THE KANSAS CHAMBER
UNITED FOR BUSINESS

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Testimony before Senate Education Committee
SB356 – School District Bond Project Review Board
Mike O'Neal – Kansas Chamber CEO
(Written only)

Feb. 8, 2016

Chairman Abrams and members of the Committee

The Kansas Chamber stands in support of SB 356 as a matter of policy. For the past several years we have had an Education section in our annual Legislative Agenda. As most members of your Committee know, we develop our annual agenda based on member input, the input of our various work groups, results from our annual Business Leaders' Poll, and state and national research. Our 50 member Board of Directors ultimately approves the final Legislative Agenda in December each year.

Based on our 2016 Legislative Agenda, SB 356 earns our support. Specifically, under Education, Kansas Chamber members:

"Support a suitable school finance system for K-12 education that ensures taxpayer dollars are adequately and efficiently invested toward instruction in order to provide students and teachers with the resources needed to fulfill the mission of the Department of Education."

"Support realignment of funding priorities toward individual student needs by creating individualized plans of study and targeting resources toward the successful execution of those plans such that students are truly college and/or career ready."

SB 356 would create a process to provide a greater degree of fiscal oversight to the culture of school district capital improvement decisions that appear to be more focused at times on how much money the districts can draw down from state coffers and less about focusing on the infrastructure needed to fulfill the promise of instruction and preparing our children to be college and/or career ready.

Certainly, a school is more than classrooms, but the question arises as to the extent of state taxpayer responsibility to subsidize the cost of infrastructure that, while desirable to local patrons who are willing to fund certain administrative or extra-curricular improvements

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through local property taxes, is not related to the state's responsibility to provide funds for student outcomes through instruction.

SB 356 does not, in our opinion, set the bar too high for state aid eligibility, and opponents would certainly agree it is better than removing the state aid component altogether, which has been proposed in the past. The bill is drafted to be prospective only. The policy of having local capital improvement decisions trigger mandatory state aid without some level of state oversight is not good fiscal policy and is not efficient.

Under the Kansas Chamber Government Efficiency agenda, we support policies that:

"Implement priority or performance-based budgeting throughout all levels of state government."

SB 356 satisfies that aspect of our agenda as well. There must be some level of budgeting predictability and fiscal oversight of programs that are designed to draw down funds from the State General Fund. The school district bond project review board created in this bill would provide a layer of fiscal oversight based on priority or performance based budgeting principals.

As mentioned above, we support the policy and will leave it to the Committee to determine if the mechanics of the bill are appropriate. It appears that there are terms and phrases that may need definition and clarification for the review board the bill creates. An example is the phrase "direct instruction". We applaud the focus on "instruction" but encourage the Committee to look beyond traditional classrooms in designing the parameters of the qualifications for state aid.