

## COMMENTARY

*By Patrick Tuohey*

# *Blue Valley schools are flush with cash. Why are academics slipping?*

A recent U.S. News And World Report ranking listed several Blue Valley schools as among the best in the region. While welcome, the district's academic outcomes appear to have eroded for some time — despite growing budgets and strong reserves.

Reliable performance measures can be difficult to find. As the district noted in an email response to questions, the National Center for Education Statistics' National Assessment of Educational Progress “reports only statewide results; district-level data is not available.” It says it tracks “multiple measures” and posts updated building-level assessments when available.

State and district records are hard to find — and harder to interpret. The Kansas State Department of Education's performance reports are so complex that it's reasonable to wonder if that's intentional.

Looking elsewhere, data from the Harvard-Stanford Education Recovery Scorecard shows Blue Valley middle-schoolers losing ground on assessment scores compared to the national average. Similarly, an examination of years of district financial reports shows that Blue Valley's composite ACT scores by graduation year have been trending downward from a high of 25.9 in 2016 to 22.8 in 2024.

This isn't a funding problem. All told, Blue Valley is sitting on \$315 million in reserves. Nearly a third of that is flexible and available for day-to-day needs. There's also a \$20.3 million contingency fund. Enrollment is flat and property values are up. At some point, caution turns into stockpiling.

Kaci Brutto, chief communications officer with the Blue Valley district, explained that the district's financial practices “are guided by state law, sound fiscal policy and long-term strategic planning.” They “target a minimum of one month of operating expenditures in reserve to address financial uncertainties, such as the recent freeze in federal funding, fluctuations in interest rates or rising health insurance costs.”

Credit rating agencies, she added, see those reserves as a strength that lowers borrowing costs, “which ultimately benefits local taxpayers.” All true as far as it goes. The question is how much is enough, and whether today's balances cross from prudent to excessive.

Supporters of big cushions say better safe than sorry. But every extra dollar that sits idle is a dollar not improving instruction this fall. Those dollars aren't hiring reading specialists or expanding dyslexia screening. They're not shrinking class sizes or accelerating curriculum recovery from pandemic losses. They're not increasing teacher salaries. If the district can point to specific near-term obligations for that money, it should do so plainly. Otherwise, taxpayers deserve either a plan to use it in the classroom or give it back.

Kansas law caps only contingency funds, set at 6% of annual spending. The rest can grow without limit. As a result, school districts statewide have amassed more than \$1 billion. When discussing budgets, local officials rarely reveal how much money is sitting in the bank. Sharing those reserve numbers should be as routine as posting a budget.

## **Set benchmarks for strategic budget priorities**

The district's 2025 strategic plan "emphasizes investment in competitive educator compensation as a strategic priority." Good. Then use reserves to match that objective. Saying the budget keeps the tax rate "responsible and acceptable to stakeholders" is fine — but responsible to whom, and by what benchmark? Set the benchmark.

There are some practical reforms for all school districts:

- Set a clear reserve target. Pick a number — say, 10 to 15% of operating costs or one month of expenditures — and explain the math. Make it policy, not preference.
- Rebate anything above the target by rolling back taxes or issuing a one-time credit. By current figures, that's roughly \$4.6 million the district could send back while still meeting its own 30-day cushion.
- Prioritize immediate academic needs before padding balances. Name the interventions — reading coaches, evidence-based early literacy programs, tutoring — fund them first and show progress reports publicly

To their credit, district leaders answered with a philosophy that values long-term planning, credit strength and staff investment. That framework is defensible. The issue is execution: How much is enough, and when does caution become delay?

The Blue Valley Schools enjoy reserves most districts would envy. Put them to work. If the district is right that these balances safeguard taxpayers and students, it should be easy to show how much protection is needed and when the umbrella can be closed. Until then, the safest place for taxpayer money isn't necessarily a bank account — it's a classroom.

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