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 taxpayer 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.