



Kansans **CAN**

SCHOOL FINANCE

January, 2017



Form 150 – Est. Legal Max General Fund Budget

Line 1	Enrollment
Line 2	Four-Year Old At-Risk at .5
Line 3	Total Enrollment (Line 1 + Line 2)
Line 4	Low or High Enrollment Weighting
Line 5	Bilingual Weighting at .395
Line 6	Vocational Weighting at .5
Line 7	At-Risk Weighting (K-12) at .456
Line 8	New Facilities Weighting at .25
Line 9	Transportation (Varies based upon average cost density)
Line 10	Total times \$3,852



Form 150

2014-15 Est. Legal Max General Fund Budget

1. Est. 9-20-14 FTE Enrollment (Exclude 4-year-old at-risk FTE)	1,270.0
2. Est. 9-20-14 4-year-old At-Risk FTE Enrollment (counted as .5 FTE)	14.0
3. Total Est. 9-20-14 FTE Enrollment (Line 1 + Line 2)	1,284.0
4. Est. Low Enrollment and High Enrollment for Districts. 9-20-14 FTE Enrollment (Line 3) $1,284.0.0 \times 0.149874$ factor	192.4
5. Est. Weighted Bilingual Education Enrollment 9-20-14 Bilingual FTE Enrollment $0 + 0.0000 \times 0.395$	0.0
6. Est. Weighted Vocational Education Enrollment 9-20-14 VE FTE Enrollment $50 + 0.0000 \times 0.5$	25.0
7. Est. Weighted At-Risk Student Enrollment 9-20-14 Eligible Students That Qualify for Free Lunches $715 + 0 \times 0.456$	326.0
8. Est. High At-Risk Weighting (Can only qualify for one of the following) District's Calculated Free Lunch Percentage – 55.70% District's Calculated Students Per Square Mile Line 3 ÷ square miles in district $1,284.0 \div 140.5 = 9.1$	
a. No. of Students Eligible for Free Lunches (at least 50%)	75.1
b. No. of Students Eligible for Free Lunches at 35.1% & 212.1 Students Per Sq. Mile	0.0
c. No. of Students Eligible for Free Lunches (35-49.99%)	0.0



Form 150

2014-15 Est. Legal Max General Fund Budget

9. Est. Weighted FTE for New Facilities 9-20-14 Enrollment Attending New Facility $0.0 + 0.0 \times .25$	0.0
10. Est. Weighted FTE for Transportation	75.3
11. Est. Weighted FTE Virtual Enrollment	2.1
12. Est. Ancillary Facilities Weighting Amount Approved by State Board of Tax Appeals $0 \div \$3,852$	0.0
13. Est. Special Education Weighting Amount of Special Education Funding $\$1,782,708 \div \$3,852$	462.8
14. Est. Declining Enrollment Weighting Amount Approved by State Board of Tax Appeals $0 \div \$3,852$	0.0
15. Est. FHSU Math & Science Academy FTE Enrollment	0.0
16. Est. 2014-15 Operating Budget (lines 3 through 15) $2,442.7 \times \$3,852$	\$ 9,409,280



Form 150

2014-15 Est. Legal Max General Fund Budget

17. Est. Cost of Living Weighting \$0 (max. allowed for this district) 0 (amount district will use up to max.) ÷ \$3,852	0.0
18. Est. 2014-15 Operating Budget (Include Cost of Living and FHSU) 2,442.7 x \$3,852	\$ 9,409,280



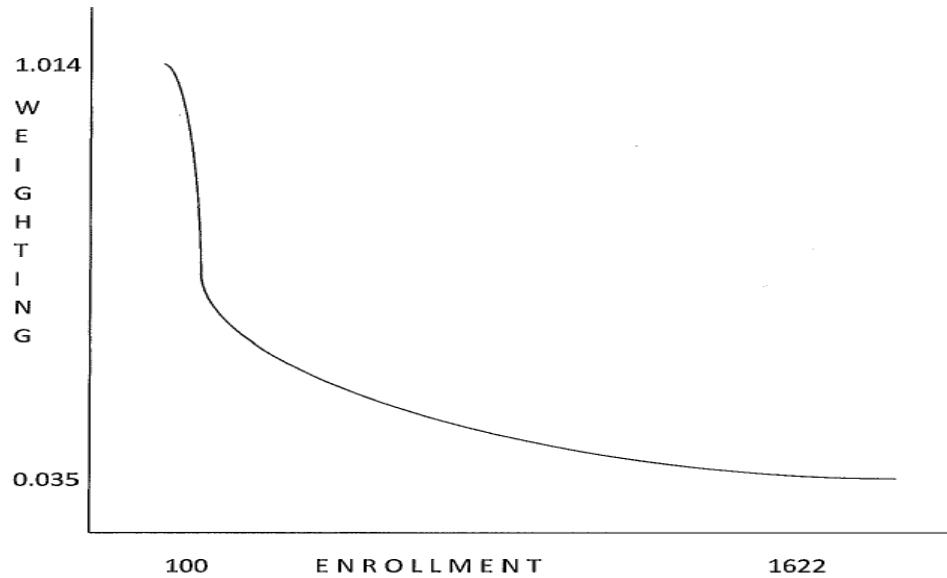
Form 148

2014-15 Est. General Fund State Aid

1. 2014-15 General Fund Budget (Form 150, Line 20)	\$ 9,409,280
2. Estimated Local Effort	
a. 2014-15 Tax Levy 1-1-15 to 6-30-15 (Form 110, Table 1, Line 5)	n/a
b. 2014-15 Tax in Process (Form 110, Line 11) (General Fund only)	n/a
c. 2014-15 Delinquent Tax (Form 110, Line 12, General Fund) x .667	n/a
d. 2014-15 Mineral Production Tax (General Fund)	2,188
e. 2014-15 In Lieu of Tax Payments on IRB's (General Fund)	0
f. 2014-15 Federal Impact Aid PL 382 (formerly PL 874)	0
g. 2014-15 Pupil Tuition (General Fund only)	0
h. 6-30-2014 Unencumbered Cash Balance (General Fund)	0
i. 2014-15 Special Education State Aid	1,782,708
j. Transfers From Authorized funds (Code 06, Line 165)	0
3. TOTAL (2d + 2e + 2f +2g + 2h + 2i + 2j)	\$ 1,784,896
4. 2014-15 Est. General State Aid (Line 1 – Line 3; if negative, insert 0)	\$ 7,624,384

School Finance -- Major Weightings

- Enrollment



School Finance -- Major Weightings

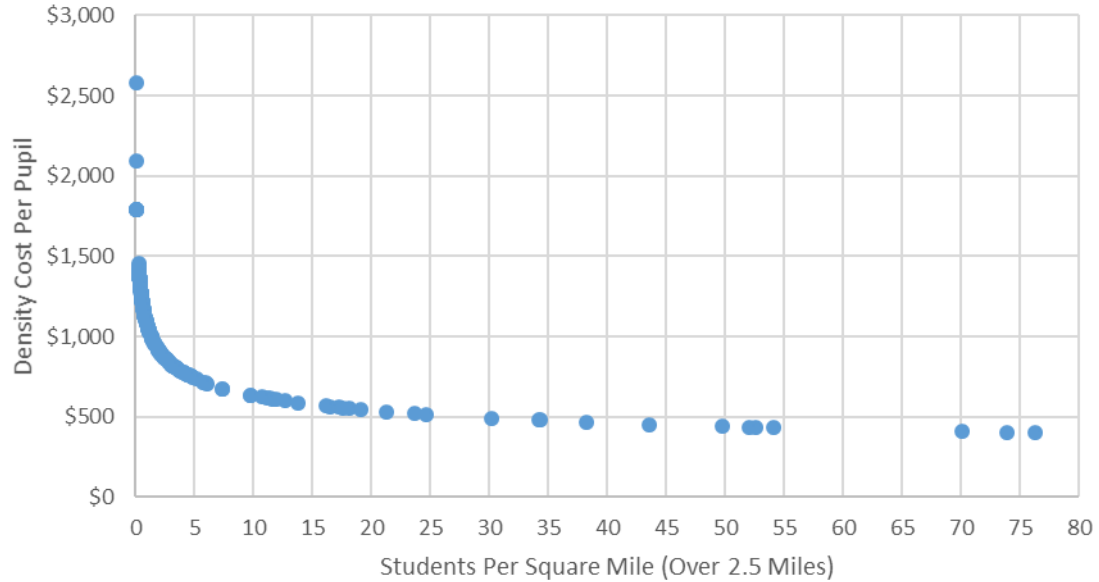
- Transportation

Based on cost density factors

Works well. No reimbursement unless student is resident of district and lives over 2.5 miles from home to school.



Density Per Pupil Over 2.5 Miles
2014-15 School Year



School Finance -- Major Weightings

- Special Education

Separate formula with major cost for teachers and paraprofessionals

Formula provides for 80% cost of transportation and remaining amount is distributed primarily on number of teachers and paraprofessionals.

Special provision for very high-cost students.



SPECIAL EDUCATION

HISTORY

Current law provides for 92% of excess cost.

2008-09	\$ 427,753,137 (92.0%)	
2009-10	\$ 367,540,630 (88.7%)	Rec. ARRA--\$ 56,517,000
2010-11	\$ 389,404,843 (92.0%)	Rec. ARRA--\$ 54,454,000
2011-12	\$ 428,140,397 (88.4%)	
2012-13	\$ 427,724,000 (82.8%)	
2013-14	\$ 427,717,000 (80.1%)	
2014-15	\$ 428,360,566 (80.8%)	
2015-16	\$ 434,902,949 (80.0%)	
2016-17	\$ 433,980,455 (81.8%)	



Special Education

Current law provides for 92% of Excess Cost.

Est. 2016-17 81.8% of Excess Cost

Est. Cost \$ 54,500,000



Base State Aid Per Pupil

School Year	BSAPP
1992-93	3,600
1993-94	3,600
1994-95	3,600
1995-96	3,626
1996-97	3,648
1997-98	3,670
1998-99	3,720
1999-00	3,770
2000-01	3,820

Base State Aid Per Pupil

School Year	BSAPP
2001-02	3,870
2002-03	3,863
2003-04	3,863
2004-05	3,863
2005-06	4,257*
2006-07	4,316
2007-08	4,374
2008-09	4,400

Base State Aid Per Pupil

School Year	BSAPP
2009-10	4,012
2010-11	3,937
2011-12	3,780
2012-13	3,838
2013-14	3,838
2014-15	3,852
2015-16	3,852
2016-17	3,852

Statutes provided for a BSAPP of \$4,492 for 2009-10 and each school year thereafter--Repealed during 2014 legislative session.

Base State Aid Per Pupil

* Approximately \$244 of the increase was a result of raising the BSAPP and lowering the enrollment weighting which resulted in no increased spending authority.

$$\text{\$ 3,852} - \text{\$ 244} = \text{\$ 3,608}$$

(compares to school years prior to 2005-06)



Base State Aid Per Pupil and Consumer Price Index

- \$3,600 in 1992 would be the same as \$6,001.12 in 2013
- \$4,492 today would be the same as \$2,694.70 in 1992.
- \$3,838 today would be the same as \$2,302.37 in 1992.

BSAPP/CPI-MU

(Computed by Legislative Research Department)

School Year	BSAPP if CPI-MU Applied	CPI-MU Percent Change
2008-09	4,433	
2009-10	4,497	1.440
2010-11	4,606	2.417
2011-12	4,728	2.660
2012-13	4,812	1.779
2013-14	4,875	1.312
2014-15	4,883	0.159
2015-16	4,895	0.236



Costs of CPI Computation

\$4,895 BSAPP minus \$3,852
(current year) equals \$1,043
times weighted enrollment(old law) equals
\$709,240,000

Base State Aid Per Pupil

\$ 3,852	Current	
\$ 4,400	2008-09	\$ 372,640,000
\$ 4,895	Proposed	\$ 709,240,000

Legislative Division of Post Audit

Elementary and Secondary Education in Kansas: Estimating the Costs of K-12 Education Using Two Approaches – January 2006

“We found a strong association between the amounts districts spend and the outcomes they achieve. In the cost function results, a 1.0% increase in district performance outcomes was associated with a 0.83% increase in spending—almost a one-to-one relationship. This means that, all other things being equal, **districts that spent more had better student performance.** The results were statistically significant beyond the 0.01 level, which means we can be more than 99% confident there is a relationship between spending and outcomes.”



Kansas Constitution

Article 6 – Finance

“. . . (b) the legislature shall make suitable provision for finance of the educational interests of the state. No tuition shall be charged for attendance at any public school to pupils required by law to attend such school, except such fees or supplemental charges as may be authorized by law.”



State Aid Expenditures

(Adjusted To Reflect Delayed Payments)

Program	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
General State Aid*	2,184,506,225	1,893,558,413	1,878,973,642	1,930,623,613	1,980,654,368	1,995,927,367	1,968,719,494	1,958,802,124
Supp. General State Aid*	323,424,384	253,242,618	338,729,532	338,640,811	339,112,397	339,184,333	448,973,840	446,238,347
School District Finance	26,649,544	37,039,867	50,578,231	50,086,184	46,179,643	51,096,342	45,544,703	52,968,844
20-Mill Levy	0	0	0	0	0	0	590,081,876	595,450,850
Capital Improvement	75,591,298	87,662,017	96,141,155	104,787,506	111,549,593	129,726,374	145,009,015	163,341,697
Capital Outlay	22,338,828	0	0	0	0	0	28,927,119	27,047,902
Declining Enrollment	12,957	0	0	0	0	0	0	0
Professional Development	1,745,037	0	0	0	0	0	0	0
Juvenile Detention	6,302,169	6,092,160	6,012,355	5,084,566	4,980,330	4,692,480	4,632,405	4,542,828
School Food Service	2,510,486	2,435,171	2,435,172	2,487,458	2,510,486	2,510,486	2,510,429	2,510,429
Special Education*	427,718,409	367,427,058	388,982,076	428,133,154	430,426,151	428,702,584	428,360,566	434,754,409
Educable Deaf/Blind	110,000	108,160	108,660	109,043	107,944	110,000	110,000	108,349



State Aid Expenditures

(Adjusted To Reflect Delayed Payments)

Program	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Driver's Education	596,330	722,854	1,025,162	1,108,668	12,100,541	1,011,566	1,098,294	807,842
Ag in Classroom	35,000	35,000	35,000	0	0	0	0	0
Discretionary Grants	727,727	635,890	653,497	322,457	322,457	572,457	572,457	322,457
Parent Education	7,521,357	7,527,019	7,359,130	7,237,635	7,237,635	7,237,635	7,237,635	7,237,635
Pre-K Pilot	5,000,000	5,000,000	4,880,000	4,799,812	4,799,808	4,799,802	4,799,812	4,799,812
Mentor Teacher	1,725,503	1,358,372	1,417,423	0	0	0	0	0
KPERS-Schools (Includes CCs, TCs and Interlocals)	242,277,363	249,856,211	283,502,545	315,664,700	301,827,803	361,575,393	350,628,290	299,033,398 4 th quarter payment delayed
Vision Study Grant	100,000	0	0	0	0	0	0	0
National Board Certification	276,400	26,500	24,500	48,500	18,194	0	242,894	258,511
School Safety Hotline	10,000	8,056	9,494	10,000	10,000	5,000	9,994	10,000
Kansas Career Pipeline	199,315	0	0	0	0	0	0	0



State Aid Expenditures

(Adjusted To Reflect Delayed Payments)

Program	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Fort Riley State Match	0	0	0	0	1,500,000	1,500,000	0	409,541
Tech. Ed. Promotion	0	0	0	0	49,047	0	0	0
Tech. Ed. Transportation	0	0	0	0	554,442	695,558	650,849	652,608
Extraordinary Need	0	0	0	0	0	0	779,567	9,363,597
TOTAL	3,329,378,332	2,912,735,366	3,060,867,574	3,189,144,107	3,232,940,839	3,329,347,377	4,028,889,239	4,008,661,180
*Excludes Federal Funding as follows:								
General State Aid (ARRA and/or ED Jobs)	0	138,693,703	145,134,995	1,365,577	0	0	0	0
Supp. General State Aid (ARRA)	0	85,949,000	0	0	0	0	0	0
Special Education (ARRA)	0	56,517,430	54,453,996	396,920	0	0	0	0



**2015-2016 Current Operating Expenditures
(as defined by U.S. Census Bureau)**

Function	Function Description	Expenditures*	State Percent
1000	Instruction	3,006,433,261	60.84%
2100	Support Services (Pupils)	257,414,023	5.21%
2200	Support Services (Inst. Staff)	193,902,467	3.92%
2300	Support Services (Gen. Admin.)	119,728,895	2.42%
2400	Support Services (School Admin.)	289,039,571	5.85%
2600	Operations & Maintenance	495,877,645	10.03%
2700	Transportation	198,855,379	4.02%
2500, 2900	Other Support Services	130,530,584	2.64%
3100	Food Services	245,443,910	4.97%
3300	Community and Adult Services	4,885,566	0.10%
Total Current Expenditures		4,942,111,301	100.00%
Total Current Expenditures Amount Per Pupil		10,683	



2015-2016 Current Operating Expenditures (as defined by U.S. Census Bureau)

9/20/15 FTE* (inc 4yr at risk) =	462,594.7
Area Square Miles =	82,019.7
Free/Reduced Meal Enroll. =	49.78%

*Kindergarten students may attend full-time, however, under state law they are counted as .5 for funding.

Expenditures do not include equipment (700 object codes), Capital Outlay or Bond & Interest. [700 object codes include expenditures for acquiring fixed assets, including land or existing buildings; improvements of grounds; initial equipment; additional equipment; and replacement of equipment.]

Note: Transportation costs will vary based on the size of the district and the number of students transported. Therefore, you may want to exclude transportation for your district and re-compute the percentages.

STATE TOTALS (USD D0999) COUNTY

Basic Data

School Year	FTE* Enrollment	State Aid	Federal Aid	Local Revenue	Total Expenditures**
2006-2007	444,878.7	2,888,960,769	385,393,086	1,868,974,224	5,142,076,915
2007-2008	446,874.0	3,131,495,347	376,985,620	1,940,052,328	5,446,453,325
2008-2009	447,615.1	3,287,165,278	413,624,558	1,965,551,201	5,666,731,992
2009-2010	453,324.3	2,867,835,438	726,587,277	1,997,207,913	5,589,549,135
2010-2011	454,865.7	2,961,769,735	666,576,422	1,958,698,173	5,587,044,331
2011-2012	456,000.5	3,184,163,559	447,417,409	2,139,429,840	5,771,010,808
2012-2013	457,896.6	3,198,060,481	460,323,467	2,194,086,843	5,852,470,791
2013-2014	461,088.3	3,267,998,852	485,563,067	2,221,955,762	5,975,517,681
2014-2015	463,266.4	3,968,905,979	510,199,401	1,607,033,684	6,079,997,660
2015-2016	462,594.7	3,950,412,825	485,268,953	1,592,240,710	6,025,484,288

Amount Per Pupil

School Year	State Aid	Federal Aid	Local Revenue	Total Expenditures	Total % Increase
2006-2007	6,494	866	4,201	11,558	9.59%
2007-2008	7,008	844	4,341	12,188	5.45%
2008-2009	7,344	924	4,391	12,660	3.87%
2009-2010	6,326	1,603	4,406	12,330	-2.61%
2010-2011	6,511	1,465	4,306	12,283	-0.38%
2011-2012	6,983	981	4,692	12,656	3.04%
2012-2013	6,984	1,005	4,792	12,781	0.99%
2013-2014	7,088	1,053	4,819	12,960	1.40%
2014-2015	8,567	1,101	3,469	13,124	1.27%
2015-2016	8,540	1,049	3,442	13,025	-0.75%



*September 20th Full-Time Equivalency Enrollment (includes 4yr old at risk). Beginning with the 2005-06 school year, enrollment includes February 20 FTE enrollment for military districts based on KSA 72-6464. For the 2015-16 and 2016-17 school years, districts are operating under the Block Grant and will not include February 20 FTE enrollment.

**Total expenditures include the following funds (less transfers): General, Supplemental General, At-Risk 4Yr Old (beginning 2005-06 and thereafter), At-Risk K-12 (beginning 2005-06 and thereafter), Adult Education, Adult Supplemental Education, Bilingual Education, Virtual Education (beginning 2008-09), Capital Outlay, Driver Training, Extraordinary School Program, Food Service, Professional Development, Parent Education Program, Summer School, Special Education, Vocational Education, Area Vocational School, Special Liability Expense, School Retirement, KPERs Special Retirement Contribution (beginning 2004-05 and thereafter), Contingency Reserve, Textbook and Student Material Revolving, Bond and Interest #1, Bond and Interest #2, No-Fund Warrant, Special Assessment, Temporary Note, Cooperative Special Education, Unbudgeted Federal Funds, Gifts and Grants (beginning 2002-03 and thereafter) and District Activity Funds (beginning 2011-12 and thereafter).

Local revenue is computed by determining the total expenditures minus state and federal aid. It is not unusual for a district to accumulate monies in its capital outlay fund for large projects and spend the money in one year. During that year, expenditures will be higher than usual and may drop the following year. Also, in those districts where the voters have approved for a bond issue, the expenditures would be higher in the year that the district begins making bond payments.

Total Expenditures may not equal the sum of state, federal and local revenue. Typically this is as a result of low assessed valuation for USD 207 and/or the large amount of federal property and federal impact aid in both USD 207 and USD 475.

- Effective July 1, 2006, USD #104-White Rock and USD #278-Mankato consolidated into USD #107 – Rock Hills.
- Effective July 1, 2006, USD #221-North Central and USD #222-Washington consolidated into USD #108 – Washington Co. Schs.
- Effective July 1, 2006, USD #427-Belleville and USD #455-Cuba consolidated into USD #109 – Republic Co.
- Effective July 1, 2006, USD #295-Prairie Heights dissolved with most of their students going to USD #412 – Hoxie.
- Effective July 1, 2008, USD #238-West Smith County and USD #324-Eastern Heights consolidated into USD #110 – Thunder Ridge.
- Effective July 1, 2009, USD #279-Jewell dissolved with their enrollment split between USD #107-Rock Hills and USD #273-Beloit.
- Effective July 1, 2009, USD #425-Highland and USD #433-Midway consolidated into USD #111 – Doniphan West Schools.
- Effective July 1, 2010, USD #213-West Solomon Valley dissolved with their students going to USD #211 – Norton Community.
- Effective July 1, 2010, USD #328-Lorraine and USD #354-Clafin consolidated into USD #112 – Central Plains.
- Effective July 1, 2010, USD #441-Sabetha and USD #488-Axtell consolidated into USD #113 – Prairie Hills.
- Effective July 1, 2010, USD #406-Wathena and USD #486-Elwood consolidated into USD #114 – Riverside.
- Effective July 1, 2011, USD #442-Nemaha Valley Schools and USD #451-B & B consolidated into USD #115 – Nemaha Central Schools.
- Effective July 1, 2011, USD #228-Hanston and USD #227-Jetmore consolidated into USD #227 – Jetmore.
- Effective July 1, 2011, USD #424-Mullinville and USD #422-Greensburg consolidated into USD #422 – Kiowa County.

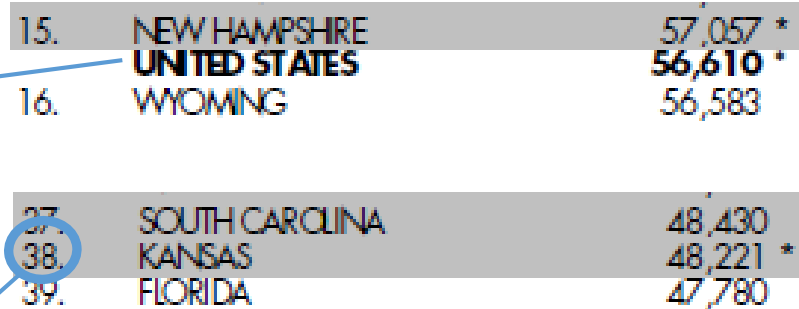
Effective July 1, 2014 (2014-15 school year) KSA 72-6431 states proceeds from the Ad Valorem taxes levied for the General Fund shall be remitted to the State Treasurer. Such remittance shall be redistributed as general state aid.



C-11. AVERAGE SALARIES OF PUBLIC SCHOOL TEACHERS, 2013-14 (\$)

1.	NEW YORK	76,409
2.	MASSACHUSETTS	73,195
3.	DISTRICT OF COLUMBIA	73,162 *
4.	CALIFORNIA	71,396
5.	CONNECTICUT	70,583
6.	NEW JERSEY	68,238
7.	ALASKA	65,891
8.	RHODE ISLAND	64,696 *
9.	MARYLAND	64,546
10.	PENNSYLVANIA	63,701
11.	MICHIGAN	62,166
12.	ILLINOIS	60,124 *
13.	DELAWARE	59,305
14.	OREGON	58,638
15.	NEW HAMPSHIRE	57,057 *
	UNITED STATES	56,610 *
16.	WYOMING	56,583
17.	HAWAII	56,291
18.	VERMONT	55,958
19.	OHIO	55,913
20.	NEVADA	55,813
21.	MINNESOTA	54,752
22.	WISCONSIN	53,679
23.	WASHINGTON	52,969
24.	GEORGIA	52,924
25.	IOWA	52,032
26.	KENTUCKY	50,560
27.	INDIANA	50,289
28.	MONTANA	49,893 *
29.	VIRGINIA	49,826 *
30.	TEXAS	49,690
31.	COLORADO	49,615
32.	NEBRASKA	49,539
33.	MAINE	49,232
34.	LOUISIANA	49,067
35.	ALABAMA	48,720
36.	NORTH DAKOTA	48,666 *
37.	SOUTH CAROLINA	48,430
38.	KANSAS	48,221 *
39.	FLORIDA	47,780
40.	TENNESSEE	47,742
41.	ARKANSAS	47,319
42.	MISSOURI	46,750
43.	NEW MEXICO	45,727
44.	UTAH	45,695
45.	ARIZONA	45,335 *
46.	WEST VIRGINIA	45,086
47.	NORTH CAROLINA	44,990
48.	OKLAHOMA	44,549
49.	IDAHO	44,465
50.	MISSISSIPPI	42,187 *
51.	SOUTH DAKOTA	40,023
	MEDIAN	50,560
	RANGE	36,386
	SDEV.	8,964
	CV	17

NEA Research, Estimates Database (2014).



BLOCK GRANT CHANGES

General State Aid

General state aid was frozen at the 2014-15 funding level for 2015-16 and 2016-17 (less .4 of 1% for Extraordinary Need state aid).

Virtual State Aid

Virtual state aid was recalculated in 2015-16 and changed as follows:

- Full time student was increased from \$4,044 to \$5,000;
- Part time student was reduced to FTE times \$1,700; and
- Adult students received \$933 for each credit earned.



BLOCK GRANT CHANGES

School District General Fund Changes

The following state aid programs are included as part of the General fund:

1. General state aid

2. Local Option Budget (LOB)

- LOB state aid is deposited in the General fund and has to be transferred to the LOB fund in 2015-16.

3. Capital Outlay

- Capital Outlay state aid can be deposited in the General fund and may be transferred to the Capital Outlay fund, or it may remain in the General fund (board decision) in 2015-16.



BLOCK GRANT CHANGES

School District General Fund Changes

The following state aid programs are included as part of the General fund:

4. Special Education

- Special Education state aid is deposited in the General fund and has to be transferred to the Special Education fund.

5. KPERS

- KPERS state aid is deposited in the General fund and has to be transferred to the KPERS fund. It is immediately transferred back to KPERS.



BLOCK GRANT CHANGES

Extraordinary Need State Aid

Four tenths of one percent was deducted from each school district's General State Aid allocation and placed in a special fund for extraordinary needs. School districts could apply to the School Finance Council for the funds in 2015-16 due to extraordinary needs such as a drop in assessed valuation or increased enrollment.

In 2016-17, the responsibility for administering this program was transferred to the Department of Education and State Board of Education. The funding source was changed from the State General Fund to revenue from the sale of the Bio Science Authority, provided it exceeded \$25 million.

Thirty-four school districts applied for this funding in 2016-17. The Department of Education held hearings for each applicant, and 31 school districts were recommended to receive some funding. Since the sale of the Bio Science Authority was less than \$25 million, no additional funds were available to schools.



BLOCK GRANT CHANGES

Local Option Budget (LOB) State Aid

The LOB state aid program was reduced for 2015-16 under a separate funding formula. When the Supreme Court ruled it to be inequitable, this decision was changed for the 2016-17 school year and the formula goes back to the law prior to the implementation of the block grant.

Capital Outlay State Aid

The Capital Outlay state aid program was reduced for 2015-16 under a separate funding formula. When the Supreme Court ruled it to be inequitable, this decision was changed for the 2016-17 school year and the formula goes back to the law prior to the implementation of the block grant.



BLOCK GRANT CHANGES

Fund Flexibility

Authority was granted by the Legislature to transfer money from special funds to the general fund with no limit.

This law gave school districts the authority to spend their own money in a different way.



MAJOR CHANGES PRIOR TO BLOCK GRANT

Other major changes in the school finance funding formula after it was adopted in 1992:

1. **Enrollment** – The definition of enrollment when used to compute general fund budget authority was changed from current year to current year, prior year, or a three-year average (whichever is higher).
2. **At-Risk** – Following two studies financed by the Legislature, at-risk weighting was changed to .456 for students eligible for free lunch. **High density at-risk** was implemented for districts with a free lunch head count over 35% up to 50% on a sliding scale. Districts with 50% or more students eligible for free lunch received an additional 10.5% at-risk weighting.



MAJOR CHANGES PRIOR TO BLOCK GRANT

General Fund Mill Rate

The following charts shows the mills levied for schools:

1992	1993	1994	1997	1998
32 mills	33 mills	35 mills	27 mills	20 mills

This has remained 20 mills since 1998.

Contingency Reserve

Initially, school districts did not have a Contingency Reserve fund. The Legislature granted school districts the authority to transfer monies out of the general operating fund to a Contingency Reserve fund to be used for unforeseen expenditures.



MAJOR CHANGES PRIOR TO BLOCK GRANT

Local Option Budget (LOB) Authority

The cap on the LOB was increased over time to 30 percent without a vote, and up to 33 percent with a vote. Another major change was in the way the LOB is computed. The base state aid per pupil (BSAPP) was artificially increased to \$4,490. The actual BSAPP was \$3,852.

Bond and Interest State Aid

The formula for computing bond and Interest state aid was changed beginning July 1, 2015, which had the effect of reducing bond and interest state aid by approximately 20 percentage points for bonds issued after July 1, 2015.



MAJOR CHANGES PRIOR TO BLOCK GRANT

Special Levies

Over a period of time, the Legislature authorized three separate mill levies that do not involve state aid.

1. **Ancillary School Facilities** allows a district with a significant increase in enrollment to ask permission from the State Board of Tax Appeals to levy a property tax to defray costs when the district builds a new facility. The local levy is then sent to the State and becomes part of the school district's general fund.



MAJOR CHANGES PRIOR TO BLOCK GRANT

Special Levies

- 2. Declining Enrollment** was originally approved by the State Board of Tax Appeals under special circumstances and was grandfathered. The local levy is then sent to the State and becomes part of the school district's general fund. Only 2 school districts utilize this provision.
- 3. Cost of Living** only applies to school districts whose appraised value of homes exceeds 125 percent of the state average. The local levy is then sent to the State and becomes part of the school district's general fund. There are 21 school districts that qualify, but due to the sensitivity of property tax, only 6 districts choose to make this levy.

