School Finance Act of 1994
Goals set forth by the legislature

1. Create a foundation formula funding system
2. Differentiate funding between districts based on district size, cost of living, and at-risk (defined by free-lunch)
3. Wanted a 50/50 split between state and local contribution.
4. Wanted all districts to levy 40 mills to cover total program, state provides balance of funding.
5. Additional state dollars would be allocated outside the formula – called Categoricals – which went toward special education, non-English learners, gifted and talented, career and technical and transportation.
6. Local school districts had a 10% override limit

What did the system fund?

Education in 1994 was at the beginning of implementing standards, there were no state wide assessments, no statewide accountability systems, no statewide teacher evaluation programs. The use of technology was taking key boarding in high school, but not used for instruction, assessments or record keeping. The Bell curve model was accepted – knowing that some students would not succeed. Measuring annual student progress and identifying state wide gaps in achievement was not in place.
Where are we today in meeting the 1994 School Finance Goals?

1. We still have a foundation formula – the negative factor has eroded the base.
2. The adjustments or differentiation has been minimized due to the negative factor.
3. The state now contributes 62% of funding and locals 38%, after the negative factor
4. The mill levies range from 2 to 27 – creating large inequities
5. Categoricals are still being funded though have not been adjusted for current actual costs.
6. School districts today have a 25% operating override for large districts and 30% for small, in addition they can levy a kindergarten override, a transportation override and a technology override. The various overrides create large inequities between districts.

Today’s Education System

All students are to be proficient and graduate ready for college and career. Statewide standards, assessments, accountability and accreditation system, graduation guidelines, third grade literacy requirements, teacher evaluation systems based on student achievement, technology used as a learning tool, a research tool, an assessment tool, and a reporting tool.
Do we know the cost of this system?

*Work on this section is in progress.*

What does a high quality education system cost to be successful – not just to be compliant?

*Work on this section is in progress.*