.

The state should provide full funding to support special education as required by state and federal law; full-day kindergarten, early childhood education, Parents as Teachers programs, teacher mentoring, National Board Certified teacher stipends, professional development and collaboration to maintain and increase high quality staff in all areas (administration, certified, and classified) and to implement new standards and curriculum and ongoing programs and initiatives.

Based on Audited Enrollment

The framework should be based on a known and audited student enrollment number, such as the audited enrollment of the prior fiscal year with no fall adjustments. Enrollment should include students in virtual education. Reductions in enrollment should be phased by the highest of three options: current enrollment, prior

enrollment or a three-year average. The formula should provide a predictable system for budgeting by both school districts and the Legislature with a known annual adjustment based on Cost of Living/CPI to keep up with inflationary cost increases and factors to account for the density and size of districts.

Cash Carryover/Cash Balances/Contingency Reserve

The framework should include allowances for carryover of cash balances in all funds. Cash balances support growth in a subsequent year, support cash flow and enable districts to manage unforeseen circumstances, develop short- and long-range plans for meeting student needs, and plan for projects without incurring debt. If a maximum percentage cap is used, it should not be established as of July 1, but rather as of December 31, when cash balances are usually at their lowest point in a fiscal year. GASB guidelines should be used for establishing a percent of cash to operating expenditures to carry. The calculation should not include funds such as Bond and Interest, Capital Outlay, Contingency Reserve, Special Assessments, Federal Grants, Local Donation, Student Activity Accounts, and Special Liability Funds. The framework should allow for a Contingency Reserve Fund separate from the Operating Fund reserves/cash balances. Local school boards determine the most efficient way to spend resources to meet student and community needs.

Local Option Budget

Local Option Budget authority should be allowed without being included as part of base funding. LOB authority should be separate *to supplement and enrich* district educational opportunities, foster innovation, freedom and flexibility. LOB authority should include equalization that meets the constitutional standards of equity. A district's LOB authority should not be subject to public referendum.

Capital Outlay

A Capital Outlay funding system should be continued, as defined in the prior formula and current law for equalization and use of funds. The flexibility of funds should be limited to the current criteria, as defined in statute. If a careful balance is not maintained between capital improvements and ongoing operational expenses, school buildings will no longer be maintained in a manner that provides safe and secure facilities for students. The state should increase the maximum mill authority on the Capital Outlay fund from eight to ten mills and allow local boards to set a mill levy required to meet the maintenance and facility upkeep unique to their districts.

Bond and Interest/New Facility Dollars

Bond and Interest funding should return to the state aid calculation of the formula, as was the case prior to the block grant. In providing funding for new facilities, the state should recognize that new schools and classrooms have additional startup costs. This formula should be based on square footage and extend the two-year window.

COLA

The state should continue the Cost of Living Allocation for districts with a higher than average cost of living.

State Tax Policy

Public school districts should remain tax exempt, paying no local, state or federal tax. State tax policy should be balanced and sustainable. Changes in education funding and policy should not increase the disparity in local tax efforts. New revenue sources should be equalized. State revenues should come from a balanced and equitable mix of sources: sales, income, and property taxes. Taxes should be broadly based to ensure fairness for all Kansans. The state should fully fund operating costs of a "suitable" education through state taxes and a statewide mill levy.

Public School Funding Policy

The framework should not be tied to teacher performance, student assessments, or required participation in a state health plan. Kansas should not prohibit state aid from being used for extracurricular activities or food services. The framework should not include school vouchers, tuition tax credits, or choice plans to aid private schools not subject to the same legal requirements as public school districts. The state should continue to support the authority of local boards to provide services to private school students.