



EDUCATION COMMISSION
OF THE STATES

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Your education policy team.

Education Commission of the States

- ▶ Founded in 1965 to enlighten, equip and engage education policy makers
- ▶ Provides nonpartisan unbiased advice to policymakers throughout the country
- ▶ 53 member states, territories and the District of Columbia
- ▶ Web Site: www.ecs.org



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Developments in School Funding

- Emerging State Issues
- Every Student Succeeds Act
- Changing Nature of Property Taxes
- Impacting school funding changes in your state

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Emerging Issues High-Need Students

– At-risk

- The majority of states use free/reduced price lunch to identify at-risk students
- Community eligibility – districts with high poverty rates can now provide free breakfast and lunch to all students
- *This has created Issues with student identification*

– English Language Learners

- *Moving students off of identification*

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Emerging Issues

High-Need Students

– Special Education

- *Funding based on services provided instead of disability groups*

– Other Student Groups

- *Gifted & Talented*
- *Migrant*
- *Homeless*
- *Wraparound services/Community schools*

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Emerging Issues

- Programs that were underfunded during the recession (*Facilities, Transportation, Textbooks and Technology*)
- Recruiting & retaining quality teachers
- Some states are looking at moving to a competency based system – which would change the way we think about funding

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Every Student Succeeds Act Title I

- Under ESSA starting in December of 2018 districts will need to start accounting for expenditures by school
- Proposed rules would require districts to equalize school level expenditures by 2021
- Districts that do not equalize their spending by 2022 could face a loss of Title I funds

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Local Property Taxes And School Funding

- 44.3% of school funding comes from local sources (*Ranging from 71% in IL to 15% in ID*)
- Somewhere between 80% and 90% of local funding comes from property taxes

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Student Enrollment Policies And School Funding

- Charter Schools
- On-line Learning
- Open Enrollment
- Vouchers

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Enrollment Options and School Funding Issues

- Who pays the local share?
- What does it mean when districts transfer local revenue?
- Will local voters support tax levies that are transferred outside of their district?

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Enrollment Options and School Funding Issues

- What if local school funding revenue did not exist?
- Michigan (1994)
 - The state controls the majority of local revenue
 - Local property taxes are sent to the state and then distributed to districts
 - Districts have very little control over local operating revenue (still have control over facility revenue)



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Impacting School Funding Changes in Your State

- Try to be at the table in the beginning
- Don't be afraid to reach-out to national organizations and/or individuals in other states early on
- Many of the people in the room will not have an understanding of finance – you & your staff can provide that expertise
- Stay positive about new ideas and offer alternatives



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