

## **Guiding Principles for Resource Allocation to School Districts**

1. The majority (95%) of all state funding, including state grants, should be distributed to school districts through a formula that considers the needs and fiscal capacities of individual school districts.
2. The formula should be driven by a per-student base cost that reflects the revenue needed for a regular student (a student and district without any special needs) to meet the 12 content standards.
3. Adjustments to the per-student base cost should reflect added costs associated with the school district or the student that require supplementary expenditures to meet the standards.
4. School districts should make a contribution to the costs specified by the formula based on a reasonable tax effort.
5. To reflect the differing needs of their students and communities, school districts are permitted, with limitation and voter approval, to utilize additional local revenue in excess of the adjusted base amount determined in the formula.
6. A priority for school districts will be to continue to develop procedures for allocating resources to schools that reflect the needs at those sites.
7. State funding and laws for capital should be provided based on needs of districts and their relative fiscal capacity to pay, as well as evidence of reasonable local effort.
8. Funding for transportation should be provided that takes into consideration the unique circumstances districts face in transporting students.
9. For districts who offer “choice,” defined as charters or online schools, a portion reimbursed for the overhead expenses that are not reduced as part of infrastructure, when these choices are introduced.
10. The state should not specify how district funds are spent.
11. The state should hold districts accountable for student performance and appropriate legal requirements.

These principles act as a whole and are inclusive.  
This system should be designed to build capacity for school districts.