

Good Morning Chair Sturla, Chair Phillips-Hill, and members of the Basic Education Funding Commission. I would also like to welcome my colleagues to our beautiful school district and thank you all for taking the time to come and speak about this topic. It is truly an honor to have everyone here today.

I am Jay Burkhart, superintendent of the South Western School District, and on behalf of our board of school directors, students, staff, and community, it is truly a privilege to speak with you today. I would like to take the next few minutes and talk with you about basic education funding and the role it plays in our district budgeting.

I would like to begin by asking you to take a moment and imagine our chairs are all connected by a single string, similar to what a spider web may look like. The string is tight and each chair is in some way connected to another chair in the room. Given the connections between the chairs, if we attempt to move even one chair, it will directly impact the position of another chair, whether that is our intention or not. As you attempt to move one chair, another chair moves, which may have a ripple effect that will move yet another chair, and so on. An additional impact could be that you attempt to move your chair but are unable to move the chair because the string from another chair may be preventing you from moving your chair.

At this point, you may be thinking, Jay, what in the world does this have to do with basic education funding? Well, it is the example of the chairs being interconnected that has to do with basic education funding. Please allow me to explain, the strings represent the connections between the program and the funding we receive from the basic education dollars. The string is tight because most, if not every, school district faces fiscal challenges each day. The chairs represent the programs that may have to be adjusted due to limited funding which may result and having to move the chair, adjusting the program, which will likely impact another program. If a program is inadequately funded, or not funded at all, but must be offered, districts have to look elsewhere for the funding in their budget. If we reduce or modify a program to adequately fund another, the impact would be felt in other areas.

The two areas I would like to discuss today are staffing and charter school funding. I recognize that some of my discussion points may be beyond the scope of BEF; however, if BEF is adequately funded it may present an opportunity for districts to have some flexibility between funding other programs that would otherwise take dollars away from district programming.

The first example I would like to discuss is staffing:

Our district has seen an increase in the number of positions needed for paraprofessionals in our district over the last several years. In addition to the increase in the number of positions, which carries a significant cost, our district has also had to increase starting and existing wages to attract and retain the talent needed to fill these very important positions in our classrooms. Some of the positions were needed due to increased student enrollment with special needs and others were due to the increase in hourly wages to retain our very important and talented employees. The resulting expenses are both immediate and carry long-lasting and compounding effects to our district budget.

Please allow me to share what the increases in our budgetary expenses for para-professionals have been:

SY 2022-23 - \$834,884

SY 2023-24 - \$931,332

SY 2024-25 - \$1,017,698 (projected)

As mentioned many times by districts, the increased costs are due to pressures outside of our control and speak to the importance of the people who do the job to better educate our students. Wages have been increased so we can continue to attract highly qualified candidates to our positions. This continued need must be addressed and as you can imagine when we fund these additional costs, the string for that chair pulls on another area. The money will need to come from another area.

A second area of cost that continues to increase in cost and impact our district budget is the cost of charter schools. These costs have dramatically increased over the past several years. Our district has worked to contain these costs by partnering with our local IU to provide an online learning option for our students. The option we provide to our students is a school called Lincoln Edge.

Lincoln Edge, as of this testimony, has 83 South Western School District Students on their rolls. Our students who enroll in Lincoln Edge receive a South Western School District diploma upon graduation and maintain contact with the school district during their enrollment.

The district's costs for Lincoln Edge over the past three years are as follows:

SY 2021-22 – \$838,149.50

SY 2022-23 – \$687,724.50

SY 2023-24 – \$689,425.00 (budgeted)

This cost works out to be approximately \$8,306.33 per student to attend Lincoln Edge. Yes, Lincoln Edge is our online option and we work with the LIU to offer this quality program at a reduced rate, it is still a cost that continues to increase each year.

All other cyber and brick-and-mortar charter schools in the district account for 196 students. The costs for all of the other cyber charter schools over the past three years are as follows:

SY 2021-22 – \$2,401,340.75

SY 2022-23 – \$2,622,037.21

SY 2023-24 – \$2,654,000.00 (budgeted)

This cost works out to be approximately \$13,540.82.41 per student to attend all other cyber and brick-and-mortar charter schools

The total costs for the charter school expenses in our district over the past three years are:

SY 2021-22 – \$3,239,490.25

SY 2022-23 – \$3,309,761.71

SY 2023-24 – \$3,343,425.00 (budgeted)

Even as we see an increase in charter school enrollment and costs, the demands on the district's resources (teachers, facilities, etc) are not reduced. This results in an additional cost to the district and in our case, like most, if not all other school districts, the cost is significant.

A final note that some of my colleagues have addressed or will address is PlanCon. Please note we are sitting in the board room of a school building that has recently undergone a 35 million-dollar renovation. Across the street, our HS is just starting a 70-million-dollar renovation. While Plancon is not part of BEF, renovations of our facilities are still a cost driver and without PlanCon they (renovations) pull money from our budget.

In closing, I am grateful for the time with you today to tell our story. Your task is not easy and the demands are great. We ask you to continue to talk with us to problem-solve solutions and make decisions with us that are what is best for our students and our communities.