

# PROPOSED SCHOOL FINANCE PLAN

Senate Bill 251—5-18-17

## MAJOR POLICY PROVISIONS—Computer Printout SF17-208

- Base aid for student excellence (BASE) will increase to \$4,006 in 2017-18, \$4,080 in 2018-19, estimated \$4,141 in 2019-20, estimated \$4,203 in 2020-21, and estimated \$4,266 in 2021-22. Beginning in 2019-20, these estimates are based upon a three-year average of the consumer price index.
- Ancillary facilities and cost of living will continue, however, declining enrollment will be reduced 50 percent in the 2017-18 school year and eliminated in the 2018-19 school year.
- Enrollment will be based upon prior year or second preceding year, whichever is higher except four-year-old at-risk will be based upon current year. All weighted enrollment will be based upon the current school year enrollment.
- Military second count will be determined as follows. If the number of students enrolled in each school district on February 20 were not enrolled on the preceding September 20, such students shall be added to the September 20 enrollment.
- Any school district that received federal impact aid for the preceding school year, enrollment will be the greater of the preceding year, the second preceding year, **OR** the average of the preceding year, second preceding year, and third preceding year.
- At-risk funding will be based upon free lunch count and funded the same as law prior to the 2014-15 school year. All at-risk state aid must be spent on at-risk students, as defined by the State Board of Education. The at-risk weighting will remain at .456 (current law).
- High-density at-risk will be funded the same as law prior to 2014-15 school year.
- Provides a floor of ten percent for computing free lunch for any school district offering K-12.
- All-day kindergarten will be funded and counted in the enrollment.
- Career & Technical Education (vocational education) funding will be based upon .5 weighting (same as old law). The State Department of Education will study CTE cost by program and report to the Legislature by January 1, 2018.
- Virtual students will be funded as in current law.
- Special education funding remains the same as current law.
- Transportation is amended slightly and on a statewide basis there will be a small increase in the state appropriation. No school district will receive less transportation state aid than received in 2016-17 for the next two years.
- New facilities will be funded for all elections held prior to July 1, 2015 with a .25 weighting.

- Bilingual education is computed using the higher of .361 of the contact hours or .185 of the bilingual headcount enrollment for students who qualify for bilingual services. The weighting under current law is .395 based on contact hours.
- 20-mill levy will remain the same as current law and will not be subject to abatements.
- Low and high enrollment will be reinstated as in law prior to 2014-15.
- Expands early childhood funding by increasing state aid for four-year-old at-risk programs, \$2,000,000 each year in 2017-18 through 2021-22.
- The local option budget will remain the same as current law.
- School districts may adopt up to 30 percent of their local option budget on board action. If a district chooses to increase the LOB up to 33 percent, this would require board action and right of protest petition. Those school districts that are already at 33 percent will retain that authority.
- Partially funds the mentoring program and professional development as provided by law.
- Adds utilities, property/casualty insurance, and computer maintenance as expenditure options for the capital outlay fund if the school district republishes their capital outlay resolution. Capital outlay authority is increased from 8 mills to 10 mills.
- Students from the lowest 100 schools of student achievement may be considered for tax credit for low income student scholarships effective July 1, 2018. Students must be eligible for free lunch and at least 50 percent must be direct certified by the Department of Children and Families. Private schools must be accredited and those with grades 9-12 must have ACT scores that exceed the state average or their postsecondary effective rate exceeds trend line.
- The State Department of Education is required to provide substantial fiscal and academic data on an annual basis for each school district. This report will be made available on the School Finance website.
- Provides a funding mechanism that includes a utility surcharge. Each residential utility account will include a surcharge of \$2.25 per month and each commercial utility account will include a surcharge of \$10 per month. This surcharge is estimated to produce \$150 million.

## COLUMN EXPLANATION

- Column 1 -- **September 20, 2016, FTE enrollment**
- Includes four-year-old at-risk and excludes virtual students.  
Kindergarten is funded at 1.0 for full-time students.
- 2 -- **2017-18 Base aid for student excellence** (Column 1 times \$4,006)
- Base aid for student excellence (BASE) will increase to \$4,266 over a five-year period. Year 1-\$4,006; Year 2-\$4,080; Year 3-estimated \$4,141; Year 4-estimated \$4,203, and Year 5—estimated \$4,266.
- 3 -- **2017-18 Estimated virtual aid** (current law)
- 4 -- **2017-18 Estimated low and high enrollment weighted FTE**
- Funding based upon law prior to 2014-15.
- 5 -- **2017-18 Estimated transportation weighted FTE** (LPA formula)
- 6 -- **2017-18 Estimated bilingual weighted FTE**
- Bilingual education is computed using the higher of .361 of the contact hours or .185 of the bilingual headcount enrollment for students who qualify for bilingual services.
- 7 -- **2017-18 Estimated at-risk weighted FTE**
- The weighting will remain at .456
- 8 -- **2017-18 Estimated vocational education weighted FTE**
- Weighting of .5 for students in approved vocational classes based upon law prior to 2014-15. Based upon preceding year's actual enrollment.
- 9 -- **2017-18 Estimated special levies weighted FTE**
- Ancillary facilities and cost of living will continue. Declining enrollment will be reduced 50 percent in the 2017-18 school year and eliminated in the 2018-19 school year.
- 10 -- **2017-18 Estimated total program weighted FTE**  
(Column 4 + 5 + 6 + 7 + 8 + 9)

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- 11 -- **2017-18 Proposed general fund budget excluding special education**  
(Column 10 x \$4,006 + Column 2 + Column 3)
- 12 -- **2017-18 Estimated special education state aid** (current law)
- 13 -- **2017-18 Proposed general fund budget including special education**  
(Column 11 + 12)
- 14 -- **2015-16 General fund budget excluding state aid for capital outlay,  
KPERs, and local foundation budget (LFB)**
- 15 -- **Difference** (Column 13 – 14)
- 16 -- **2017-18 Estimated general state aid**
- 17 -- **2015-16 General state aid**
- 18 -- **Difference** (Column 16-17)