

Approved 5/20/89
Date

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION

The meeting was called to order by Chairman Don E. Crumbaker at
Chairperson

4:00 ~~xxx~~ a.m./p.m. on March 16, 1989 in room 519-S of the Capitol.

All members were present except:

Representatives Blumenthal, Branson, Lowther, R. D. Miller, Reardon, Excused.

Committee staff present:

Ben Barrett, Legislative Research
Avis Swartzman, Revisor of Statutes' Office
Dale Dennis, Department of Education
Thelma Canaday, Secretary to the Committee

Conferees appearing before the committee:

Ms. Kathryn Dysart, Wichita Public Schools, USD #259
Mr. Onan Burnett, Topeka Public Schools, USD #501
Mr. Howard Schuler, Superintendent of Schools, Auburn-Washburn Schools, USD #437
Mr. Ken Rogg, Schools for Quality Education

The meeting was called to order by Chairman Crumbaker.

Hearings on School Finance were continued from yesterday's meeting.

Ms. Kathryn Dysart believes the school finance formula needs to take into account the extraordinary responsibility and financial pressure under which urban districts such as Wichita must operate. (Attachment 1)

Mr. Onan Burnett agreed with Ms. Dysart's testimony that urban schools needs generated more expense because of their size. (Attachment 2). Mr. Burnett outlined the legislative positions of USD #501. (Attachment 3)

Mr. Howard Schuler asked that the committee keep the fourth enrollment category schools in mind when they were considering School Finance.

Mr. Ken Rogg encouraged using the current formula for school finance until the appeal process is completed. (Attachment 4)

The chairman closed the hearings on School Finance.

Chairman Crumbaker asked the committee to turn their attention to SB 13, concerning educational excellence grant program. Representative Hensley offered an amendment to SB 13 and moved the amendment be accepted. Seconded by Representative Pottorff. After copies of the amendment were handed to the committee members Chairman Crumbaker recommended action on the amendment be delayed until Monday's meeting because of the number of questions generated by the amendment. Representative Hensley withdrew the motion for consideration at this time and Representative Pottorff withdrew her second.

SB 64, concerning homeless children, residence for school attendance, was brought before the committee.

Representative Bowden moved an amendment to SB 64 (Attachment 5) which would keep the provisions of HB 2089 alive should that bill be sidetracked in the Senate. Representative Williams seconded the motion. Motion carried. Representative Bowden moved to insert the word "public" preceding the word "shelter" on line 45 of SB 64. Seconded by Representative Smith. Motion carried. Representative David Miller moved SB 64 be passed as amended. Representative Williams seconded the motion. Motion carried.

Chairman Crumbaker announced the amendment to SB 13 will be on the agenda for Monday's meeting and, if figures are available, School Finance will also be considered.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION,
room 519-S, Statehouse, at 4:00 ~~am~~ xxx/p.m. on March 16, 1989.

The meeting was adjourned by the chair at 4:40 p.m.

The next meeting will be March 20, 1989 in Room 519-S at 3:30 p.m.

Testimony of Kathryn Dysart, Wichita Public Schools
House Education Committee, 1989 School Finance

March 16, 1989

Mister Chairman and members of the committee,

Those of you who served this summer on the special interim committee on school finance will recognize the attached material as that which I presented to you during those hearings. I resubmit it to this committee because we believe it has direct implications on your deliberations of the 1989 formula. As you can see, I have delineated district costs according to three compounding factors: those incurred due to urban demographics and social maladies; those incurred specifically due to diseconomies of scale; and those specific to Wichita's individual growth patterns.

We commend this data to you because of its documentation of the large numbers of programs and costs school districts in general are being forced to provide to address social rather than educational ills. We also believe it shows why very large districts, such as those in the fifth enrollment category, have expenses peculiar to them.

During summer hearings when I first presented the attached testimony, the Wichita School district encouraged examination of a weighted formula which would send more dollars to school districts serving at-risk populations. The interim committee chose to address at-risk pupils with the measure that has become Senate Bill 13 and we heartily endorse that bill. However, we believe that the school finance formula itself still needs to take into account the extraordinary responsibility and financial pressure under which urban districts such as ours must operate.

While we agree that a child's equal opportunity for education should not be a function of the wealth of the child's district, we contend that a great number of issues should be considered in the determination of "equal educational opportunity." The children of Wichita do not have the opportunity for the small teacher/pupil ratios which guarantee individual attention. The children of Wichita do not have the opportunity to spend their educational day in a classroom undisrupted by the confusion of language-different students fighting for comprehension or violent outbursts from children who are hungry, frightened, or may have been abused at home the night before. Because of the vast intradistrict diversion of funds required to supplement underfunded categorical programs, the children of Wichita do not have the

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opportunity to experience the kind of direct educational programs that our budget-per-pupil figures imply will be available.

As pointed out in my attached document, last year Wichita had to transfer \$9,425,000 from our general fund budget to cover special education costs not met by state special education aid. An additional \$289,552 was transferred to our transportation account because we frequently must bus students across hazardous intersections that fall within the 2 1/2 mile allowable reimbursement guidelines. English-as-a-second-language programming, which still falls far short of meeting our pupil's needs, cost us \$607,890 above the state bilingual program allotment. These are but a few examples of what we believe are extraordinary costs. While I shall not review with you the entire listing of examples contained in my attached material, I do hope you will take the time to look it over and consider how you might help districts such as ours meet the ever-growing responsibilities of serving the children entrusted to us.

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Office of the Superintendent

To serve 47,107 students, the Wichita Public Schools employ 6360 people. Of these, 3185 are teachers and 195 are administrators. When the costs of educating these students are examined, the expense factors can be broken down into several different categories; those costs incurred by urban demographics, costs incurred due to diseconomies of scale, and costs associated with Wichita's growth patterns.

I. Certain costs are incurred because of Wichita's urban nature and associated core demographics.

- High incidence of poverty (34%), teen pregnancy (891 cases*), substance abuse (1044 cases reported to school), truancy (725 cases), and child abuse (166 cases) occur in urban areas and produce disproportionate numbers of handicapped children, as well as "normal" children who require expensive intervention and/or remedial services. Examples of such services provided by the Wichita Public Schools are: early childhood pre-kindergarten programs (for 800, children); all-day kindergarten for disadvantaged children (411 children served); social workers (42); and day care for students' children (47).
- While it is difficult to break out all costs directly attributable to poverty, we can isolate some examples. Textbook rental is not charged to students living below the poverty line. The district pays more than \$200,000 each year to provide books for indigent students.
- Food service is provided to 17,045 children a day by 317 employees. 59% of the children cannot pay for their meals.
- Library services (including interlibrary transfers) average \$34,950 annually and require 37 employees. This figure does not include payroll costs. Children living in poverty rarely have the opportunity to cultivate an appreciation for books and materials. This coupled with high pupil/teacher ratios which prevent close supervision leads to higher incidence of damage and loss in our libraries. Approximately \$15,000 is spent each year rebinding library books which have been damaged in use.
- High urban crime rates require 43 security employees to keep students and facilities safe from bombs, arson, vandalism, burglary, larceny, assault, and sex crimes. 493 incidents at an estimated property loss cost of \$120,615 were reported in 1987-88. Incidental (non-personnel) costs associated with security forces include such items as uniform cleaning (\$17,600) and vehicle and fuel costs (\$60,180).
- High incidence of language-different children impact district classrooms and require teaching English as a Second Language. Currently 662 children from 48 different language groups are being

* Based on 1986 SRS case counts. SRS suggests an additional 14% be added to account for still births, self-induced abortions and miscarriages. Only 176 students last year sought treatment for pregnancy from their school nurse.

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served in this program. The costs of the district's program above the state aid provided is \$607, 890.

- Translators in four languages must be provided for communicating with parents, for special education staffing of ESL children, and for initial phase programming.
- Summer school, provided for 4500 annually, is used to address both remediation and enrichment needs of students. Typically the students most in need of remedial summer programs are least able to pay. The Wichita school district provides \$25,000 in summer school "scholarships" to these students each year. While other summer school students do pay tuition, it does not cover infrastructure or non-teaching personnel costs.
- Wage scales are higher for both certificated and classified personnel due to competition with private industry and higher costs of living in urban areas.*
- Due to services at regional medical centers, families with severely handicapped children tend to cluster in urban areas. The relative wage difference in urban salaries and state averages for special education personnel is exacerbated by this trend.
- Wichita delivers educational services to a constantly changing population of children in nine different regional psychiatric, chemical dependency, and court placement institutions as well as from dozens of foster homes.
- Special education excess costs are reimbursed at a percentage of the state average. The 1987-88 reimbursement was set at \$14,450. Wichita's average special education teacher salary in 87-88 (for 479 teachers) was \$26,337.16 not including benefits and an average of \$32,021.62 for 14 special education administrators. Average paraprofessional salary in Wichita is \$10,540 compared to the state .4 reimbursement level of \$6160.
- Immunization and communicable disease control, which would normally be extensive because of the numbers of pupils, is even more demanding because of the poverty and ethnic diversity factors of the system. Communicable diseases unusual enough to trigger reports to the county health department were identified in 7,454 individual cases during the most recent school year. Immunizations records were monitored (both in terms of parent contact and data entry) for 11,039 students. 5,518 of these students were first time system entrants who required time-consuming initial procedure contacts. (Incidentally, to save the state money, Wichita's school health personnel send actual computer tapes to Topeka so that expensive data entry does not have to be duplicated by the state.)
- Of the 42,110 regular education students in the system, 4,853 (10.44%) have chronic health problems such as diabetes which require detailed health management plans and nurse contact for procedures like blood sugar monitoring on as frequent as a daily basis. An additional 1,424 special education children require chronic health service delivery.
- Since 1981, our school district health personnel have been responsible (KSA 72-1204) for providing hearing screenings for accredited private and parochial area schools. We now are providing

* See Addendum A

that services and bearing the associated equipment and personnel costs for 28 different non-public schools.

- The Wichita school district provides licensed dentists who do annual visual dental checks for all students who do not have a dental care card on file (KSA 72-5201.) Last year 24,403 children didn't have cards.
- Vision checks which include the required (KSA 72-5204-6) Snellen chart examination, are enhanced by eye checks for muscle balance, excessive far-sightedness, tracking, and stereopsis (depth perception.) In 1987-88 we provided 30,033 vision checks for students.
- Additional health related services provided by the district include 5,725 scoliosis screenings, 15,152 medications administered, and 1,060 sick children driven home by the school nurse when parents could not arrange transportation.
- Racial integration of black and white pupils requires cross-bussing of 5,268 elementary pupils annually at an approximate cost of \$1,165,000. USD 259 does not cross-bus secondary students nor does it attempt to redistribute racial imbalances of ethnic minorities other than blacks.
- Hazardous routes (requiring children to cross multi-lane high-traffic intersections) under 2 1/2 miles require the district to provide transportation to limit liability risks and protect children. An annual cost of \$289,552 is directly attributable to transporting Wichita children through such hazards.
- The transportation formula currently in use to reimburse districts for transporting children for distances greater than 2 1/2 miles does not take into account the higher costs of operating in high density areas which, because of constant stopping and starting, decrease fuel efficiency and increase wear and tear on vehicles.
- Insurance industry actuarial tables place urban driving at a higher risk ratio than suburban or rural driving. Consequently Wichita must pay more for fleet insurance on school automobiles, service and delivery trucks, and drivers education cars. Our annual fleet insurance bill is \$192,300.
- Liability rates are also higher due to urban accident rates. Wichita also pays broadcasters liability insurance to cover our instructional materials cable operation (\$9,000) and aviation liability insurance for our vocational aviation program (\$20,000.) The annual total liability insurance bill for USD 259 is \$551,915.
- For obvious business reasons, we privatize wherever it can cut costs. Consequently, we lease rather than own our school buses. Because our buses are leased rather than owned by the district, we are required to pay \$113,805 fuel tax on deisel.
- Municipal codes and regulations require licensing of classified employees at an annual cost of \$53,200.
- Legal expenses, in addition to being charged at urban hourly rates, are made more expensive by the disparity of cases. An average of 17 grievance hearings are conducted annually. Contracts and bids with suppliers must be reviewed. The district is subpoenaed in child abuse and custody cases. Our legal fees average \$130,000 a year.
- Even though we do site-consolidation to reduce expenses, trash pick-up costs the district \$2,425 a year above internal personnel, equipment and supply expenses.

- Intra-district activities, because of the large numbers of participants, require rental of community facilities such as the convention center. Annual rental expenses average \$9,930.
- Higher prices for goods and services must be paid because of our location. For example, when the North Central Association inspects our high schools each year for accreditation purposes, it costs the district \$4,500 to pay the inspectors expenses due to high urban lodging and meals costs.
- Advertising costs the district \$5750 annually. These fees cover publications of budgets as well as an annual information newspaper insert to alert families to immunization and enrollment requirements each fall. The publication cost reflects high column-inch rates based on urban audience-reach ratios.

II. Certain expenses are generated simply due to our size. These diseconomies of scale would exist in a district the size of Wichita no matter where it was located.

- The number of mature career teachers in large systems produce higher means in salary schedules.
- Business services including budget, bids and purchasing, inventory control, and bookkeeping are provided by 102 employees.
- Thirteen employees distribute an annual payroll of \$117,590,340.
- To cover employee absences, six employees track and place an average of 140 substitute teachers, six substitute paraprofessionals, and four substitute clerical workers each day.
- Due to the large numbers of personnel, seven employees operate a print and electronic internal communications network which communicates directly with each employee group at every facility at an approximate annual non-salary cost of \$9,600. Additional print, binding, and reproduction charges of approximately \$250,000 a year are incurred in communicating with faculty, staff, students, and the community.
- Two employees process health insurance 30,976 claims year.
*Note: at an estimated annual savings of \$257,142, USD259 operates a self-funded insurance plan.
- KPERs service and district personnel retirement plans are managed by four employees.
- Two half-time employees track and remit \$17,762,912 in state and federal withholding taxes annually.
- Duty assignments, certification verifications, reference checks and interviewing are handled by eight employees.
- Increasing demands on the system and decreasing availability of qualified Kansas applicants have forced us to look nationally for teachers with experience in urban schools. Recruiting is managed by 70 employees* with additional non-salary (phone, travel, etc.) expenditures of \$30,000. Approximately 2000 candidates are interviewed annually from which 200-300 new employees must be recruited each year.

* These employees do not function as recruiters on a full time basis, but include recruiting duties in their regular job descriptions.)

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- Employee inservice programs require general fund expenditure or transfer payments of \$103,000 above state reimbursement.
- Severance pay (returning accrued temporary leave) to terminated employees costs the Wichita district \$487,000 a year.
- Computer and software investments are necessary to handle extensive record keeping and communication needs of the district. An average of \$282,321 has been budgeted annually for the last three years for information management software programs.
- Additional costs in telephone line charges are incurred due to computer communication line usage.
- High intra-district student mobility increases costs of handling and storing student records.
- Fund accountability for categorical programs is tracked by 10 employees.
- Wichita pays \$104,615 sales tax annually to the state. These taxes are chargeable on rental of educational supplies, instruments, uniforms, and free standing school lockers. Due to the poverty in our district and the administration cost of collection most of these charges are borne by the district rather than passed on to students.
- High pupil mobility, urban growth patterns, and risk management administration require us to use sophisticated statistical projection models. Consultants fees for annual statistical services average \$5000.
- Because of low parent participation levels and frequent broad information distribution needs, important district parent communications are sent through the mails rather than by student delivery. Proof of service necessity for documents ranging from truancy notice to terminated employee group insurance benefits require certified or registered delivery. Largely as a consequence of these parent communication requirements, \$149,000 is spent each year on postage.
- Operations costs include the handling of some 10,000 pieces of mail a day. This service is provided by six employees.

III. Also related to size but influenced by specific growth patterns, operation of the district's facilities put additional stress on Wichita's budget.

- New developments with their associated property tax base advantages are constructed in suburban areas outside the boundaries of urban districts. Faulty assumptions about city growth patterns have resulted in urban districts being "landlocked" by smaller suburban districts.*
- Operation of 111 facilities (7,190,376 sq. ft) is increasingly expensive due to minimal capital outlay funds. The average age of buildings owned by the district is 42 years. Three buildings over 75-years-old are still in service. Maintenance of these structures requires employment of 270 painters, carpenters, electricians, plumbers and other craft personnel as well as 360 custodians and 75 maintenance aides.
- Even though Wichita has been fortunate in the acceptance of the 4-mill capital outlay levy, those monies do not stretch far enough to cover the costs incurred in maintaining our buildings and equipment.

* See Addendum B

In a typical year, we spend \$1,000,000 on roof repair or other major maintenance problems. Consequently we have had to transfer an average of \$1,001,444 general fund dollars to cover capital outlay expenses.

- Utility costs (\$4833 annually) are higher due to service in antiquated buildings. These expenses are further inflated by the imposition of a 5% utility franchise tax which the school district must pay to the city. 1986-87 franchise tax charges to the district were \$224,453. Because these taxes are based upon a percentage of the service sold, the tax goes up with the utility cost.
- The age of our buildings also adds to costs for hazardous waste removal. The 1987-88 expense of \$30,000 was primarily directed toward asbestos removal and EPA reporting. However, toxic waste expenses due to cleaning fluids and chemical disposal are on-going.
- Moving personnel among 111 facilities each day, requires an average annual expenditure of \$215,477 for in-district travel.
- Equipment such as photocopying machines, typewriters, printers, and microfilm cameras/viewers are undersupplied and consequently overused causing increasing maintenance and repair costs.
- Overcrowded classrooms result in high pupil/teacher ratios which require the employment of additional instructional support personnel (teacher aides and paraprofessionals.)

ADDITIONAL WICHITA DATA

Teacher/Pupil ratios (21.0) Administrator/Pupil ratios (222.87) BPP -
(1980-81) \$2,050.00 {CPI-U \$ - \$830.63}
BPP - (1988-89) \$3,134.87 {CPI-U \$ - \$883.31}
*WITHOUT INFLATION Wichita's budget per pupil has gone up \$52.68
since 1980.*

WICHITA PUBLIC SCHOOLS
 DIVISION OF PERSONNEL SERVICES
 Wichita, Kansas 67202

 Addendum A

January 8, 1988

In order that the Wichita Public Schools may be better informed of recent developments within the Wichita area labor market with respect to wages and/or salaries paid, letters were sent to 130 local businesses seeking salary and fringe benefit information. As of December 23, 1987, twenty-six (26) of the 130 local businesses had returned the requested information.

The following is a summary of salaries paid to the identified classifications by local businesses within the Greater Wichita area:

SUMMARY OF SALARIES FROM 26 LOCAL BUSINESSES

<u>CLASSIFICATION</u>	Minimum Rate Per Month	Average Rate Per Month	Maximum Rate Per Month
<u>DATA PROCESSING</u>			
Programmer Analyst	\$2,062.40	\$2,449.60	\$2,835.20
Computer Operator	1,171.20	1,420.80	1,670.40
Data Controller	1,536.00	1,825.60	2,113.60
Operator, Data Entry	1,105.60	1,342.40	1,577.60
Scheduler	1,628.80	1,926.40	2,222.40
Systems Programmer	1,795.20	2,102.40	2,409.60

<u>CLASSIFICATION</u>	Minimum Rate Per Hour	Average Rate Per Hour	Maximum Rate Per Hour
<u>MAINTENANCE</u>			
Auto/Truck Mechanic	\$ 7.69	\$ 9.38	\$12.44
Cabinet Maker	6.20	9.46	12.71
Carpenter	8.59	10.06	11.52
Custodian - Building Custodial Supervisor	7.13	8.20	9.27
Electric Motor Repairperson	6.71	9.20	11.70
Electrician	8.97	10.57	12.17
Glass Sash and Door	7.45	9.23	11.01
Engineer (Building - Heating Air Conditioning)	8.96	11.46	13.96
Electronics Repairperson	11.29	12.85	14.41
Heavy Equipment - Operator	6.50	7.41	8.32
Lawn Maintenance - Groundsperson	6.09	7.17	8.23
Painter	8.28	9.72	11.15
Plumber	8.49	10.41	12.32
Printer, Machine Operator	6.24	7.87	9.51
Repairperson - Fabric (Upholstery)	6.76	8.38	9.99
Repairperson - Sheetmetal	5.45	7.82	10.20

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	<u>Minimum Rate Per Hour</u>	<u>Average Rate Per Hour</u>	<u>Maximum Rate Per Hour</u>
<u>MAINTENANCE . . . cont.</u>			
Roofer	\$ 5.00	\$ 9.25	\$13.50
Stock Clerk - Supply	6.46	8.01	9.55
Tool Crib Clerk	7.35	8.95	10.55
Truck Driver (Delivery person)	6.27	7.84	9.41
Welder	7.29	9.10	10.92

	<u>Minimum Rate Per Hour</u>	<u>Average Rate Per Hour</u>	<u>Maximum Rate Per Hour</u>
<u>SECRETARIAL & CLERICAL</u>			
Accounting (Payroll) Clerk	\$ 6.31	\$ 7.87	\$ 9.43
Bookkeeper	6.19	7.78	9.36
Cashier	6.13	7.55	8.97
Clerk - Office	5.65	6.84	8.04
Duplicating Machine Operator	7.23	8.99	10.74
PBX - Switchboard Operator	5.79	6.98	8.17
Secretary I - Routing Clerical Work	6.26	7.57	8.88
Secretary II (Moderately difficult and responsible stenographic work)	6.41	7.75	9.09
Secretary - Executive (Technical Assistant)	7.42	9.09	10.75
Supervisor - Clerical (Office pool)	8.28	10.10	11.33

	<u>Minimum Rate Per Hour</u>	<u>Average Rate Per Hour</u>	<u>Maximum Rate Per Hour</u>
<u>SECURITY</u>			
Security Guard (Watchperson)	\$ 6.37	\$ 7.48	\$ 8.58
Dispatcher - Security	5.68	7.03	8.38

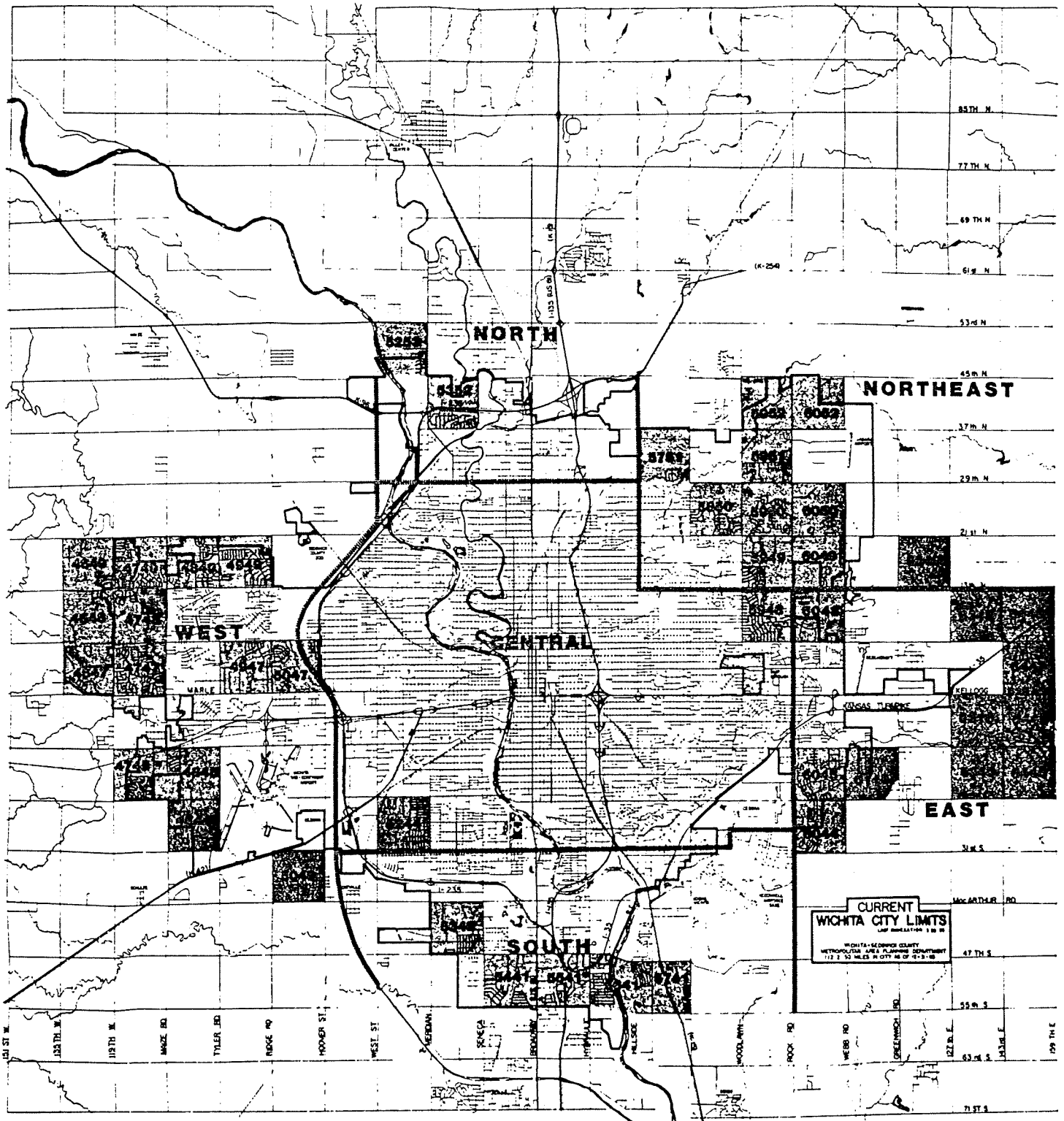
	<u>Minimum Rate Per Hour</u>	<u>Average Rate Per Hour</u>	<u>Maximum Rate Per Hour</u>
<u>FOOD SERVICE</u>			
Aides, Food Service	\$ 5.06	\$ 6.03	\$ 7.00
Cook	5.62	6.84	8.06
Manager, Food Service	9.58	10.84	12.10

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	<u>Minimum Rate Per Month</u>	<u>Average Rate Per Month</u>	<u>Maximum Rate Per Month</u>
<u>SUPPORTIVE PERSONNEL</u>			
Estimator - (General Contractor Cost Estimator)	\$1,713.50	\$2,499.00	\$3,284.50
Nurse, R.N.	1,491.43	1,772.96	2,054.49
Nurse, R.N. (With additional college hours)	1,765.40	2,170.11	2,574.82
Nurse, R.N. (With a B.A. or B.S. Degree)	1,704.87	2,115.29	2,525.71
Purchasing Agent (Buyer) - Prefer Degree in Business Administration)	1,655.01	1,984.65	2,314.29
Research Assistant (Compile Data - Summarizes research bibliography - Writer - Statistical background Degree preferred)	1,710.74	2,027.25	2,343.77
Social Worker (M.S.W.)	1,977.60	2,357.17	2,736.74
Social Worker (B.A. Degree in Social Work or Related Field)	1,593.47	1,886.27	2,179.07
Social Service Aide	1,033.00	1,148.50	1,264.00

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ACTIVE RESIDENTIAL DEVELOPMENT AREAS



- WICHITA CITY LIMITS
- GROWTH AREA BOUNDARY
- 0000 BASE MAP NUMBER

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COSTS INCURRED BY TOPEKA PUBLIC SCHOOLS, USD 501AN URBAN DISTRICT

To serve 15,127 students, the Topeka Public Schools employ 1,908.9 FTE people. Of these, 1,174.3 are teachers and 83 are administrators. When the costs of educating these students are examined, the expense factors can be broken down into several different categories: those costs incurred by urban demographics, costs incurred due to diseconomies of scale, and costs associated with Topeka's growth patterns.

I. Certain costs are incurred because of Topeka's urban nature and associated core demographics.

- High incidence of poverty (34%), teen pregnancy (142 cases*), substance abuse (42 cases school-reported), truancy (800 cases), and child abuse (15 cases) occur in urban areas and produce disproportionate numbers of handicapped children, as well as "normal" children who require expensive intervention and/or remedial services. Examples of such services provided by the Topeka Public Schools are: Alternative Education, Teen-Aid School, social workers, psychologists, and counselors.
- While it is difficult to break out all costs directly attributable to poverty, we can isolate some examples. Textbook rental is not charged to students living below the poverty line. The district pays more than \$164,500 each year to provide books for indigent students.
- Food service is provided to 8,170 children a day by 150 employees. Fifty-four percent of the children cannot pay for their meals.
- High urban crime rates require 13 security employees to keep students and facilities safe from bombs, arson, vandalism, burglary, larceny, assault, and sex crimes. Five hundred fifty incidents, at an estimated property loss of \$91,328, were reported in 1987-88. Incidental (non-personnel) costs associated with security forces include vehicle and fuel expenses (\$39,029).

*Based on 1986 SRS case counts. SRS suggests an additional 14% be added to account for still-births, self-induced abortions, and miscarriages. Only 204 students last year sought treatment for pregnancy from their school nurse.

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House Education
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- Summer school, provided for 1,244 annually, is used to address both remediation and enrichment needs of students. Typically, the students most in need of remedial summer programs are least able to pay. The Topeka school district provides no summer school "scholarships" to these students each year; however, no student is denied opportunity to attend summer school. While other summer school students do pay tuition, it does not cover infrastructure or non-teaching personnel costs.
- Wage scales are higher for both certificated and classified personnel due to competition with private industry and higher costs of living in urban areas.
- Due to services at regional medical centers, families with severely handicapped children tend to cluster in urban areas. The relative wage difference in urban salaries and state averages for special education personnel is exacerbated by this trend.
- Topeka delivers educational services to a constantly changing population of children in 12 different regional psychiatric, chemical dependency, and court placement institutions as well as from dozens of foster homes.
- Special education excess costs are reimbursed at a percentage of the state average. The 1987-88 reimbursement was set at \$15,440. Topeka's average special education teacher salary in 1987-88 (for 300 teachers) was \$26,240 not including benefits, and an average of \$44,157 for six special education administrators. Average paraprofessional salary in Topeka is \$8,120 compared to the state's .4 reimbursement level of \$6,160.
- Immunization and communicable disease control, which would normally be extensive because of the numbers of pupils, is even more demanding because of the poverty and ethnic diversity factors of the system. Communicable diseases unusual enough to trigger reports to the county health department were identified in 20,991 individual cases during the most recent school year. Immunization records were monitored (both in terms of parent contact and data entry) for 2,252 students. Twenty-two hundred fifty-two of these students were first-time system entrants who required time-consuming initial procedure contacts.

- Of the 14,118 regular education students in the system, 2,736 (19.37%) have chronic health problems such as diabetes which require detailed health management plans and nurse contact for procedures like blood sugar monitoring on as frequent as a daily basis. An additional 1,025 special education children require chronic health service delivery.
- Since 1982 our school district health personnel have been responsible (KSA 72-1204) for providing hearing screenings for accredited private and parochial area schools. We now are providing that service and bearing the associated equipment and personnel costs for one non-public school.
- The Topeka school district provides licensed dentists who do annual visual dental checks for all students who do not have a dental care card on file (KSA 72-5201). Last year 3,842 children didn't have cards.
- Vision checks which include the required (KSA 72-5204-6) Snellen chart examination, are enhanced by eye checks for muscle balance, excessive far-sightedness, tracking, and stereopsis (depth perception). In 1987-88 we provided 13,817 vision checks for students.
- Additional health-related services provided by the district include 4,252 scoliosis screenings, 1,913 medications administered, and 271 sick children driven home by the school nurse when parents could not arrange transportation.
- Hazardous routes (requiring children to cross multi-lane high-traffic intersections or traverse high crime areas) under 2 1/2 miles require the district to provide transportation to limit liability risks and protect children. An annual cost of \$9,777 is directly attributable to transporting Topeka children through such hazards.
- The transportation formula currently in use to reimburse districts for transporting children for distances greater than 2 1/2 miles does not take into account the higher costs of operating in high density areas which, because of constant stopping and starting, decrease fuel efficiency and increase wear and tear on vehicles.
- Insurance industry actuarial tables place urban driving at a higher risk ratio than suburban or rural driving. Consequently, Topeka must pay more for fleet insurance on school automobiles, service and delivery trucks, and drivers education cars. Our annual fleet insurance bill is \$36,842. Liability rates are also higher due to urban accident rates.

- For obvious business reasons, we privatize wherever it can cut costs. Consequently, we lease rather than own our school buses. Because our buses are leased rather than owned by the district, we are required to pay \$15,289 federal and \$15,880 state fuel tax on diesel.
- Legal expenses, in addition to being charged at urban hourly rates, are made more expensive by the disparity of cases. An average of three employee grievance hearings and three student due process hearings are conducted annually. Contracts and bids with suppliers must be reviewed. The district is subpoenaed in child abuse and custody cases. Our legal fees averaged \$363,927.44 a year (over the past three years). In an effort to reduce these fees, USD 501 employed the state's first in-house legal counsel in May 1988.
- Even though we do site-consolidation to reduce expenses, trash pick-up costs the district \$47,500 a year above internal personnel, equipment, and supply expenses.
- Higher prices for goods and services must be paid because of our location. For example, when the North Central Association inspects our high schools for accreditation purposes, it costs the district \$8,200 to pay the inspectors' expenses due to high urban lodging and meal costs.
- Advertising costs the district \$1,650 annually. These fees cover publications of budgets as well as an annual information newspaper insert to alert families to immunization and enrollment requirements each fall. The publication cost reflects high column-inch rates based on urban audience-reach ratios.

II. Certain expenses are generated simply due to our size. These diseconomies of scale would exist in a district the size of Topeka no matter where it was located.

- The number of mature career teachers in large systems produce higher means in salary schedules.
- Business services, including budget, bids and purchasing, inventory control, and bookkeeping are provided by 19 employees.
- Two thousand one hundred eighty employees distribute an annual payroll of \$43,736,620.

- To cover employee absences, three employees track and place an average of 60 substitute teachers and five substitute clerical workers each day.
- Due to the large numbers of personnel, employees are needed for printing, binding, and reproduction. These charges approximate \$7,060 a year in communicating with faculty, staff, students, and the community.
- KPERS service and district personnel retirement plans are managed by three employees.
- Two thousand one hundred eighty employees remit \$6,049,848 in state and federal withholding taxes annually.
- Duty assignments, certification verifications, reference checks, and interviewing are handled by eight employees (for both classified and certificated hiring).
- Increasing demands on the system and decreasing availability of qualified Kansas applicants have forced us to look nationally for teachers with experience in urban schools. Recruiting is managed by two employees* with additional non-salary (phone, travel, etc.) expenditures of \$500. Approximately 810 candidates are interviewed annually from which 73 new employees must be recruited each year.
- Employee inservice programs require general fund expenditure or transfer payments of \$130,880 above state reimbursement.
- Computer and software investments are necessary to handle extensive record keeping and communication needs of the district. An average of \$900,000 has been budgeted annually for the last three years for information management software programs.
- Additional costs in telephone line charges are incurred due to computer communication line usage.
- High intra-district student mobility increases costs of handling and storing student records.
- Fund accountability for categorical programs is tracked by three employees.

* These employees do not function as recruiters on a full-time basis, but include recruiting duties in their regular job descriptions.

- Topeka pays \$6,548 sales tax annually to the state. These taxes are chargeable on rental of educational supplies, instruments, uniforms, and free-standing school lockers. Due to the poverty in our district and the administration cost of collection, most of these charges are borne by the district rather than passed on to students.
- High pupil mobility, urban growth patterns, and risk management administration require us to use sophisticated statistical projection models. Consultants' fees for annual statistical services average \$60,000.
- Because of low parent participation levels and frequent broad information distribution needs, important district parent communications are sent through the mails rather than by student delivery. Proof of service necessity for documents ranging from truancy notice to terminated employee group insurance benefits require certified or registered delivery. Largely as a consequence of these parent communication requirements, \$36,032 is spent each year on postage.
- Operations costs include the handling of some 600 pieces of mail a day. This service is provided by three employees.

III. Also related to size but influenced by specific growth patterns, operation of the district's facilities put additional stress on Topeka's budget.

- New developments with their associated property tax base advantages are constructed in suburban areas outside the boundaries of urban districts. Faulty assumptions about city growth patterns have resulted in urban districts being "landlocked" by smaller suburban districts.
- Operation of 44 facilities (2,265,203 sq. ft.) is increasingly expensive due to minimal capital outlay funds. The average age of buildings owned by the district is 32 years. Maintenance of these structures requires employment of 82 painters, carpenters, electricians, plumbers, and other craft personnel, as well as 82 custodians and 45 maintenance aides.

- Even though Topeka has been fortunate in the acceptance of the 4-mill capital outlay levy, those monies do not stretch far enough to cover the costs incurred in maintaining our buildings and equipment. In a typical year, we spend \$279,915 on roof repair or other major maintenance problems. Consequently, the district has significant maintenance needs which cannot be funded with the four mill capital outlay levy.
- Utility costs (\$1,303,304 annually) are higher due to service in antiquated buildings. These expenses are further inflated by the imposition of a 2-4% utility franchise tax which the school district must pay to the city. 1986-87 franchise tax charges to the district were \$23,852. Because these taxes are based upon a percentage of the service sold, the tax goes up with the utility cost.
- The age of our buildings also adds to costs for hazardous waste removal. The 1987-88 expense of \$1,141,864 was primarily directed toward asbestos removal and EPA reporting. However, toxic waste expenses due to cleaning fluids and chemical disposal are ongoing.
- Moving personnel among 40 facilities each day requires an average annual expenditure of \$101,607 for in-district travel.
- Equipment such as photocopying machines, typewriters, printers, and microfilm cameras/viewers are undersupplied and consequently overused, causing increasing maintenance and repair costs.
- Overcrowded classrooms result in high pupil/teacher ratios which require the employment of additional instructional support personnel (teacher aides and paraprofessionals.)

USD 501 LEGISLATIVE POSITIONS

Budget Lid:

Budget limitations should be considered that would allow salary increases beyond cost-of-living.

85% Income Tax Rebate Deduction:

We strongly support the income tax rebate not being used as a deduction in a computation of the equalization formula.

4th Enrollment Category:

We support the school finance interim committee's recommendation, with no expense to other categories.

Unused Budget Authority:

We feel the school district should have the right to use unused budget authority when the need is indicated.

Averaging:

In computing aid to school districts through the equalization formula, we would like to see three-year averaging.

District Wealth:

We do not feel that income should be used as a primary measure of district wealth.

No-Aid Districts:

We feel there should be some type of equitable treatment or consideration given to all no-aid districts if needed.

The Grandfather or Hold-Harmless Clause:

We strongly support the hold-harmless philosophy, hopefully at 100% hold-harmless. Last year our district, under 75% hold-harmless, lost approximately \$900,000.

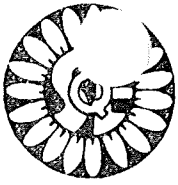
Special Education and Transportation:

We support funding special education and transportation at 100%.

SDEA:

We strongly recommend that a minimum of \$100,000,000 be put in the equalization formula.

*Attachment 3
House Education
3/16/89*



Schools for Quality Education

PURPOSE ---

To Pursue the quality of exc in education.

To Give identity, voice and exposure to the peculiar quality of Rural Schools.

To Enhance the quality of life unique in the rural community.

Statement to
1989 House Education Committee

Re
School Finance

by
Ken Rogg, Legislative Representative
Schools for Quality Education

"Rural is Quality"

*Attachment 4
House Education
3/16/89*

Schools for Quality Education consists of 96 school districts with a combined area greater than 1/3 of that of the state of Kansas. With few exceptions, the student density is little over 1 per square mile. On the average, this results in a high valuation per pupil and a low percentage of State general fund aid.

Revenue is derived to a large extent on the property tax placed on land or a combination of land, oil, and gas, with a much lesser degree on income. In some cases, valuation produces enough revenue that the district does not qualify for general fund aid. We would be the first to admit, however, that there are no school districts that are true "no aid" districts. Under our current distribution system we have a combination of a foundation and an equalization formula. Mandated programs, such as transportation and special education, are funded by the foundation under the foundation formula concept of a given amount per teaching unit, and on a density factor per pupil or actual cost, whichever is less, in the case of transportation. We support a continuation of this program at 100% of cost, or in the case of special education, 100% of excess cost.

State general aid is distributed under an equalization formula. With modifications, the formula has served well. We support continuation of this type of funding.

Property does not in this age always represent an ability to pay or produce liquid wealth. The property is not always valued as a result of its ability to produce income. Income does reflect a true ability to pay. We believe income should, therefore, remain, in some form, as a wealth factor.

With the high reliance on revenue from property taxes, Schools for Quality Education has become increasingly concerned with the trend of a greater and greater share of the burden being shifted to the home and land owner. Whenever any segment of the tax paying public is exempt from assuming their fair share of the tax burden, some other segment must pick up the slack. Unfortunately the segment of the public who becomes responsible for the added burden is that which has the least lobbying power. We support a moratorium on further tax exemptions.

a-4-2
3/16/89

Having no districts of the fourth enrollment category among our membership, we have taken no official position on whether a true inequity does exist. We do have the following concerns.

When the first and fifth enrollment categories were established, the decisions were based on documented cost trends true not only in Kansas, but other states. We support continuation of 5 district enrollment categories.

Should it be determined that an inequity does indeed exist, we support correction of that flaw. We are concerned with overcorrection, thus creating another inequity. The condition should be corrected only to that relationship that existed at the time that the fourth and fifth categories were separated and thus created.

Secondly, we believe the correction process should be phased in rather than creating abrupt shifts in the State's share in school finance for either the upper or lower enrollment categories.

We have heard for some time that the 1989 session was the year for major changes in the finance formula due to reappraisal and classification. The special committee on School Finance meeting last summer learned, however, that facts and trends would not be available until much later than anticipated. We now find that full facts may be delayed even further.

Until the appeal process is completed we may be unable to view the full impact of the measure. We, therefore, support continuation of the current formula, with necessary "safety nets" implemented. Making major changes before all facts are in could well result in attempting to build in inequities for the present and maintaining the status quo in the future.

Proposed Amendment to Senate Bill No. 64
(As Amended by Senate Committee)

On page 1, in line 26, after "(2)", by inserting "subject to the provisions of subsection (c),"; following line 34, by inserting a new subsection as follows:

"(c) Any child who has attained the age of eligibility for school attendance and who lives at the Judge James V. Riddel Boys Ranch as a result of placement at such ranch by a district court or by the secretary of social and rehabilitation services shall be deemed a resident of unified school district No. 259, Sedgwick county, Kansas, and any such child may attend school which shall be maintained for such child by the board of education of such school district as in the case of a child who is a bona fide resident of the district.";

Also on page 1, in line 35, by striking "(c)" and inserting "(d)";

In the title, in line 17, by striking "homeless"