

# EQUALITY OF OPPORTUNITY FOR STUDENTS

## EUDORA SCHOOLS | MARCH 2010

### EUDORA SCHOOLS AT A GLANCE, 2009-2010

- \$13M adopted budget (general fund, supplemental fund and capital outlay)
- 1,527 student enrollment
- \$56M assessed valuation
- 250 staff members (approximately 60% certified, 30% classified, 10% administrative)

### STATE AID AND EQUALIZATION

In the early 1990s, the state finance formula was modified to address the fundamental inequity between districts with high property wealth and districts with low property wealth. This change brought about a 20 mill tax that the state of Kansas collects from every homeowner. These mills are then redistributed in the base state aid per pupil, thereby equalizing funding from one school district to the next. State aid for equalization is not about getting something for nothing; it is about a state-wide system that treats all Kansas kids fairly.

Eudora has always been a property-poor district, due to its small geographic size, low industrial base and low overall assessed valuation. It is critical that the state protect the interests of ALL Kansas districts, including those with limited property wealth. State aid programs are designed to equalize resources across the state so that students in property-poor districts, such as Eudora, have equal access to high-quality public education.

### THE IMPORTANCE OF STATE AID IN EUDORA

As a property-poor district, Eudora benefits greatly from state aid and equalization. These programs have enabled tremendous growth in student achievement and in the quality and quantity of educational opportunities across the district.

Once the numbers are examined, it is easy to see the critical importance of state funding in the Eudora Schools budget, particularly in the district's general fund.

	Expenditures/ transfers	State aid, including special education	% of total budget supported by state
<b>2007-08 (FY08)</b>			
General fund	\$8,800,644	\$7,684,858	87%
Supplemental general fund (LOB)	\$2,614,743	\$1,440,886	55%
Capital outlay	\$829,551	\$180,978	22%
Bond & interest	\$1,894,888	\$737,476	39%
<b>2008-09 (FY09)</b>			
General fund	\$9,214,459	\$8,068,660	88%
Supplemental general fund (LOB)	\$2,742,285	\$1,518,548	55%
Capital outlay	\$594,565	\$163,774	28%
Bond & interest	\$2,028,025	\$799,341	39%
<b>2009-10 budgeted (FY10)</b>			
General fund *	\$9,525,088	\$8,538,600	90%
Supplemental general fund (LOB)	\$2,999,432	\$1,670,174	56%
Capital outlay	\$434,048	\$0	0%
Bond & interest	\$2,868,231	\$1,233,339	43%

*\*This year of funding includes \$390,308 in federal stimulus funding, which was distributed to the local district through the state. This federal funding stream is only available for two fiscal years and will decrease in the second year (FY11).*

## LEGISLATIVE “SOLUTIONS” THAT WILL HURT EUDORA

- **House Bill 2739.** This bill would reduce general state aid to Kansas schools by \$85.9M, hitting the Eudora Schools general fund with a \$256,000 cut. In addition, state aid for the local option budget, or LOB, would be reduced by \$456,339. In turn, the bill allows districts to raise local taxes in order to make up lost LOB aid. In Eudora, it would take an additional 9.66 mills to make up this difference. In short, Eudora taxpayers would face a 14% local tax increase that would still result in less funding than the previous year.
- **Increased local option budget authority.** The LOB, is one way that districts can raise funds to supplement state funding. A school board can raise the mill rate to generate revenue for the district’s supplemental general fund, subject to a voter protest. The inequity in this “solution” is that one mill in Eudora will generate approximately \$56,000, while one mill in the wealthier neighboring districts will generate as much as \$400,000 or more. In order for the Eudora Board of Education to raise any substantial amount of funding, local taxpayers will bear a much heavier burden than those taxpayers in property-wealthy districts. Increasing a board’s authority to raise the LOB hurts poor districts disproportionately – this proposal will only serve to allow rich districts to get richer and poor districts to get poorer.
- **Repeal of Homestead tax exemption.** The K-12 finance system allows local school boards to collect mills as a part of homeowners’ property taxes. Currently, the first \$20,000 of a homeowner’s assessed valuation is exempted under the Homestead Act. In other words, a property worth \$100,000 would only be taxed on \$80,000. A proposal to repeal this exemption would hurt districts like Eudora, made up primarily of residential properties. This would only serve to increase the burden on local taxpayers.
- **Reducing state aid on bond and interest.** It is hard to miss the ways that state aid on bond and interest has transformed this school district in the past 15 years. New facilities replaced condemned and crumbling buildings. After two failed bond elections, state aid on bond and interest finally meant that Eudora voters could afford to build the facility that now houses Eudora Middle School. Taxpayers in property-poor school districts rely heavily on this aid in order to provide students with facilities that meet educational needs and safety requirements.

## MAKE YOUR VOICE HEARD

Tell state officials in Topeka just how much equalization funding means to Eudora, and that adequate funding must be restored at the state level – not passed on to the shoulders of local school boards and local voters. Get contact information for state officials, as well as more information about the legislative issues facing Eudora Schools, at [www.eudoraschools.org/gov](http://www.eudoraschools.org/gov)