

Feedback on Public School Funding Formula Draft Legislation
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This is a list of issues of greatest concern:

- The payment schedule included in the legislation creates cash flow problems for the districts. Many districts will not be able to cover payroll, and districts could be forced to adjust, which may mean creating or increasing reserves, short-term borrowing, or making cuts.
- On a related note, payments should be based on the higher of the October enrollment count or the average of the four counts. There is no floor for payments, and so districts will not know what they are getting until the end of the year. This will result in uncertainty and fiscal instability for our districts.
- Using incomplete current year enrollment data and comparing that to the last school year's full-year data (2017-2018) minimizes the losers. I am not supportive of a plan where school districts lose significant funding.
- The bill contains no off ramps in the event that future revenue does not support ongoing investment to fund the hold harmless provision. What happens after three years? Is there a fiscal cliff for any of the districts?
- The wealth adjustment is problematic. Distributing state dollars to compensate for a lack of local contribution is not a viable solution for communities that are not able to pass supplemental levies. It also creates an expectation that local districts will go to patrons to try to pass a supplemental levy and decreases funds available to all districts (in other words, it reduces the overall pot of funding available to all districts).
- With respect to the value index calculation, my staff is going to have to recalculate the bond levy payments based on enrollment rather than support units to determine the fiscal impact.
- The bill requires districts to have residency and professional rungs and to pay minimums in each placement on the career ladder. This is far more prescriptive than the current statute, which requires districts to pay only the minimum starting salary, current statute does not prescribe minimums at other placements on the ladder. This limits flexibility at the local level.
- The draft does not recognize a specific state appropriation for additional education attainment – the BA+24 or masters. This is very important to education professionals. I have received that feedback from educators and some legislators over the last few days.

- Definitions for at risk, economically disadvantaged, and special education need to be aligned to current administrative rule and to federal ESSA definitions. One example would be that the special education definition is overly broad. As that population is eventually funded with a 100% weight, this could lead to over-identification of students, and I want to remind everyone that once funded you cannot decrease the amount because of Maintenance of Effort.
- School year is not defined, and the bill appears to count summer programs the same as full school year. In other words, summer programs appear to be funded at the same level as full year programs.