

HOW TO DEVELOP A NEW SCHOOL FINANCE FORMULA FOR KANSAS

Assuring adequate funding for an equal educational opportunity for each K-12 student can only be achieved by first documenting what it costs to teach Kansas students the courses required for graduation in the schools they attend. The following strategy is offered to develop a new School Finance Formula for our state.

- 1) Instructional cost data should be collected from schools in a randomized, stratified sample of 6 large districts, 6 medium sized districts and 18 small districts in Kansas.
- 2) These 30, sample schools need to be equally divided between East, Central and Western regions to reflect the geographical, logistical and demographic variations in the State.
- 3) Many of these costs can be collected from existing databases in the State Board of Education, Legislative Research Office and school district computer files.
- 4) As additional school-based data are required to verify instructional costs, student achievement and existing resources, site visits must be made to specific school buildings to collect this information. Input from teachers, administrators and local businesses is essential. Relying on spending patterns from previous district line item budgets is unreliable.
- 5) The school-based costs from each district should then be compiled into a database and spreadsheets to analyze the variations between schools, districts, regions and instructional objectives. Aggregate achievement scores from students in each building should be entered as well to identify the relationship between costs and instructional benefits.
- 6) These building level instructional cost, resource and achievement data will serve as the basis for the development of a School-Based Finance Computer Model for the State of Kansas. This Model will allow the State Legislature to simulate various options to redistribute tax dollars back to the school buildings and districts throughout the State based on actual student learning needs plus the resources required in each school to provide an equal and adequate educational opportunity for each Kansas K-12 student to learn stated objectives.
- 7) A standardized, State-wide School-Based Budgeting data collection format will also be developed to allow cost and student achievement data to be sent via electronic files from each school in Kansas. This update process from each school and district will minimize future data collection costs and assure that accurate, timely data are put into the Model on a regular basis, prior to the next Legislative Session.

For further information, please contact Dr. Walt Chappell, President, Educational Management Consultants. (316)838-7900 / 208-4565 educationalmanagers@cox.net

BASIC SCHOOL-BASED FINANCE ISSUES

The main issues facing Legislators on School Finance are (1) the “*actual costs*” to provide (2) an “*equal opportunity*” for (3) a “*suitable education*” (4) to “*each K-12 student*” in the State. So, it is obvious, that making minor adjustments to the weights in the existing State school finance formula will ***NOT*** provide an equal educational opportunity for each K-12 student in Kansas.

Current formulas are often just a reflection of previous spending patterns and politically expedient weightings which have little to do with the actual cost of teaching students in each public school. Until a thorough analysis is done to determine what it costs to teach students so they can pass the State minimum competency standards, the Legislature will not be able to assure that each child in the State is provided with the resources needed to reach these learning objectives for a “suitable education.” Nor will the State meet requirements of the Federal “No Child Left Behind”.

The basic, “cost-center” of education is the School Building—not the School District. To be meaningful, all budgets must be built on the actual cost to teach students who attend each school so that they can learn and demonstrate their use of basic skills. The Tax Payers are paying for a Service. That educational service is provided at the building level. So, it is essential that any School Finance Model or Formula start with the cost of providing an equal educational opportunity to learn where a specific group of students actually attends school.

Management by Objectives is not new. It has been used by business and industry for years as a way to accurately state Goals and Objectives and then assign the resources needed to reach those objectives. Unfortunately, the “weightings” in most State school finance formulas have little to do with education. In most cases, they merely perpetuate the inefficient use of public funds by hiding the low productivity of instructional facilities and staff. This amounts to hundreds of millions of dollars of unnecessary expenses which have limited, if any, benefit to students.

By stating the minimum competency standards to which each K-12 student is to achieve, the State Legislature can assess how well its funds are being used to reach these objectives. There will then be a State-wide measure of “basic” or “suitable education.”

Basing the State school finance formula on the cost to reach these measurable objectives in each school building will allow the funds to go where they are needed. Some schools will require more dollars per pupil than others. But these differences will be based on learning needs within each school rather than the value of property within an “artificial school district” boundary. The ability for a “District” to raise revenue at the local level should not determine a child’s educational opportunity to learn and compete as an adult in the 21st Century.

Some school buildings have been “on the short end of the stick” for years. So, it will initially take more funds designated for these sub-standard schools to bring them up to the “State standard” for curriculum offerings, teachers to teach these stated objectives, plus computers, vocational training equipment and access to the Internet. And, since the key issue is “teaching” students, the formula must take into account the number and learning needs of the students who actually attend each school. Otherwise, the funds are blindly spent without any knowledge of the regular and special needs of the students who are being taught.

Any structure is built from the ground up!! The same goes for budgets. The formula which is offered on the following pages is simple and straight forward. It is based on gathering facts—starting with the actual learning needs of the students and available resources in each school throughout the State. For a State to achieve stated, measurable learning objectives, increase productive use of teachers, administrators and facilities, plus control unnecessary expenses, the following steps need to be included in a School Finance Formula and Budget Development Process.

As Legislative leaders review this Model, it will help to understand that these concepts are based on over 40 years of experience dealing with budgeting for educational costs. If you have questions, call Dr. Walt Chappell, President of EMC at (316)838-7900 or send an email to educationalmanagers@cox.net.

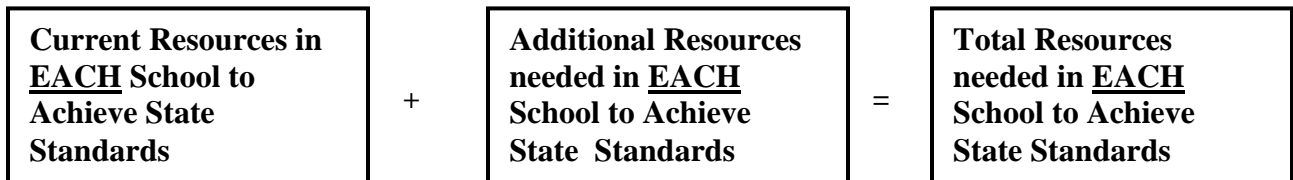
**KEY SCHOOL FINANCE QUESTIONS TO ANSWER BEFORE AN
EQUAL EDUCATIONAL OPPORTUNITY CAN BE ASSURED FOR
EACH KANSAS K-12 STUDENT**

1) What do we want each student in the State to learn during their 13 years of public education?

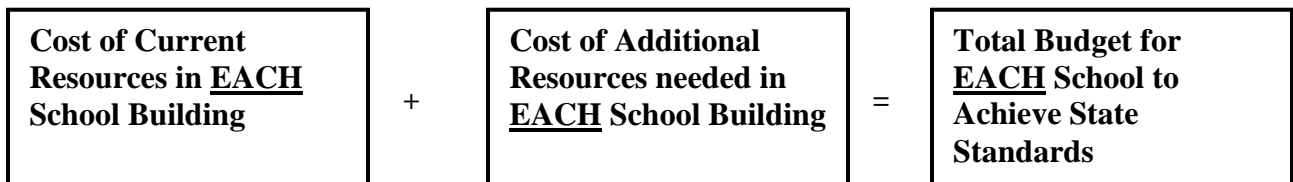
2) What is the current achievement level for each student in each school?



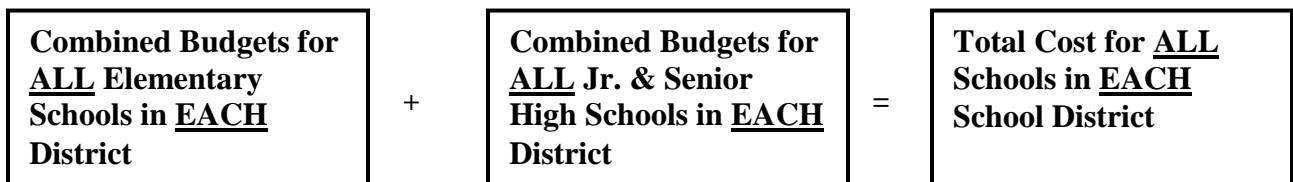
3) What resources are required in each child’s school to have an equal educational opportunity to achieve the state competency standards?



4) What are the financial costs to provide the necessary resources to assure an equal opportunity of achieving stated, measurable learning objectives by each student enrolled in the neighborhood school closest to their home?



5) What are the financial needs of each School District within the State?



6) What is the total cost of education in the State to be funded by a combination of Local, State & Federal taxes?

