

## School Finance Principles

### What is a School Finance System?

Principles for a school finance system focus on academic expectations set forth in statute, the constitution and revenue distribution.

1. A system must be "adequate" which is defined by the constitutional language and state statute expectations. This is inclusive of "Thorough and Uniform" and the "Local Control clause".
2. A system must be "equitable" which is defined by student equity and tax payer equity.
3. A system must be "sustainable" which is defined by consistent and reliable revenue.
4. And it must be "adaptable" which is defined by adjusting to new statutes and expectations.

A School Finance System is a defined set of formulas (equations) that create a funding system that is adequate, equitable, sustainable and adaptable.

School Finance Systems begin with a "base" amount. The "base" is what every district needs for a student with no special needs to meet the constitutional provisions and the statutes.

Adjustments can be made off of the "base" amount. Adjustments/factors/weights are all items that vary by district and are differentiated from the "base" amount. Included in these adjustments are district and student characteristics.

### How does Student Count fit in?

The way students are included (kindergarten or Pre-K, for example) and how they are counted are mechanisms of how much revenue certain students receive in a School Finance System. The counting of students is a reflection of other policies, statutes or accountability systems. Student Count is not a part of the principles of a school finance system; rather it is a value that "plugs into" the School Finance formula.