Testimony to Senate Ways and Means Committee
SB 512 School Funding Equalization
March 16, 2016
Dave Trabert, President

Chairman Masterson and members of the Committee,

We appreciate this opportunity to present neutral testimony on SB 512. We're pleased to see the Legislature proactively responding to the Supreme Court ruling on equity in a manner that doesn't increase total funding; our testimony is neutral only because this is but one method of satisfying equity without spending additional money.

As noted in the attached article we published, the Court reaffirmed that constitutional infirmities "can be cured in a variety of ways—at the choice of the legislature" with the proviso that any adjusted funding must also meet a separate test of adequacy – i.e., whether districts are receiving 'enough.' We believe SB 71 introduced last year would be another appropriate response to the Court, whether as written – which would reduce LOB equity by $3.3 million – or some modification that would spend the same amount.

The Court noted that spending less than would be provided by fully funding the old equity formula could create an 'adequacy' issue, but we believe there is ample evidence that SB 512 or SB 71 would still provide more than adequate funding.

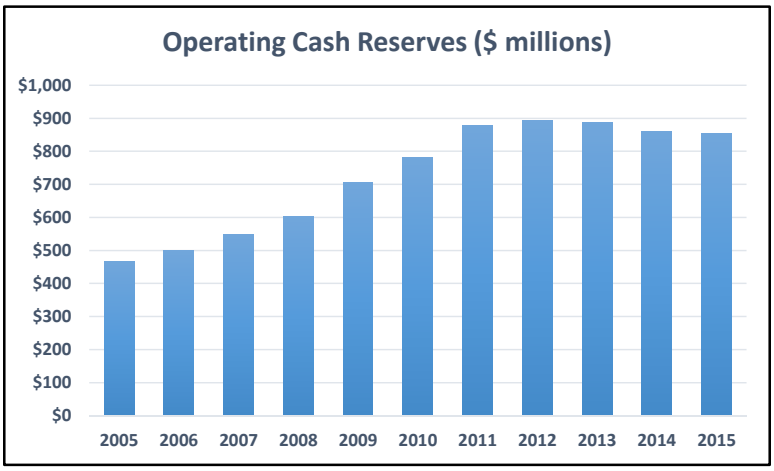
First of all, the Court upheld what we have constantly maintained – education is about outcomes rather than money. They specifically said *"…total spending is not the touchstone for determining adequacy."*[1]

Instead, the Court says adequacy *"…is met when the public education financing system provided by the legislature for grades K-12—through structure and implementation—is reasonably calculated to have all Kansas public education students meet or exceed the standards set out in Rose and presently codified in K.S.A. 2013 Supp. 72-1127. This test necessarily rejects a legislature's failure to consider actual costs as the litmus test for adjudging compliance with the mandates of Article 6. For example, even if a legislature had not considered actual costs, a constitutionally adequate education nevertheless could have been provided —albeit perhaps accidentally or for worthy non-cost-based reasons."*[2]

Since school districts admit that they can neither define nor measure the Rose capacities, they have no legal basis for claiming to lack adequate funding to achieve the Rose capacities. This fact alone could be sufficient grounds for dismissal of schools' claims, but there is more.

Schools and their taxpayer-funded lawyers base their adequacy claims on *Montoy*, which relied on the findings of an Augenblick & Myers cost study recommending specific funding levels. However, the *Gannon* Supreme Court rejected the lower court's reliance on that, saying "…. *actual costs from studies are more akin to estimates than the certainties the panel suggested."*[3]

In distancing itself from the A&M cost study, the Court also said, "…. *the strength of these initial statements was later diluted by our primary focus on cost estimates—a focus that evolved in the Montoy litigation because of how the issues were presented to us by the district court and due to the remedial nature of some of our decisions."*[4] The A&M cost study was presented as rock-solid evidence in *Montoy* but later, then-KPI scholar Caleb Stegall (now Supreme Court Justice Stegall) discovered that A&M had deviated from its own methodology so as to produce deliberately inflated numbers.[5]



We further know that the funding provided under Montoy, which is the basis for school claims of inadequate funding, is more than schools actually need because they haven't needed to spend it all. The $385 million increase in districts' operating cash reserves over the last ten years comes from state and local funding that wasn't spent – and that's in addition to the $468 million accumulated through 2005.

Refuting KASB school funding claims

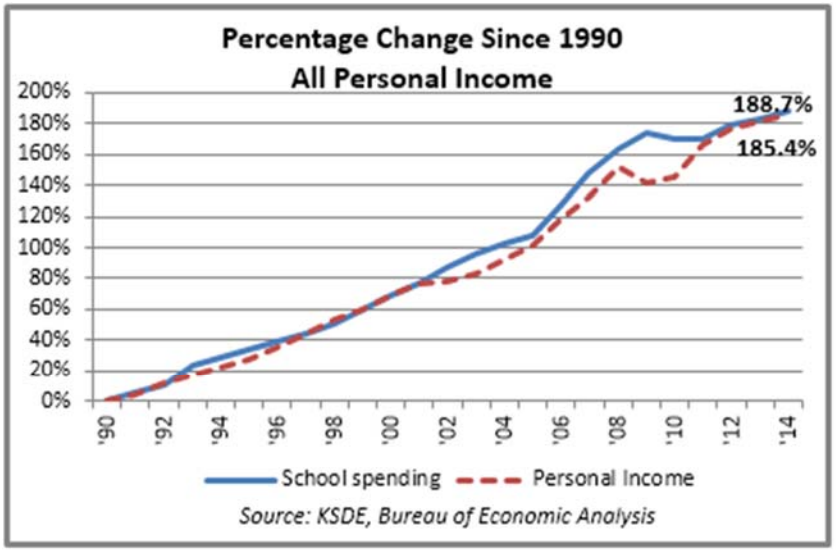
Yesterday, the Kansas Association of School Boards (KASB) raised several adequacy issues in testimony on the House effort to resolve equity in HB 2731, so we offer the following thoughts in anticipation that the same claims will be made here today.

KASB implied that school funding is not adequate because it hasn't kept up with the change in personal income growth, but that is a claim of entitlement, not adequacy. The Constitution does not say that adequacy is a percentage of personal income or any particular dollar amount. Indeed, if personal income declined for an extended period of time, it is unlikely that the Court or school districts would find a commensurate reduction in school funding to be acceptable and adequate.

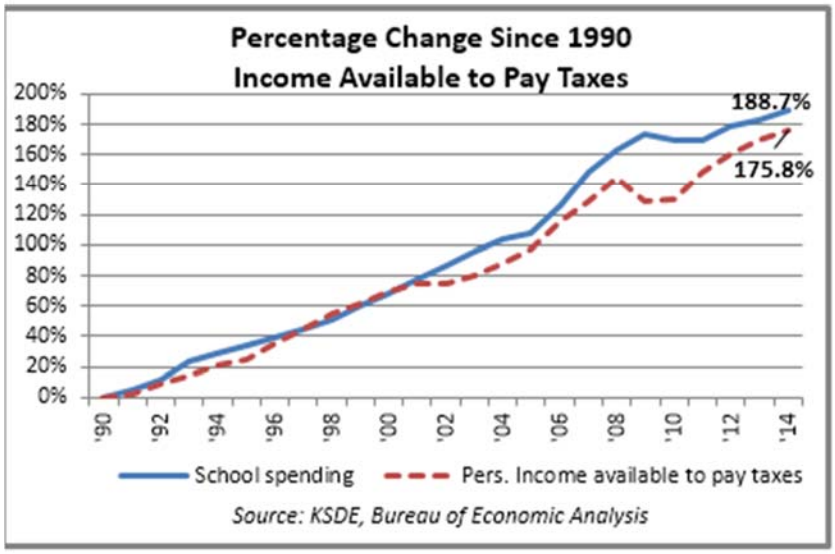
As a matter of fact, school districts sued taxpayers for more money in November 2010 after Governor Parkinson reduced funding as a result of a recession. Personal income declined but schools didn't accept that as an excuse to reduce funding.

That said, school funding continues to run ahead of personal income growth, whether measured in its entirety or against the personal income components that are available to pay taxes.

School funding (adjusted upward for KPERS prior to 2005) increased by 188.7 percent between 1990 and 2014 (the last year for which annual Personal Income data is available) while Personal Income increased 185.4 percent.



However, Personal Income includes components that are not available to pay taxes, such as employer payments to retirement plans, health insurance and payroll taxes. Measuring school funding against Wages & Salaries, Proprietors' Income, Dividends, Interest, Rent less employee-paid payroll taxes shows an even wider gap from school funding.

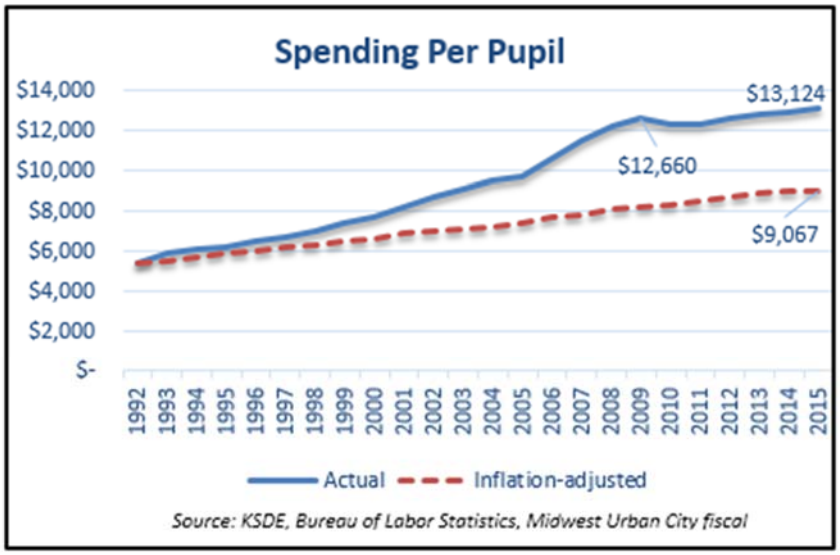


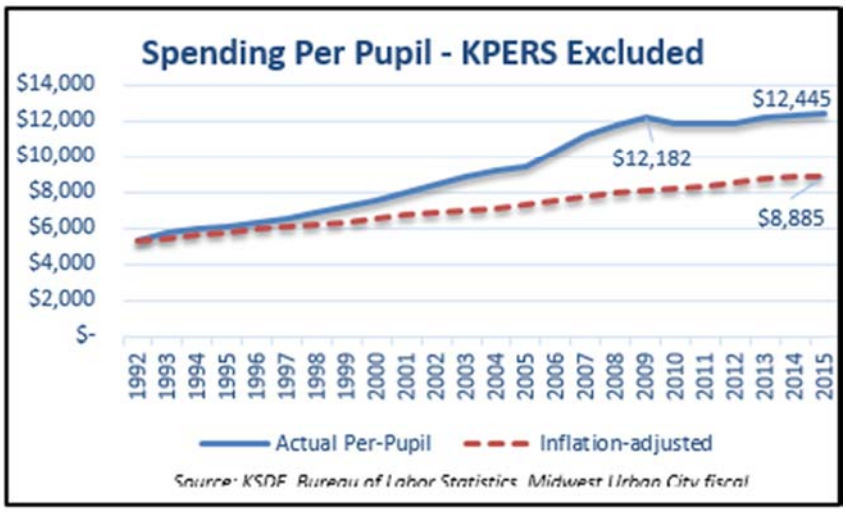
Personal income available to pay taxes increased 175.8 percent, or about 13 percentage points less than school funding.

Not that that matters from an adequacy viewpoint, but to demonstrate that the KASB claim simply doesn't stand up to scrutiny.

Inflation, on the other hand, is a legitimate consideration and here we see that per-pupil funding has far outpaced inflation over the course of the old school funding system. Had funding been increased for inflation since 1992, funding would have been $1.88 billion less in 2015.

School funding also set another new record in 2015, at $13,224 per pupil. Even with every dollar of KPERS removed, funding still would have set a record last year, and if non-KPERS funding had been increased for inflation each year, it would have been $1.64 billion less.





Additional articles are attached that refute KASB claims on the correlation between spending and achievement and the levels of student achievement in Kansas.

Conclusion

The equity issue must be resolved and we encourage the Legislature to do so without spending additional money, as the Court does not require more funding to satisfy equity and a large body of evidence shows that more money is not needed.

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[1] Gannon v. State of Kansas, page 77 at http://www.kscourts.org/Cases-and-Opinions/opinions/SupCt/2014/20140307/109335.pdf
[2] Ibid, page 76.
[3] Ibid
[4] Ibid, page 75.
[5] Caleb Stegall, *"Analysis of Montoy vs. State of Kansas"* https://kansaspolicy.org/volume-ii-analysis-of-montoy-vs-state-of-kansas/

Supreme Court ruling on equity creates challenges and opportunity

February 12, 2016

The February 11 Supreme Court decision ruling declaring that two pieces of state aid are not equitably distributed creates some opportunities and challenges for the Legislature. One big opportunity is the development of a new method to equitably distribute capital outlay and supplemental general state aid (Local Option Budget equity) without necessarily spending a lot more money for the current year. The Court reaffirmed that constitutional infirmities “can be cured in a variety of ways—at the choice of the legislature” with the proviso that any adjusted funding must also meet a separate test of adequacy – i.e., whether districts are receiving ‘enough.’

The Legislature modified the equity formula to provide proportional funding to eligible districts but the Court said that amounts to under-funding the equity formula. The Court also ruled that equity funding cannot be ‘frozen’ as has been done under the block grant but must be adjusted annually according to the formula.

Equity system favors big districts

Equity is a constitutional construct that must be met, but putting more money into the

USD#	District	County	Amount Generated by 1 mill	2015 LOB Equity Aid Paid
502	Lewis	Edwards	$ 17,299	$0
292	Wheatland	Gove	$ 16,614	$0
314	Brewster	Thomas	$ 14,644	$0
468	Healy	Lane	$ 15,760	$0
259	Wichita	Sedgwick	$ 2,596,344	$ 54,440,762
233	Olathe	Johnson	$ 1,804,506	$ 28,041,350
500	Kansas City	Wyandotte	$ 683,521	$ 34,624,824
501	Topeka	Shawnee	$ 605,767	$ 18,043,374
Source: KSDE				

existing equity system would be a perversion of the concept, as much of the increase would go to districts with high property values. Equity is distributed based on per-pupil valuation, so tiny districts where 1 mill of property tax generates less than $25,000 are considered ‘wealthy’ and ineligible for extra aid but districts in wealthy Johnson County are all considered ‘poor’ and in need of extra aid

Citizens and media might think equalization money goes to small counties with low property values, but the per-pupil valuation method favors the big counties. In fact, 49 percent of Local Option Budget equalization money went to the five counties with highest total assessed valuation last year. Distributing equity funding based on total valuation rather than per-pupil valuation would be a good option to consider. Another option was explored in the 2015 Legislative session; SB 71 would have equalized against the per-pupil valuation of Shawnee Mission (Johnson County), which has the highest total valuation. Districts with per-pupil valuation below Shawnee Mission would be eligible for equity aid based on their relative variance to the Shawnee Mission valuation per-pupil.

County	2015 LOB Equity Aid Paid
Sedgwick	$ 89,507,132
Johnson	$ 49,245,890
Wyandotte	$ 44,135,548
Shawnee	$ 28,774,137
Douglas	$ 7,746,934
5-county total	$ 219,409,641
state total	$ 448,422,920
Source: KSDE	

The current cut line for equity eligibility is the 81.2 percentile of per-pupil valuation, which was arbitrarily established years ago. Legislators had a specific amount of money to spend and simply drew the eligibility line where that specific amount would be spent. The SB 71 method draws the line on a rational basis and also brings total valu ation into play.

This spreadsheet shows Local Option Budget equity allocations by district under several scenarios: actual equity paid in 2013-14, block grant equity in 2014-15, full equalization under the current formula and 2014-15 calculation from SB 71.

Supplemental General State Aid / Equalization Comparison

Prepared by Kansas Policy Institute 2.12.16
Districts highlighted in yellow scheduled to receive no equalization funds from HB 2506 even though 1 mill raises less than $75,000

(1) USD#	(2) USD Name	(3) County	(4) 2014-15 FTE Enrollment (incl MILT & VIRT)	(5) 2014-15 Total Valuation	(6) 2014-15 $ raised by 1 mill	(7) 2013-14 Actual SSGA	(8) 2014-15 SSGA Block Grant Provision	(9) 2014-15 SSGA per KSDE with higher budget authority	(10) 2014-15 Block Grant Change from full equalization	(11) 2014-15 SSGA per SB 71	(12) SB 71 Change from 2014-15 Block Grant
101	Erie-Galesburg	Neosho	535.5	35,816,825	35,817	505,194	657,065	692,472	(35,419)	629,656	(7,397)
102	Cimarron-Ensign	Gray	642.5	44,566,032	44,566	500,373	607,394	660,138	(52,764)	602,954	(4,440)
103	Cheylin	Cheyenne	157.0	44,254,222	44,254	0	0	0	0	0	0
105	Rawlins County	Rawlins	323.5	29,349,662	29,349	189,656	235,275	286,946	(51,671)	245,336	6,053
106	Western Plains	Ness	116.0	50,519,948	50,519	0	0	0	0	0	0
107	Rock Hills	Jewell	279.5	34,509,515	34,510	75,107	21,272	29,540	(8,268)	0	(21,272)
108	Washington Co.	Washington	344.0	30,265,869	30,266	206,803	184,629	256,443	(71,804)	200,188	15,549
109	Republic County	Republic	470.5	41,807,065	41,807	256,256	230,726	332,916	(93,190)	261,304	21,576
110	Thunder Ridge	Phillips	216.0	17,261,144	17,261	264,679	256,101	312,316	(56,217)	278,255	22,154
111	Doniphan West	Doniphan	319.0	53,436,342	53,436	0	0	0	0	0	0
112	Central Plains	Ellsworth	494.2	104,717,926	104,718	0	0	0	0	0	0
113	Prairie Hills	Nemaha	1,085.9	86,676,217	86,676	647,552	696,590	851,939	(155,349)	729,055	30,465
114	Riverside	Doniphan	644.6	53,845,875	53,846	515,961	784,362	825,525	(41,166)	777,338	(7,024)
115	Nemaha Central	Nemaha	545.9	65,029,016	65,029	264,869	15,480	21,500	(6,020)	0	(15,480)
200	Greeley County	Greeley	244.4	31,866,769	31,867	0	0	0	0	0	0
202	Turner-Kansas City	Wyandotte	3,969.6	118,924,006	118,924	5,053,011	6,547,829	6,750,349	(202,520)	6,571,404	23,575
203	Piper-Kansas City	Wyandotte	1,897.0	171,074,869	171,075	485,156	710,014	985,995	(275,984)	772,146	62,132
204	Bonner Springs	Wyandotte	2,526.1	161,943,666	161,944	1,595,563	2,252,871	2,448,582	(195,711)	2,224,857	(28,014)
205	Bluestem	Butler	507.5	54,551,256	54,551	450,401	489,215	596,699	(107,456)	532,102	42,889
206	Remington-Whitewater	Butler	490.9	43,703,559	43,704	273,902	326,945	398,713	(71,768)	326,572	(373)
207	Ft Leavenworth	Leavenworth	1,755.9	2,176,552	2,176	2,755,016	5,326,661	5,431,609	(102,948)	5,428,652	99,971
208	Wakeeney	Trego	570.5	61,715,665	61,716	0	0	0	0	0	0
209	Moscow	Stevens	190.7	58,599,289	58,599	0	0	0	0	0	0
210	Hugoton	Stevens	1,068.5	158,720,348	158,720	0	0	0	0	0	0
211	Norton	Norton	669.1	44,751,838	44,752	557,430	792,046	860,951	(68,904)	794,715	2,668
212	Northern Valley	Norton	170.0	14,912,499	14,912	165,483	164,426	200,522	(36,094)	171,481	7,055
214	Ulysses	Grant	1,715.6	221,624,870	221,625	0	0	0	0	0	0
215	Lakin	Kearny	642.1	115,966,836	115,966	0	0	0	0	0	0
216	Deerfield	Kearny	197.0	48,927,442	48,927	0	0	0	0	0	0
217	Rolla	Morton	184.6	50,096,953	50,097	0	0	0	0	0	0
218	Elkhart	Morton	988.1	65,592,049	65,592	718,539	603,565	656,047	(52,484)	606,486	4,922
219	Minneola	Clark	248.5	21,565,125	21,565	133,306	83,939	116,581	(32,642)	72,634	(11,306)
220	Ashland	Clark	194.6	26,294,755	26,295	0	0	0	0	0	0
223	Barnes	Washington	341.0	35,625,557	35,625	206,597	175,740	244,084	(68,344)	185,837	9,897
224	Clifton-Clyde	Washington	514.0	26,810,064	26,810	165,874	167,467	232,594	(65,127)	184,671	17,204
225	Fowler	Meade	154.5	15,094,157	15,094	95,291	88,257	122,579	(34,322)	88,240	(17)
226	Meade	Meade	586.2	65,236,529	65,237	0	0	0	0	0	0

Source: KSDE. SB 111 Carryover only includes balances from the 12 funds from which districts can use balances for any purposes; only one-third of the balance in Special Education is included. Capital Carryover can be used for maintenance.

Political challenges

Developing a new equity distribution formula presents a number of political challenges. SB 71 would provide more money to 115 districts but 177 districts would receive less.

District FTE Enrollment	SB 71 Gains	SB 71 Losses	Net Gain (Loss)
Less than 500	$ 487,854	$ (456,417)	$ 31,437
500 to 999	$ 676,845	$ (459,933)	$ 216,912
1,000 to 1,999	$ 1,003,313	$ (250,635)	$ 752,678
2,000 to 4,999	$ 296,585	$ (615,186)	$ (318,601)
5,000 to 9,999	$ 398,851	$ (324,308)	$ 74,543
Over 10,000	$ 1,488,041	$ (5,535,617)	$ (4,047,576)
	$ 4,351,489	$ (7,642,096)	$ (3,290,607)

Smaller districts that are arguably more in need of equalization would see net gains while net losses would be concentrated in large districts. Unlike the current arbitrary 81.2 percentile methodology, an SB 71-like formula would be rationally derived. But how many legislators would vote for such system if their district loses even a tiny amount

of funding in the base year? Would Johnson County legislators object to Blue Valley and Shawnee Mission being declared ‘wealthy’ instead of ‘poor’?

The large urban districts have a decided political advantage over small rural districts. Some use taxpayer money to employ full time lobbyists and since the big districts pay higher dues (more taxpayer money) to the Kansas Association of School Boards, the big guys tend to have more sway there as well. Union political power also favors the big districts because, as bank robber Willie Sutton said, that’s where their money is found.

Some legislators would likely object to anything that doesn’t spend millions more, but if history is any guide, most wouldn’t say which tax they would increase or which budget they propose to cut to balance the budget.

Creating a new equity allocation method is a good opportunity, but angst over the court’s threat to close schools may produce an even greater opportunity – convincing enough legislators to move forward with an entire new student-focused school funding system that holds districts accountable for outcomes and efficient use of taxpayer money. Doing so would finally putting the old system, block grants and related court battles in the rear view mirror.

And then perhaps the focus can shift to the real education crisis. For all the hue and cry over money, Kansas doesn’t have a money crisis; funding continues to set records, districts continue to operate very inefficiently and some aren’t even spending all of the money they receive. The real crisis is in student achievement, but districts don’t want to talk about it.

No correlation between spending and achievement

November 16, 2015

The Kansas Association of School Boards produced a report recently which some are saying proves that spending more money leads to better outcomes, but even KASB says that is a misinterpretation. I asked Mark Tallman of KASB if that was the case and he replied, *"I specially [sic] said to the group of legislators we invited to lunch that we do NOT claim this report "proves" spending "causes" outcomes changes."*

Mr. Tallman went on to explain that *"…the data indicates that higher spending over time is more often than not a "predictor" of higher NAEP scores, and usually has a positive correlation with higher results. We do not say that correlation proves causation*."

Our review of the data says otherwise, as does that of many other respected school funding experts including Dr. Eric Hanushek of the Hoover Institution at Stanford University, who says, "…the outcomes observed over the past half century – no matter how massaged – do not suggest that just throwing money at schools is likely to be a policy that solves the significant U.S. schooling problems seen in the levels and distribution of outcomes. We really cannot get around the necessity of focusing on how money is spent on schools."

Bi-variate analysis

The KASB report takes only two variables into account – spending and achievement. It's called a bivariate analysis (two variables), which doesn't allow for meaningful conclusions. Dr. Benjamin Scafidi, Director of the Education Economics Center at Kennesaw State University, says, "…they do not control for the many other factors that impact student achievement. Social scientists do not put much stock into bivariate relationships like the KASB [example] below." Dr. Scafidi's remarks were directed at the 2013 KASB report that also only looked at changes in spending and achievement.

One such factor ignored by KASB is the impact of Common Core. When Kansas' NAEP scores dipped in 2013, the Kansas Department of Education told legislators that they couldn't identify a particular reason but did note that the transition from previous teaching methods to Common Core may have been a factor. They again honed in on the transition to Common Core to explain the 2015 NAEP decline to legislators this month. KSDE did not blame funding in 2013 or 2015.

Data refutes notion that spending predicts outcomes

This table lists 8 bi-annual changes in proficiency measurements for each of the last 6 NAEP reports, for a total of 48 total changes; proficiency levels for Low Income students and those who are Not Low Income are shown for two subjects (Reading and Math) for two grade levels (4^{th} and 8^{th} Grades). In the majority of comparative instances, changes in inflation-adjusted (real) spending did not correspond to changes in proficiency levels. That is,

1. In 31 of the 48 comparative instances, real spending increased while proficiency levels declined or failed to increase, or real spending declined while proficiency levels increased or failed to decline (RED).
2. In 9 of the 48 comparative instances, the increase in proficiency levels was less than the increase in real spending (YELLOW).
3. In 8 of the 48 comparative instances, the increase in proficiency levels was greater than or equal to the increase in real spending (GREEN)

Kansas Spending Per-Pupil and NAEP Percent Proficient										
School Year	$ Per Pupil	Inflation Index	4th Reading		8th Reading		4th Math		8th Math	
			Low	Not Low	Low	Not Low	Low	Not Low	Low	Not Low
2003	$ 8,894	176.81	18	42	22	42	24	53	19	41
2005	$ 9,707	185.14	20	42	21	43	30	59	19	43
2007	$11,558	195.10	21	46	20	44	34	63	23	50
2009	$12,660	204.26	22	47	19	43	32	60	24	51
2011	$12,283	211.10	23	50	22	46	33	63	24	54
2013	$12,781	220.93	22	54	22	48	33	63	24	54
2015	$13,124	224.61	20	54	22	47	27	58	19	46
Percent Change in Each Category										
School Year	$ Per Pupil	$ PP Net Inflation	4th Reading		8th Reading		4th Math		8th Math	
			Low	Not Low	Low	Not Low	Low	Not Low	Low	Not Low
2005	9%	4%	11%	0%	-5%	2%	25%	11%	0%	5%
2007	19%	14%	5%	10%	-5%	2%	13%	7%	21%	16%
2009	10%	5%	5%	2%	-5%	-2%	-6%	-5%	4%	2%
2011	-3%	-6%	5%	6%	16%	7%	3%	5%	0%	6%
2013	4%	-1%	-4%	8%	0%	4%	0%	0%	0%	0%
2015	3%	1%	-9%	0%	0%	-2%	-18%	-8%	-21%	-15%

Source: KSDE, National Assessment of Educational Progress (NAEP); BLS, Midwest Urban Cities fiscal year. Low and Not Low refer to student income levels based on eligibility for school lunch programs; Low Income + Not Low Income = All Students.

We performed the same analysis on changes in the national averages, although spending is only available through 2013, so there are only 40 comparative instances. Once again, spending is not a predictor of outcome changes; indeed, in 20 of those 40 instances, real spending increased while proficiency levels declined or failed to increase, or real spending declined while proficiency levels increased or failed to decline (RED). Most notably, real spending declined in 2011 and 2013, but proficiency levels increased in all 8 measurements both years!

United States Spending Per-Pupil and NAEP Percent Proficient										
School Year	$ Per Pupil	Inflation Index	4th Reading		8th Reading		4th Math		8th Math	
			Low	Not Low	Low	Not Low	Low	Not Low	Low	Not Low
2003	$ 9,522	182.09	15	42	16	40	15	45	11	37
2005	$10,376	191.70	16	42	15	39	19	50	13	39
2007	$11,557	204.11	17	44	15	40	22	53	15	42
2009	$12,539	214.65	17	45	16	42	22	54	17	45
2011	$12,351	221.06	18	48	18	45	24	57	19	47
2013	$12,346	231.37	20	51	20	48	26	60	20	49
Percent Change in Each Category										
School Year	$ Per Pupil	$ PP Net Inflation	4th Reading		8th Reading		4th Math		8th Math	
			Low	Not Low	Low	Not Low	Low	Not Low	Low	Not Low
2005	9%	4%	7%	0%	-6%	-3%	27%	11%	18%	5%
2007	11%	5%	6%	5%	0%	3%	16%	6%	15%	8%
2009	8%	3%	0%	2%	7%	5%	0%	2%	13%	7%
2011	-1%	-4%	6%	7%	13%	7%	9%	6%	12%	4%
2013	0%	-5%	11%	6%	11%	7%	8%	5%	5%	4%

Source: Census, NAEP; BLS, fiscal year. Low and Not Low refer to student income levels based on eligibility for school lunch programs; Low Income + Not Low Income = All Students.

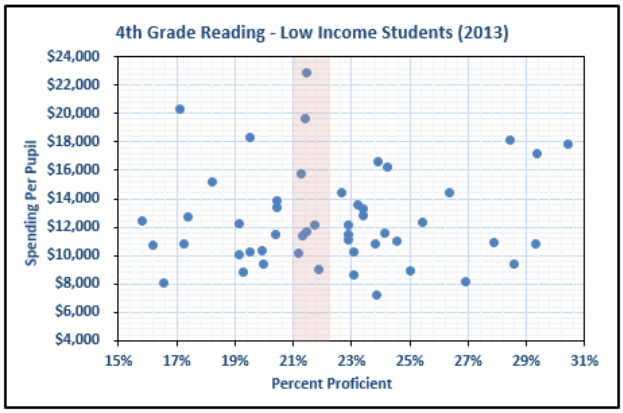
Our analysis is very straightforward; the changes in spending and every measurement of proficiency are examined separately. KASB based their findings on 8-year averages rather than individual years, which masks fluctuations by allowing gains to offset losses; the results are further skewed depending upon the starting point and length of the average. KASB also combines proficiency levels for 4th Grade Reading and Math as well as 8th grade Reading and Math by averaging those four disparate percentages into a single number, which again hides information. That methodology could present the appearance of improvement (especially by careful selection of the 8-year starting point) even though one or more grade levels and/or subjects could be in decline (which indeed happened). Such manipulation may allow KASB to justify more spending but it disregards the importance of understanding the true

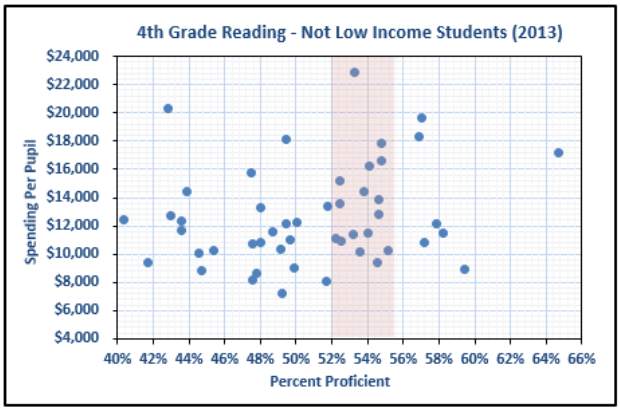
causes of student achievement.

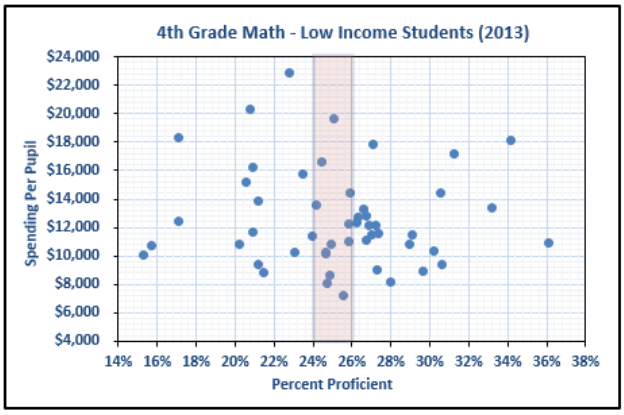
It should be noted our explanation of their methodology is based on our reading of their report; KASB has not responded to requests for their underlying calculations.

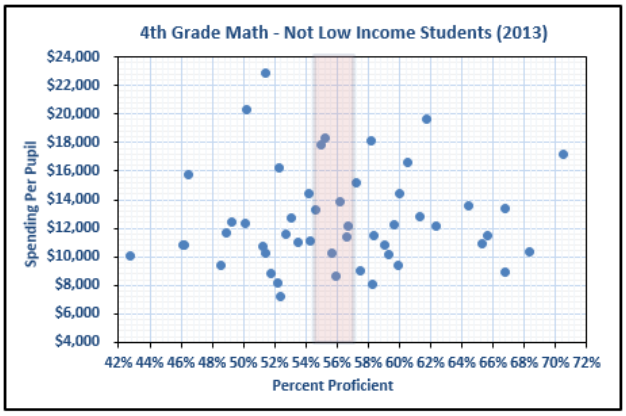
KASB also claims that “higher spending states are more likely to have higher results” but once again, the data is contradictory. If spending more money was a “predictor” of higher outcomes, the points on these scatter plots of spending and proficiency levels would be grouped along a line of increasing slope but they are ‘all over the map’.

New York schools spent the most at $22,902 per-pupil and had 4th Grade Reading proficiency levels of 21% and 53%, respectively, for Low Income and Not Low Income students. North Carolina schools however, spent just $8,879 per-pupil yet had proficiency levels of 25% and 59%, respectively. There are many other examples all across the proficiency ranges of grade levels, subject and student income groups where states achieved the same or relatively the same outcomes while spending significantly disparate amounts.









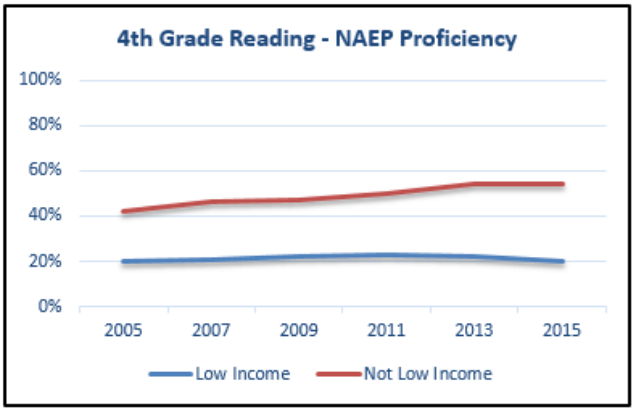
Higher spending would absolutely be a predictor of higher tax bills for citizens but there is no correlation between spending and achievement in the data.

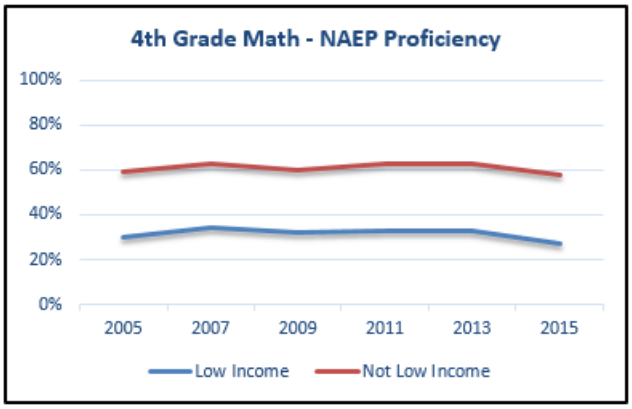
Spending more money may create more opportunity to improve outcomes but only if the extra money is well-spent. As Dr. Hanushek notes, "It's absolutely true that if you spend money well, it has an effect," he said. "But just putting money into schools and assuming it will be spent well isn't necessarily correct and there is substantial evidence that it will not happen." And as has been documented time and time again over the years, there is certainly is evidence of money not being well spent in Kansas.

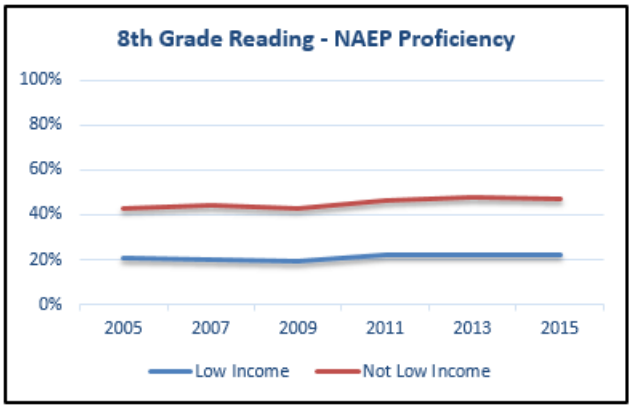
Achievement matters, not national rankings

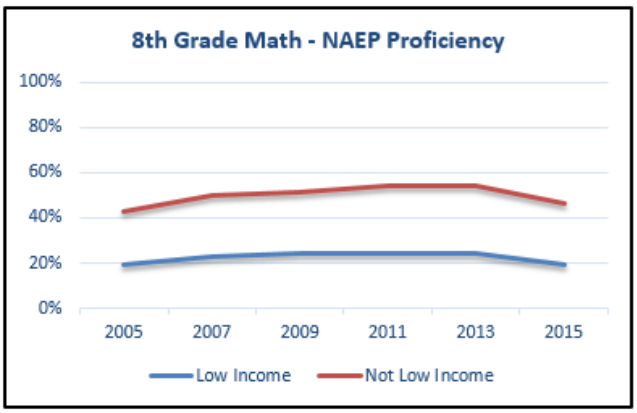
KASB makes much of the fact that national rankings on NAEP declined ("Kansas has fallen from a national leader to merely an above average performer") and they use that emotional appeal to push for more money. But actual achievement should be the focus instead of national rankings, especially in a nation that doesn't perform very well. For example, Indiana is ranked #1 for 4th Grade Low Income students in Reading – at just 36% Proficient!

Kansas may have had higher national rankings in the past but look at these proficiency levels and decide for yourself: was achievement in any grade or subject ever at acceptable levels?


4th Grade Reading - NAEP Proficiency
100%
80%
60%
40%
20%
0%
2005
2007
2009
2011
2013
2015
Low Income
Not Low Income


4th Grade Math - NAEP Proficiency
100%
80%
60%
40%
20%
0%
2005
2007
2009
2011
2013
2015
Low Income
Not Low Income


8th Grade Reading - NAEP Proficiency
100%
80%
60%
40%
20%
0%
2005
2007
2009
2011
2013
2015
Low Income
Not Low Income


8th Grade Math - NAEP Proficiency
100%
80%
60%
40%
20%
0%
2005
2007
2009
2011
2013
2015
Low Income
Not Low Income

After nearly a $2 billion funding increase over the last ten years, only a quarter or less of low income students and only about half of the rest are Proficient on NAEP Reading and Math exams. A “C” or a “D” may be one of the highest grades in the class but not scoring as badly as one’s classmates is no indication of acceptable outcomes. Attempting to justify pouring more money into the same system that produced these outcomes is simply about getting more money for the system; it most certainly is not student-focused.

The definition of insanity is doing the same thing over and over and expecting different results. We have tried dramatically higher real (inflation-adjusted) spending in Kansas public schools (43.5% per-pupil over the last 25 years) and in public schools around the nation. For Kansas, those increases in spending into the current education system have yielded the results just above. It is time for Kansas policymakers to call a new play. Our students deserve no less.

Post Script: We thank education economists Dr. Erick Hanushek and Dr. Benjamin Scafidi for their review and input on this analysis. For a teacher’s perspective on this subject, see David Dorsey’s thoughts on the Topeka Capital-Journal Blog.

Nationwide Report on Education Provides Evidence that Kansas Students Perform Poorly in a Nation of Mediocre Achievement

January 18, 2016

Education Week has released its 20th annual edition of Quality Counts, a report card that provides an overall letter grade for each state's education system. Kansas earned a C, with an overall score of 73.9 – slightly lower than the national average of 74.4 (also a C).

Quality Counts employs three indicators to establish an overall grade. Kansas earned a B- in the category called Chance for Success, defined as providing "a cradle-to-career perspective on the role that education plays in promoting positive outcomes throughout a person's life." For the School Finance indicator, Kansas earned a C. Unfortunately, Kansas' worst indicator is in K-12 Achievement, a category in which the state earned a D.

K- 12 Achievement

The achievement category is an amalgamation of 18 outcome measures that include (1) NAEP scores, (2) graduation rates and (3) performance in high school advanced placement classes. The report uses detailed NAEP data, including proficiency rates, achievement gains, poverty gaps and excellence achievement. It is of note that Quality Counts does NOT consider a score in the "Basic" category an achievement, which is the same way KPI

reports NAEP data. Here are a few lowlights regarding Kansas and the NAEP achievement gap data in the report:

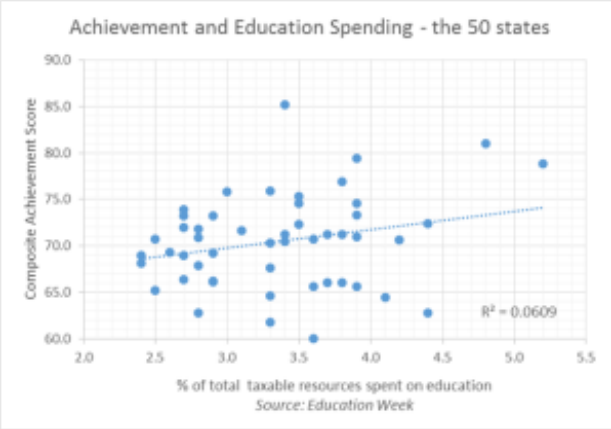
- Only Oregon, Washington and the District of Columbia had a larger increase in the 4th grade achievement gap than the Kansas gap increase of 6.8%.
- While 31 states actually reduced the achievement gap in either 4th grade, 8th grade or both, Kansas had an increase in the achievement gap in both grades.
- Overall, the nation decreased the achievement gap by 0.4% for 4th graders and 0.6% for 8th graders.
- But the most alarming stat is the revelation that Kansas is the ONLY state in which NAEP math scores for both 4th and 8th graders are lower in 2015 than they were in 2003.

Ouch.

And for those who want to blame it on some bogus claim that it all has to do with spending, consider this: data used by Quality Counts ranks Kansas 15th in spending and 41st in achievement.

Achievement & Spending

It is often argued, especially by education establishment groups in Kansas, that there is a high correlation between spending on education and achievement. That supposition is not supported by the data used in Quality Counts. The scatter-plot below is a graphic display of combining the composite achievement score with the percentage of total taxable resources states spend on education. The scatter-plot of the 50 states shows a virtual flat trend line, indicating almost no correlation between the two. The R2 value, which is a numeric representation of how close each plotted point is to the trend line, of 0.06 falls far short of even being considered a “weak” correlation. Furthermore, the single outlier on the graph, Vermont (the only state that spends more than 5% of its total taxable resources on education), drives most of the incline of the trend line. If Vermont is removed, the R2 value is 0.02. Another interesting note is that the highest achieving state (Massachusetts) spends a lower percentage of their taxable resources than the lowest achieving state (Mississippi).



The results of this report strengthens two fundamental propositions of Kansas Policy Institute regarding education: (1) that Kansas is doing about average in a nation that under-performs and (2) there is no correlation between spending and achievement.