

MINUTES OF THE SENATE COMMITTEE ON EDUCATION.

The meeting was called to order by Chairperson Senator Dwayne Umbarger at 1:12 p.m. on March 28, 2001 in Room 245-N of the Capitol.

All members were present except:

Committee staff present: Avis Swartzman, Revisor of Statutes
 Ben Barrett, Legislative Research Department
 Carolyn Rampey, Legislative Research Department
 Judy Steinlicht, Secretary

Conferees appearing before the committee: Avis Swartzman, Revisor of Statutes
 Ben Barrett, Legislative Research Department
 Chris Cartwright, Legislative Research Department

Others attending: See Attached List

Substitute for HB2051--School Finance

Written testimony is attached from Craig Grant, KNEA, (Attachment 1); Karl Peterjohn, Kansas Taxpayers Network, (Attachment 2) and Bob Corkins, Kansas Public Policy Institute, (Attachment 3).

Avis Swartzman, Revisor of Statutes and Ben Barrett, Legislative Research Department explained **Substitute for HB2051**. (Attachment 4)

Senator Downey made a motion for an amendment to **Substitute for HB2051** to change the number of students for correlation weighting from 1700 to 1690 with a corresponding change on low enrollment. Senator Vratil seconded the motion. Motion carried.

Senator Lee made motion for an amendment to **Substitute for HB2051** to remove the amendment that converted special education funding to a pupil weighting approach. Seconded by Senator Hensley. Motion carried.

Senator Vratil made a motion for an amendment to reduce the amount for the school finance study from \$450,000 to \$225,000 and to add the substance of SB134 to **Substitute for HB2051**. Seconded by Senator Hensley. Motion carried.

Senator Vratil made a motion for an amendment to **Substitute for HB2051** to add a paragraph to encourage an eye examination by an optometrist or ophthalmologist to determine if a child suffers from conditions which might impair the ability to read. The cost would be the responsibility of the child's parent if not covered by insurance. The motion was seconded by Senator Schodorf. Motion carried. (Attachment 5)

Senator Oleen made a motion to amend **Substitute for HB2051** by removing the amendment to change the formula on how to count kindergarten students and retain the formula as it was at .5 FTE. Seconded Senator Downey. Motion carried.

Senator Umbarger made a motion to amend **Substitute for HB2051** by striking, on page 5, in the last sentence in subsection (c), "an intensive research based reading intervention component" and inserting "intensive interventions for K-3 pupils needing assistance in achieving mastery of basic reading, writing and mathematics skills". The motion was seconded by Senator Vratil. Motion carried. (Attachment 6)

CONTINUATION SHEET

March 28, 2001

Chairman Umbarger called upon Chris Cartwright, Legislative Research Department, to explain the two year funding proposal in **Substitute for HB2051**. (Attachment 7)

Chairman Umbarger recessed the meeting at 2:30 p.m.

The meeting reconvened at 5:00 p.m. in Room 123-S.

After discussion, Senator Vratil made a motion to amend **Substitute for HB2051** by replacing the Governor's language with that source of revenue explained by Chris Cartright in attachment 7 above. Seconded by Senator Schodorf. Motion carried.

To ensure that the Governor's extended learning proposals have the authority that schools will need to implement them, Senator Vratil made a motion to amend **SB313** into **Substitute for HB2051** which clearly would give schools authority to require students to attend extended school. Seconded by Senator Hensley. Motion carried.

Senator Umbarger made a motion to amend the Governor's bill by going into the 2002-03 school year and putting an additional \$130 in the second year base, with the funding coming from the amendments put into **Substitute for HB2051** today. Seconded by Senator Downey. Motion passed.

Comments were made that if the Committee passes a multi-year program, the Committee would expect that the districts make the plan work and not come back next year asking for more money. Also, that the children that are at-risk are many times from the lower income families and they are the ones who say they cannot afford more taxes. These are the very people who will receive the greatest benefit out of an increase in taxes. They are the people who are the most needful of this plan.

Senator Downey made a motion to pass **Substitute for HB2051** out favorably as amended. Seconded by Senator Vratil. Motion carried.

Chairman Umbarger thanked the Committee for all the hard work this session. Meeting adjourned.

SENATE EDUCATION COMMITTEE GUEST LIST

DATE - 3/28/01

<u>NAME</u>	<u>REPRESENTING</u>
Korn Mues	Cap-Journ
Marlin Hawver	Hawver Capital Report
Gary Robbins	KS Optometric, ASN
Christy Caldwell	Local Chamber of Com
John C. Bottenteg	Philip Morris
Doug Bowman	KS Coordinating Council on ^{Early} child hood
Denise Apt	USA - USA. 500
Ed O'Malley	O.P. Chamber of Commerce
Bill Hawgill	Governor's Office
D. Howles	USA.
Vend. Peter	KS St. Dept. of Ed.
H. St. Peter	USD 437
Von Rye	MS 0 3 2 1
Gerrit Rye	Ct.
Meal Whitman	KS Beer Wholesalers Assn
Bill Brady	19 Gov't Consulting
Julie Clark	Hallmark Cards
Michelle Peterson	Peterson Public Affairs Group
Julie Hedin	Horn & West

KANSAS SCHOOL FINANCE COALITION

Craig Grant Testimony
Senate Education Committee
March 27, 2001

Thank you, Mr. Chairman. I am Craig Grant and today I am making a statement on behalf of the Kansas School Finance Coalition. As you have heard before, the coalition includes membership from the Kansas Association of School Boards, Kansas National Education Association, United School Administrators of Kansas, Schools for Quality Education, Kansas Education Coalition, Kansans for Local Control, Unified School District 259 (Wichita), Unified School District 229 (Blue Valley), Unified School District 233 (Olathe), Unified School District 500 (Kansas City), Unified School District 501 (Topeka), and Unified School District 512 (Shawnee Mission).

Lest there be any doubt, I am here to remind you that on March 14 the School Finance Coalition announced its support for the proposal by Governor Graves on school finance. We believe that the proposal represents the best hope available for improving the quality of Kansas public education during the legislative session.

The proposal put forward by the Governor represents the first time since the School District Finance and Quality Performance Act was adopted in 1992 that a proposal to increase the base budget per pupil has exceeded the rate of inflation. We are also pleased that the Governor's plan gives new recognition to the importance of the extended school year and education in the early years of a child's life. This is done without prescribing how this is to be accomplished by the local schools.

In supporting the Governor's plan, we are not absolute in the funding mechanism described in his proposal. We do believe that it represents a comprehensive plan for dealing with funding of our public education system. If there were other methods of increasing the revenues necessary for this plan, we would be happy to endorse those methods.

We hope that this committee and the Kansas Senate will continue to show leadership for education by passing the Governor's proposal for school finance. Thank you for listening to the School Finance Coalition.

Senate Education
3-28-01
Attachment 1

A STATEWIDE TAX HIKE IS NOT NEEDED IN KANSAS

I. Key points which should be considered by Kansas legislators in examining proposals to raise state taxes in 2001 for public school spending:

- 1) Kansas is currently spending close to the national average on K-12 (including state, local and federal sources) when all tax funds are included.
- 2) Kansas is currently spending more than any of the surrounding states on K-12 public schools (see page 3-4).
- 3) Despite concerns about "teacher shortages" Kansas is currently spending more on teacher salaries than all but one of the surrounding states according to national NEA figures (see page 3-4).

II. Kansas state taxes are already high in our region

- 1) The U.S. government's web site for reporting on state taxes for all 50 states shows that Kansas government taxes already exceed those of our neighboring states. This places Kansas in a disadvantageous position with our neighbors (see this U.S. government web site: www.census.gov/ftp/pub/govs/statetax/98tax.txt).
- 2) Current Kansas law makes it much easier to raise school taxes (either state or local) than in Missouri, Colorado, and Oklahoma. Two of these states require super majorities for approval of bond issues instead of the Kansas requirement of only a simple majority. These states require voter approval of state and local tax hikes. Kansas does not in most cases.

III. Look at the whole of spending on Kansas public schools and not simply one segment:

- 1) A significant part of federal funds are excluded from some Kansas district school budgets (see page 5 and footnotes for this testimony).
- 2) Base state aid per pupil is only one segment of state school spending.
- 3) Total state spending on K-12 is only part of the total which is \$3.4 billion for less than 450,000 FTE students (see page 7) in 1999-2000. Spending per pupil figures vary depending upon which enrollment number and which expenditures are, or are not, included by the group conducting the expenditure study (see page 5).
- 4) State spending on K-12 is the fastest segment of state spending in the 1990's (see page 5). State spending on K-12 doubled the rate of inflation since 1991-92 (see page 7).
- 5) Kansas school districts are retaining sizeable and growing levels of cash at the end of their fiscal years. Last year Wichita's (USD 259) year ending cash balance exceeded \$36 million.

Senate Education
3-28-01
Attachment 2

IV. Kansas Department of Education Data since 1991-92

- 1) It is important to look at school finance data which occurred prior to the 1992 school finance legislation. The 1992 legislation which included a dramatic increase in state income and sales taxes, is often used as state spending benchmark. However, a fuller picture of state spending trends appears when earlier data is included.
- 2) Since 1991-92 student enrollment statewide has grown by 5.6 percent. Meanwhile the number of school administrators has grown at 14.6 percent (see page 7).

V. Public school spending does not guarantee student achievement or school accountability

- 1) Over \$1.5 billion spent in Kansas City, MO school district (which has a smaller enrollment than Wichita) yet the district has lost certification, student achievement continues to decline, and the desegregation goal has also failed. This case dramatically indicates that dollars alone will not guarantee school improvement.
- 2) Recent state boundary study included information about four different types of schools: high spending with low performance, low spending with low performance, high spending with high performance, and most interesting: low spending with high performance (see: A Comprehensive Study on the Organization of Kansas School Districts, RFP 00241 Jan. 10, 2001).
- 3) Issues relating to curriculum, teacher qualification and other key educational issues are under the direct control of the Kansas State Board of Education. So the legislative role is indirect.

State spends more on educating kids than most in region

BY LOU LESSNER
The Wichita Eagle

A tax increase for education? School districts want it, and Gov. Bill Graves says he'd sign a bill making it happen.

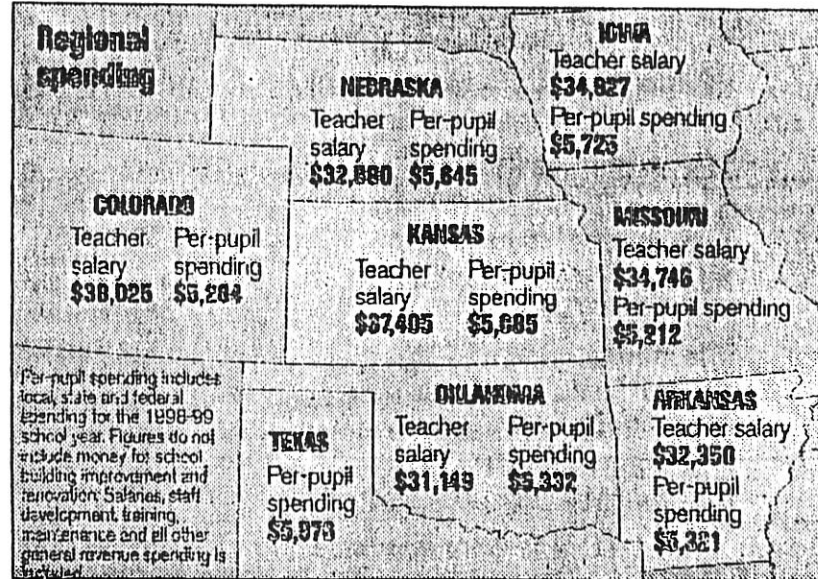
But some state lawmakers say we're spending enough on education already — more dollars per student than nearly every state in the region.

Kansas spends more than Arkansas, Iowa, Missouri, Nebraska and Oklahoma, states with a similar cost of living.

Only in Colorado and Texas, where living expenses and incomes are higher, do officials spend more per student.

That's according to a study by the National Education Association, one of the nation's largest teachers' unions.

Spending for schools



Teacher salaries in the U.S.

Highest — Connecticut: \$51,584
Lowest — South Dakota: \$28,552
National average: \$40,582

No adjustment is made for cost of living differences. For example: A teacher paid \$37,000 in Wichita would need about \$47,000 to have the same standard of living in Hartford, Conn.

Source: National Education Association Research's annual "Rankings of the States and Estimates of School Statistics" report

Spending per pupil in the U.S.

Highest — New Jersey: \$9,703
Lowest — Utah: \$3,807
National average: \$6,251

The Wichita Eagle

The study examines per-student spending for the 1997-98 and 1998-99 academic years, the most recent data available.

Spending per student varies widely across Kansas, from \$4,300 to \$12,300. The Wichita school district spends \$5,098. The statewide average was \$5,885 per student in the '98-99 academic year, not counting school building and renovation projects, according to the NEA.

Next came Iowa at \$5,725, followed by Nebraska, Oklahoma and Arkansas.

State Sen. Susan Wagle, R-Wichita, who opposes a tax increase for public education, would like to see a legislative committee more closely compare neighboring states' data on school spending and student performance.

When lawmakers see that Kansas comes out toward the top in education spending, "they'll be surprised, and I think there will be much less of a desire to increase taxes and pour excess amounts of money into education," Wagle said.

But others say Kansas' standing is nothing to brag about.

"The surrounding states aren't doing well, so that shouldn't be our measure," said Dale Dennis, deputy commissioner of the state Department of Education.

"Continued improvement and achievement should be our goal."

Selling a tax increase

Lt. Gov. Gary Sherrer, a former teacher, has made the rounds of local community groups to warn them up to the idea of a tax increase, which he believes is the only way to pay for the extra \$215 million recommended by the governor's education task force.

"When it comes to our future," Sherrer said, "I don't think pretty good is good enough. We are at a very critical crossroads with our

CORRECTIONS & CLARIFICATIONS

□ Kansas spends more money per student than any state in the region except Texas. Colorado pays its teachers more than Kansas. Information in Sunday's paper was incorrect.

K-12 education. We can do better."

Oklahoma last passed a tax raise for education in 1990 and no plans to do so again.

It boosted education spending by \$500 million to \$2 billion over the past five years — a state record — but Gov. Frank Keating wants to see improved student performance before proposing similar funding commitments.

"We expect every dollar spent to be a reform dollar," Keating spokesman John Cox said. "We passed charter schools and more rigorous academic requirements, but we don't have as much to show for it in terms of reform yet. It's been slow."

Kansas educators, Gov. Graves and some lawmakers are more hopeful that with extra money, they can provide all-day kindergarten and competitive teacher salaries and, therefore, make schools better.

"Go talk with first grade teachers in schools with all-day kindergarten, and they'll say the result is a remarkable improvement in the quality of students they're getting," Sherrer said. "Getting some money here and some money there helps but doesn't go to the fundamental issue of having the resources necessary to dramatically move our education system forward" like the \$215 million would.

Sherrer looks to successful school bond votes in Wichita, Emporia, Great Bend and Newton as signs the public is willing to pay extra taxes as long as the money is used effectively on schools.

But Wagle said lawmakers may need reminding of a 1991 report by the auditing arm of the Legislature that showed the amount of money spent on education had nothing to do with performance.

A recent Wichita Eagle analysis also showed that more spending per pupil did not correspond with better student performance.

The Eagle found that some districts getting lots of state aid had low scores on the most recent statewide assessment test while some districts operating with the fewest dollars had high test scores.

While House Speaker Kent Glasscock and Wagle appear unwilling to support a tax hike to boost

"Go talk with first grade teachers in schools with all-day kindergarten, and they'll say there is a remarkable improvement in the quality of students they're getting. Getting some money here and some money there helps but doesn't go to the fundamental issue of having the resources necessary to dramatically move our education system forward" like the \$215 million would.

Lt. Gov. Gary Sherrer

education spending, Wagle doesn't underestimate the influence the teachers' lobby could hold over her colleagues.

"There's a possibility of being worn down so much by the lobbyists that we walk out of here with a tax increase," she said.

The Kansas NEA was the No. 2 contributor to lawmakers in 1999 and No. 3 in 1998, donating more than \$125,000, according to the Kansas Governmental Ethics Commission. Only the Kansas Contractors Association gave more.

Raising pay for teachers

The Kansas NEA is particularly concerned about teacher pay. During the '98-99 academic year, the average salary was \$37,405, a number that falls in the middle of national rankings.

To be competitive with other states and the marketplace, 25th place is not where they want to be, said Dennis and education task force chair David Brant, the Kansas securities commissioner.

"We're producing people at our universities with math and technology backgrounds they can use to teach, but they are going to the private sector, which pays very well," Dennis said.

He said there were 530 teacher positions open last August, up from 196 the previous year. Dennis said substitutes were used to make up the difference.

Like Kansas, educators in Oklahoma and Nebraska are also clamoring for money for teacher raises this legislative session.

Each teacher in Oklahoma got a \$3,000 raise two years ago, totaling at least \$60 million, the largest one-time increase in history. The Oklahoma Educators Association was pleased but says \$117 million is needed for raises again this year to keep pace with other states.

It's too early to tell what amount, if any, lawmakers will approve.

Chances are slim that Nebraska educators will get to push through a half-cent sales tax increase and use the extra \$100 million generated to boost each of its teacher's pay between \$2,000 and \$5,000.

Nebraska Gov. Mike Johanns isn't willing to sign a tax increase to pay for it, as Graves would do in Kansas. Johanns thinks the state can find money within its current budget to help underpaid teachers. He is targeting only those in rural areas.

Help from Washington

U.S. Reps. Todd Tiahrt, R-Goddard, Jerry Moran, R-Hays, and Dennis Moore, D-Lenexa, are among a growing number of congressmen who want to send states more money to help with raises.

"If we can get the federal government to belly up its share of special education costs, that would free up some money back home to pay our teachers better," said Tiahrt, who opposes a state tax increase.

The federal government pledged in 1975 to pay as much as 40 percent of special education costs. Yet today, it pays for only 16 percent nationwide, up from 12 percent last year. That slight boost will bring an extra \$160 million in federal dollars to Kansas between 2000 and 2002.

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KANSAS TAXPAYERS NETWORK

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22 September 2000

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Kansas State Public School Finance, By Karl Peterjohn, Exec. Dir.

There is a working premise within this task force and the bulk of the public commentary that Kansas school finance is broken and additional tax funds are needed to fix it.(A) The evidence indicates that Kansans pay more in local, state, and federal taxes to finance public schools than any of our neighboring states.(B)

My experience in discussing Kansas school finance is that several key points are overlooked or ignored in discussing public school expenditures:

1) The focus on state funding for base aid per pupil is highly misleading since it overlooks many other state expenditures, plus ignores local and federal expenditures which are relevant. State spending of \$3,820 per pupil per year is not what is being spent in the average public school. The current figure for 1998-99 exceeds \$7,000 per pupil per year.(C)

2) The discussion of state spending per pupil usually begins with 1993. However state figures indicate that between 1990 and 2000 state spending on K-12 grew by \$1.429 billion or 174.8 percent. This is more than double the growth rate in state spending in these areas: SRS (47.4%), Regents (63%), and Corrections (65%).(D)

3) Despite the soaring state spending, educational performance of the public schools has not been proven. There does not seem to be a correlation between dollars spent and the quality of the education being provided, which is an issue which extends beyond the border of Kansas.(E)

4) School spending figures often exclude some sources of revenue. For instance, USD 259 (Wichita) treats federal title funds and student fees as "non budgeted revenues" in their fiscal documents. If these dollars are included the spending per pupil in the state's largest school district would grow by roughly \$30 million a year. This is the rough equivalent of another \$600 per year in spending per pupil.

5) One of the trickiest figures to grasp is simply, "How many students are there?" Kansas uses three numbers: Full Time Equivalent (FTE), Headcount, and Weighted FTE. If you use these three measurements for enrollment and divide, say Wichita's USD 259's spending per pupil in 1999-2000, you get expenditures of either: \$5,886 (Weighted FTE), \$6,447 (Headcount), or \$6,798 (FTE). If the non budgeted revenues are added these figures grow to: \$6,402 (Weighted FTE), \$7,012 (Headcount), or \$7,394 (FTE).(F)

Since average daily attendance was well below all three of these enrollment figures, the actual spending per pupil per year in attendance was well above \$8,000 per year in Wichita. Since the enrollment numbers can be varied by which measurement is used, this task force needs to define its "yardstick" for measuring expenditures which fully covers all spending for public schools in Kansas.

CONCLUSION

The school finance formula will continue to be an issue as long as the bulk of spending for Kansas public schools is derived from multiple levels of government. However, Kansas spending from these data sources is at or above the average for our region (Kansas and surrounding states). K-12 public school spending is the fastest growing part of state expenditures in the decade from 1990-2000. In 1998-99 Kansas public schools spent over \$3.158 billion (the state's share is over \$2.2 billion) to educate roughly 450,000 students—over \$7,000 per pupil per year. (G)

While there will be continued pressure to improve public education in Kansas, the problem is not financial but related to curriculum, instructional issues, testing and other factors which will only be marginally impacted by changing the amount of tax funds spent. (H)

FOOTNOTES

A) Wichita Eagle, May 5, 2000, page 1.

B) 1999 Statistical Abstract of the United States, P. 182.

C) "Statewide USD Full Spending Picture Reveals Significant Growth," Kansas Public Policy Institute, Dec. 2, 1999. Similar data can be calculated from "Kansas USD's Expenditure Per Pupil by FTE 1998-99," KSBE see p. 11, for a similar but earlier study see, Glenn W. Fisher, "Financing Kansas Schools," Kansas Public Policy Institute, Jan. 14, 1997.

D) Kansas Fiscal Facts Sixth Edition June, 1999, Kansas Legislative Research Department, Topeka, KS, page 26-7.

E) "Does Money Matter in Education?" Lawrence O. Picus, Selected Papers in School Finance 1995 (NCES 97-536); Hanushek, E.A. "When School Finance 'Reform' May Not be a Good Policy," Harvard Journal on Legislation, 28: 423-456, 1991; Hanushek, E.A. "Throwing Money at the Schools," Journal of Policy Analysis and Management 1: 19-41; "Report Card on American Education, A State-by-State Analysis 1976-1999," American Legislative Exchange Council, Washington, D.C., March, 2000 p. 61. Non academic coverage of this point: "Trustbusters," Forbes Magazine, June 2, 1997, p. 146-152; "True or False: More Money Buys Better Schools," Business Week, Aug. 2, 1993, p. 62-65; Awbrey, David, "Lost time in reforming Kansas schools," Brainstorm, Sept., 2000; Awbrey, David, "Cause for hope in public schools?" Wichita Eagle, Feb. 11, 1996.

Picus concludes: "This paper has shown that despite considerable research on the matter, there is still a great deal of debate as to whether or not money makes a difference in education. Even though everyone agrees that high spending provides better opportunities for learning, and seemingly higher student achievement, statistical confirmation of that belief has been hard to develop..... If we can move away from measuring school accountability through the way funds are used, and instead measure accountability in terms of student outcomes, the answer to the question posed in this paper will become unimportant. It won't be whether or not money matters, but how that money is used that matters."

F) "1999-2000 Proposed Budget, Wichita Public Schools, Unified School District No. 259, Wichita, Sedgwick County, Kansas," p. 21; "1999-2000 Adopted Budget, Wichita Public Schools, Unified School District No. 259, Wichita, Sedgwick County, Kansas," p. 27. Enrollment data from SBOE.

G) "Kansas USD s Expenditures Per Pupil, by FTE, 1998-99," Kansas State Board of Education, Topeka, KS, p. 11.

H) see Picus and Hanushek op cit

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DESCRIPTION	1991-92	1992-93	% CHG	1993-94	% CHG	1994-95	% CHG	1995-96	% CHG	1996-97	% CHG	EST 1997-98	% CHG	EST 1998-99	% CHG	EST 1999-00	% CHG
SUBTOTAL GENERAL	1,737,125,161	1,640,559,786	5.95	1,896,542,802	3.04	1,922,312,460	1.37	1,958,393,203	1.92	2,009,198,259	2.39	2,069,794,980	3.17	2,129,494,560	2.89	2,174,076,931	2.09
ADULT EDUCATION	6,732,660	2,091,810	20.73	2,164,774	4.44	2,156,649	1.28	2,123,751	1.53	2,080,732	2.03	2,460,976	18.27	2,552,163	3.71	2,791,027	9.36
ADULT SUPPLEMENTAL EDUCATION	722,886	708,451	2.00	660,440	6.78	661,180	0.11	583,451	10.24	536,547	8.59	510,714	3.70	518,494	0.34	509,735	1.69
BILINGUAL EDUCATION	2,404,952	3,477,702	44.66	4,867,626	39.87	5,857,374	20.33	6,770,178	15.58	7,850,940	17.15	8,988,057	13.33	10,391,377	15.61	11,777,188	13.34
CAPITAL OUTLAY	104,803,926	129,232,401	23.31	110,214,691	14.72	119,940,972	8.12	109,940,494	7.74	118,943,889	8.19	116,890,879	1.73	129,587,332	10.86	136,886,284	5.83
DRIVER TRAINING	5,312,708	5,774,719	8.70	5,619,685	2.68	5,847,722	4.06	6,197,198	5.88	6,090,974	1.71	6,099,035	0.13	6,265,896	2.74	6,285,757	0.00
EDUC. EXCELLENCE GRANT PROGRAM	4,080,648	1,783,403	56.30	2,305,570	29.28	2,195,369	4.78	2,291,941	4.40	2,282,340	0.42	2,309,684	1.20	2,108,914	8.89	2,683,137	27.23
EXTRAORDINARY SCHOOL PROGRAM	0	0	0.00	0	0.00	0	0.00	128,631	0.00	241,124	87.45	312,941	29.78	580,004	85.34	736,241	28.84
FOOD SERVICE	103,701,940	112,749,851	8.72	123,482,157	9.52	125,772,339	1.85	131,388,197	4.47	137,876,071	5.01	141,119,920	2.28	147,958,079	4.84	152,190,427	2.86
INSERVICE EDUCATION	4,155,529	6,543,662	57.47	7,665,002	17.13	9,772,888	27.50	10,668,953	9.18	11,220,184	5.18	11,156,148	0.57	12,009,291	7.85	12,534,721	4.38
PARENT EDUCATION PROGRAM	1,482,780	3,079,379	107.68	3,792,479	23.16	4,013,728	6.83	4,357,169	8.56	4,582,828	5.41	4,928,125	7.32	7,052,862	43.09	8,017,641	13.68
SUMMER SCHOOL	0	242,170	0.00	3,633,521	1400.40	3,994,080	9.92	3,616,219	8.44	3,723,623	2.97	4,098,426	10.07	4,333,179	5.73	5,385,684	24.29
SPECIAL EDUCATION	170,491,782	184,531,220	8.23	203,282,469	10.17	210,305,674	3.45	220,475,228	4.84	231,339,455	4.93	243,069,202	5.07	260,968,589	6.99	284,077,776	9.23
TECHNOLOGY EDUCATION	550,736	4,096,041	643.74	1,081,385	73.80	1,352,505	25.07	1,032,643	23.69	1,455,371	41.02	1,563,222	7.41	22,062,548	1311.35	9,228,601	58.18
TRANSPORTATION	87,164,336	81,448,905	6.56	86,729,379	6.48	89,046,920	2.87	92,337,480	3.70	95,843,784	3.93	95,381,555	0.36	98,388,185	3.15	101,481,951	3.12
VOCATIONAL EDUCATION	20,926,348	23,538,959	12.48	31,456,314	33.64	35,207,894	11.93	36,762,277	4.42	39,154,778	6.51	42,108,235	7.54	46,500,949	10.44	48,333,565	3.84
AREA VOCATIONAL EDUCATION	29,543,901	32,315,567	9.38	32,171,777	0.44	33,374,435	3.74	34,378,559	3.00	34,389,507	0.04	36,202,614	5.27	38,318,968	5.85	38,123,969	0.50
JUDGMENTS	0	0	0.00	0	0.00	72,443	0.00	600,810	728.25	23,437	96.09	0	108.00	0	0.00	0	0.00
SPECIAL LIABILITY EXPENSE	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	195,165	0.00	225,185	15.42	278,502	23.68
SCHOOL RETIREMENT	467,814	440,608	5.82	437,058	0.81	33,778	92.27	2,115,069	181.88	1,382,321	34.84	1,069,328	22.64	1,969,321	0.00	1,068,417	0.89
DISABILITY INCOME BENEFIT RESERVE	574,234	606,614	5.67	584,936	3.81	489,720	16.28	526,171	7.44	570,702	8.46	497,069	12.90	492,287	0.96	689,088	39.88
HEALTH CARE SERVICES RESERVE	24,661,532	24,735,124	0.30	26,637,192	7.69	27,811,895	4.41	29,128,919	4.74	28,771,241	1.23	33,804,336	16.80	36,104,125	7.44	40,438,738	12.00
RISK MANAGEMENT RESERVE	241,452	252,362	4.52	252,878	0.20	195,960	22.51	277,331	41.52	360,169	29.87	486,799	35.15	736,546	55.43	1,344,129	77.87
SCHOOL WORKERS COMP RESERVE	1,228,700	1,677,208	36.73	2,458,892	46.81	2,743,875	11.59	3,647,200	32.92	3,883,433	6.28	3,653,499	8.28	4,247,655	16.26	4,506,252	6.09
CONTINGENCY RESERVE	0	171,102	0.00	323,897	89.30	708,514	118.79	769,226	8.57	1,157,888	50.54	2,322,068	100.53	2,450,330	5.52	694,368	71.66
STUDENT MATERIAL REVOLVING	605,751	708,202	16.91	869,855	22.83	1,267,897	45.74	1,530,842	20.76	2,050,346	33.94	2,038,622	0.52	2,038,622	0.00	2,038,622	0.00
TEXTBOOK RENTAL	8,548,403	9,015,418	5.45	10,699,721	18.68	8,137,035	23.95	11,084,589	36.22	10,911,058	1.57	12,050,665	10.44	12,675,117	5.18	12,803,558	0.56
BOND AND INTEREST #1	65,432,238	63,840,283	2.38	78,137,236	22.20	97,014,398	24.16	116,855,907	20.45	126,597,809	8.34	142,323,506	12.42	160,082,104	12.48	176,523,207	10.27
BOND AND INTEREST #2	3,103,978	3,873,549	18.35	3,821,137	4.02	2,433,385	36.32	4,389,359	80.38	3,957,222	9.85	3,357,811	15.15	3,190,189	4.99	6,886,401	115.88
NO FUND WARRANT	0	0	0.00	15,113	0.00	7,887	47.81	3,120	60.44	0	100.00	0	0.00	0	0.00	0	0.00
SPECIAL ASSESSMENT	1,155,282	1,415,497	22.52	1,687,990	19.18	1,728,290	2.32	1,638,848	5.07	1,822,614	11.21	2,054,149	12.70	2,048,669	0.41	2,114,445	3.38
TEMPORARY NOTE	72,978	9,288	87.27	29,179	214.18	308	98.94	0	100.00	0	0.00	0	0.00	0	0.00	0	0.00
COOP SPECIAL EDUCATION	81,198,358	92,682,047	14.15	99,524,548	7.38	106,223,464	6.73	110,877,957	4.38	117,758,531	6.21	128,735,810	9.32	139,200,707	8.13	144,333,253	3.69
TOTAL USD EXPENDITURES	2,461,487,094	2,730,228,885	10.92	2,887,890,596	5.77	2,988,882,564	3.50	3,093,038,689	3.48	3,208,659,181	3.74	3,258,964,423	4.82	3,571,586,936	6.39	3,718,298,562	4.14
LESS TRANSFERS	249,213,761	278,185,093	12.93	326,446,446	16.93	336,894,637	3.23	342,242,299	1.56	368,598,930	7.99	381,804,127	3.30	413,539,834	8.31	418,604,310	0.74
NET USD EXPENDITURES	2,212,273,333	2,452,043,792	10.75	2,561,444,150	4.55	2,651,987,927	3.53	2,750,796,370	3.73	2,840,050,220	3.28	2,975,160,296	4.74	3,158,047,102	6.15	3,302,692,252	4.58
OTHER FEDERAL EXPENDITURES	44,174,216	47,727,843	8.14	52,815,752	10.68	57,648,646	9.15	64,241,908	11.44	68,351,317	6.40	75,800,890	8.73	84,449,344	12.60	100,005,415	18.42
TOTAL ALL EXPENDITURES	2,256,447,549	2,499,771,635	10.69	2,614,259,902	4.67	2,709,636,573	3.64	2,815,038,278	3.89	2,908,401,537	3.33	3,050,960,296	4.86	3,242,496,448	6.31	3,402,697,667	4.94
FTE ENROLLMENT	424,737.4	431,320.5	1.55	437,208.1	1.37	440,684.2	0.80	442,465.9	0.40	443,767.3	0.75	448,600.0	0.64	448,925.7	0.07	448,610.3	0.07
BASE STATE AID PER PUPIL	0	3,600	0.00	3,600	0.00	3,600	0.00	3,628	0.72	3,648	0.61	3,670	0.60	3,720	1.36	3,770	1.34
BUDGET PER PUPIL (GEN+SUP-GEN)	4,090	4,494	9.88	4,673	3.98	4,745	1.54	4,851	2.23	4,963	2.31	5,132	3.41	5,367	4.59	5,561	3.61
TOTAL EXPENDITURES PER PUPIL	5,313	5,791	9.10	5,979	3.25	6,148	2.83	6,362	3.48	6,525	2.56	6,799	4.20	7,223	6.24	7,595	5.01
CONSUMER PRICE INDEX	140.7	144.4	2.63	148.0	2.49	152.5	3.04	156.7	2.75	160.3	2.30	163.0	1.68	166.2	1.98	172.4	3.73
ADMINISTRATORS	2,263.3	2,363.8	4.44	2,415.4	2.18	2,413.8	0.07	2,422.9	0.38	2,445.4	0.93	2,483.5	1.58	2,537.4	2.17	2,584.9	2.27
TEACHERS	26,051.1	26,770.7	2.76	27,136.1	1.36	27,437.4	1.11	27,479.0	0.15	27,670.4	0.70	28,018.4	1.26	31,940.6	14.00	32,968.2	3.22
OTHER CERTIFIED EMPLOYEES	6,254.0	6,947.8	11.89	7,211.4	3.79	7,141.3	0.97	7,423.1	3.95	7,229.3	2.61	7,578.5	4.63	4,188.1	44.74	4,446.8	6.17
REVENUE STATE	904,565,341	1,122,425,724	23.81	1,499,051,940	33.55	1,575,873,497	5.12	1,624,367,435	3.08	1,638,159,484	0.91	1,980,000,000	15.91	2,039,633,000	7.35	2,142,184,296	5.02
REVENUE FEDERAL	113,010,119	117,477,458	3.95	136,474,939	16.17	142,102,658	4.12	151,853,349	6.88	181,938,497	19.81	192,324,508	5.71	181,415,000	5.63	189,293,283	9.81
REVENUE LOCAL	1,236,882,129	1,257,635,514	1.69	978,733,023	22.19	991,560,018	1.31	1,038,817,094	4.77	1,087,712,478	4.71	957,635,796	11.94	1,021,388,446	6.63	1,061,380,088	3.92

*See reverse side for definitions of administrators, teacher, and other certified personnel.



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New Study Examines Practical, Fundamental School Finance Reforms

TOPEKA — As Kansas lawmakers reassess their financial approach this week for supporting elementary and secondary schools, an independent nonpartisan research firm today released a study that examines several ideas for achieving excellence in public K-12th grade education.

Amid talk of overhauling the state's school finance formula, critics charge that Kansas underfunds K-12, unfairly distributes state aid to 304 local school districts, and lacks the right incentives for making public schools accountable.

The Kansas Public Policy Institute addresses each of these points today in its report entitled "A Real Student-Centered Focus for Kansas K-12 Finance."

Authored by Bob L. Corkins, president of KPPI and veteran of the 1992 legislative debate on school finance, the study begins by documenting the average price of \$7,447 per student earmarked last year for Kansas' public K-12 system. Other published reports of lower spending per pupil, he explains, have two factors in common: they fail to count *all* public school funds and they show Kansas' funding as quite competitive compared to other states.

On an intra-state basis, full funding per pupil differs between Kansas school districts in a range from \$5,396 up to \$12,914 with the median being at \$7,699. The study lists the per pupil revenue figure for each of the state's 304 school districts.

The study argues for a commitment to the 1992 Legislature's intent of providing a student-centered approach to school funding. "The idea is for financing to recognize the intrinsic needs of students rather than school facilities," Corkins explains. "If the dollars were applied properly, there would be no need for spending increases which hundreds of studies conclude to have no effect on education quality anyway."

Additional funds for infrastructure or other priorities, Corkins contends, should be raised exclusively at the local school district level, limited by what the local taxpayers will allow.

Other policy options discussed include an open admissions policy for public schools, such as that embraced by Colorado, and the potential of charter schools to provide innovative learning environments. KPPI's study identifies Kansas among 37 states that permit charter schools, but with only one of those states having an enabling law that is more restrictive than Kansas' to charter school growth.

For broader reform, Corkins elaborates on the practical application of a universal education tax credit. The approach is uniquely designed to offer families with little or no taxable income a real choice between public and independent schools — without taking away tax dollars that public schools need.

For immediately addressing a shortage of teachers in the state, the study recommends reform of the KPERs retirement program into a 401(k)-styled plan. Last year Florida, with support from that state's teachers associations, enacted such a change in order to gain a meaningful recruiting tool to address its own teacher shortage.

#

Bob L. Corkins is president of the Kansas Public Policy Institute, an independent, nonpartisan, nonprofit research organization based in Topeka, espousing the constitutional principles of limited government, personal responsibility and free markets. Full study and text of this release available in digital format upon request.

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*Senate Education
3-28-01
Attachment 3*

Executive Summary

Controversies about the extent and methods of public kindergarten through 12th grade finances occur annually, often dominating all Kansas public debate. Today amid talk of an overhaul of the state's school finance formula, critics charge that Kansas underfunds K-12, unfairly distributes state aid to 304 local school districts, and lacks the right incentives for making public schools accountable. Answering each of these points requires thought about the value and price of public education.

The average price per student last year in Kansas' public K-12 system was \$7,447. Other published reports of lower spending per pupil have two factors in common: 1) they neglect to count *all* public school funds; however, 2) they still show Kansas school funding to be quite competitive when compared to other states. On an intrastate basis, full funding per pupil differs between Kansas school districts and ranges from \$5,396 to \$12,914 with the median being \$7,699. The ultimate legal issue is whether public funding satisfies the Kansas Constitution's requirement to make *suitable provision* for financing the state's educational interests.

Beyond the constitutional basics, policymakers are free to consider what will make the quality of Kansas public education even higher. Excellence will not result from infusing more tax dollars into the traditional public system. Only competition can bring a sustainable drive for quality in education.

The school finance formula can pave the way for competition. Reform toward a student-centered approach will make the price of public education more obvious, more personally relevant, to parents and taxpayers. Student-centered funding recognizes the intrinsic characteristics of students and would replace Kansas' current bricks-and-mortar focus. Extra funds for infrastructure or other priorities should be raised exclusively at the local school district level, limited by what the local taxpayers will allow.

Policy changes complementary to the formula would introduce public education to competition. For example, an open admissions policy for public schools should replace government-assigned facilities. Parents could more freely choose between public schools within their district or within any other district. Charter schools, one choice among public schools, are particularly innovative and show great potential. Kansas is among 37 states that permit charter schools, but only one of those states has an enabling law that is more restrictive than Kansas to charter-school growth.

For broader reform, the most promising competitive idea is for a universal education tax credit. The approach is uniquely designed to offer families with little or no taxable income a real choice between public and independent schools — without taking away tax dollars that public schools need.

Consumer choice is the necessary tool for creating all the right incentives to assure accountability, quality, and competitive pricing for any product or service. This principle will apply equally to education if Kansas concentrates more on *providing* for a strong public service rather than *producing* it.

Make school funding centered on students

BY BOB L. CORKINS
Special to The Wichita Eagle

Money for public education in this state is distributed through a school-finance formula that is seriously flawed. A large chorus of Kansans echo this judgment, but nobody is suggesting any fundamental fix.

State political leaders say it's time for the K-12 formula to be overhauled. A special task force of experts says it has no rational basis. Litigants flatly declare it is unconstitutional. But shortsighted, reactionary legislation is all that's apparent.

A common remark about the K-12 finance system we've had since 1992 is that it would function equitably and to everybody's satisfaction if we would just fund it properly. The same thing was said 10 years ago about

the old School District Equalization Act while it was being replaced. What those remarks may actually be telling us is that even a bad school-finance plan will keep people pacified as long as we flood it with enough money.

Those who want to commit themselves to achieving excellence in public education should focus on things other than higher funding. Quality will result instead from a public system based on the needs of students. The concept is one for a student-centered approach to funding. It was a big part of the Kansas Legislature's intent during the 1992 overhaul of K-12, but the product fell short.

The 1992 reforms established a level of base state aid per pupil with weighting factors that add for special circumstances. The approach is rational, but a closer look at the formula shows its strong bricks-and-mortar bias. Most of its weighting factors provide additional state aid for things like low enrollment, high enrollment, new school facilities and transportation. For the first time in 1992, the state also began paying a significant part of local district bond and interest costs.

Geography should not change the

state's level of commitment to any given student. Beyond legitimate elements of a student-centered approach, our public-school-finance process should become neutral. Once the state ensures a well-tailored, suitable minimum for each student, any additional taxpayer support, including all capital improvements, should be entirely a local district issue.

Will disparate infrastructure spending cause wild swings in per-pupil spending from one school district to another? Consider how broad the range is already. The

Kansas Department of Education reports that the median district spending per pupil is \$7,699 this year. Half of the state's 304 districts are lower, with the lowest being \$5,396; half of them are higher, topping out at \$12,914 per student.

Without raising overall K-12 spending, Kansas could ensure a minimum level of per-pupil funding that could be applied in a much more progressive manner. Taking all local, state and federal funds into account while weighting the formula for intrinsic student needs, that figure would today be near \$7,000 per weighted pupil annually.

With this per-pupil revenue stream assured, local school districts would then make their independent decisions about how much of it to apply to infrastructure. Some school districts might consider self-initiated options like consolidation, decentralized learning environments, or whatever local tax increases their citizens would allow.

Kansas parents should be able to pick any public school in the state and know that each of their children will receive an education there worth at least \$7,000 per year. That is the empowerment that a student-centered funding formula would provide — fundamental reform that key policy makers keep avoiding.

Bob L. Corkins is president of the Kansas Public Policy Institute, a non-partisan, nonprofit research organization based in Topeka.

Those who want to commit themselves to achieving excellence in public education should focus on things other than higher funding.

PROPOSED SUBSTITUTE FOR HB 2051

Sub. for HB 2051 modifies the school finance formula, addresses other education policy matters, and increases certain taxes in connection therewith. The main provisions are described below:

School Formula Changes

- **Base State Aid Per Pupil (BSAPP).** BSAPP is increased by \$110—from \$3,820 in the 2000-01 school year to \$3,930 in 2001-02 and thereafter.
- **Correlation Weight.** Correlation weight is applied to all school districts having enrollments of 1,700 and over. (The weight currently applies to all districts with enrollments of 1,725 and over.) This change increases the weight's percentage from 6.3211 to 7.2242.
- **Special Education.** State funding for special education is converted from a categorical state aid program to a pupil weighting component of the school finance law. Beginning in the 2001-02 school year, the full-time equivalent (FTE) exceptional pupil weighting is 3.22 for exceptional children with severe disabilities and 0.72 for all other exceptional children.
- **“Success in School State Aid”—Extended Learning Time.** Each year school districts will receive \$44 per FTE pupil. These funds are to be used for extended learning time. In order to qualify for this aid, a school district must submit an approvable plan to the State Board of Education. The district's plan may be for any of the following purposes:
 - Providing pupils with additional time to achieve learner exit or improvement plan outcomes;
 - Giving pupils remedial instruction or independent study assistance; and
 - Affording pupils opportunity to attain or enhance proficiency in the basic or higher order thinking skills.

The plan may schedule the extended learning time before or after regular school hours, on weekends, or during the summer months. The plan must include an intensive research based reading intervention component and an evaluation procedure.

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Attachment 4

- **At-Risk Pupils.** The at-risk pupil weighting is increased from 0.09 in the 2000-01 school year to 0.11 in 2001-02 and thereafter. An amount equal to 0.01 will be used by the district for achieving mastery of basic reading skills by completion of the third grade in accordance with standards established by the State Board of Education. A school district must include information in its at-risk pupil assistance plan as the State Board of Education requires about the district's remediation strategies and its results in achieving the State Board's third grade reading mastery standards. A school district's report must include information documenting remediation strategies and improvement made by pupils who performed below the expected standard on the State Board's second grade diagnostic reading test. A school district whose third grade pupils substantially meet the State Board standards for mastery of third grade reading skills, upon request, may be released by the Board from the requirement to dedicate a specific portion of the at-risk weight to this reading initiative.
- **Four Year Old At-Risk Pupils.** The four year old at-risk pupil competitive grant program is expanded by 436 pupils—from 2,230 in the 2000-01 school year to 2,666 in 2001-02 and thereafter.
- **Kindergarten Pupils.** Pupils who attend kindergarten programs that last at least six hours will be counted at 0.6 full-time equivalent (FTE) in 2001-02, 0.7 FTE in 2002-03, 0.8 FTE in 2003-04, 0.9 FTE in 2004-05, and 1.0 FTE in 2005-06 and thereafter. (Currently, pupils who attend kindergarten are counted at 0.5 FTE.)

Other Education Policy Changes/Initiatives

- **National Board for Professional Teaching Standards Certification Initiative.** The law is amended to increase from \$1,000 to \$5,000 the amount of incentive bonuses paid to teachers who have earned certification by the National Professional Teaching Standards Board. In addition, the school district will receive \$3,000 per year for each such teacher in support of staff development programs in schools in which the national board certified teachers are located. Districts receive money under this program in the form of grants. The portion of the grant attributable to reimbursement of the district for payment of incentive bonuses to teachers is deposited in the school district's general fund and the remainder is deposited in the school district's inservice education fund.
- **Exemplary School Recognition Award Program.** Public schools that meet the building standard of excellence based on State Board of Education criteria under the Quality Performance Accreditation (QPA) system in consideration of attainment or significant and continuous progress of pupils toward advanced or proficient performance or substantial increase in the high school graduation rate are entitled to the

exemplary school recognition award. Subject to available appropriations, the amount of this award may not exceed \$50 per pupil in attendance at the exemplary school. The reward a district receives is deposited in the district's general fund and is credited to the account of the exemplary school. The funds may be spent whether or not they were budgeted. The exemplary school's site council determines the purposes for which the award is spent.

- **Alternative Teacher Compensation Plan.** School district boards are authorized to establish and maintain an alternative teacher compensation plan and apply for a grant of state moneys to finance all or a portion of the amount budgeted for maintenance of the plan. An "alternative teacher compensation plan" is one that includes components of peer mentoring and peer evaluation and that bases pay increases or differential pay rates on the demonstration of excellence or significant improvement in skills, knowledge, and performance.

In order to be eligible to receive this state grant, a school board must submit to the State Board of Education an application which includes a description of the plan. A grant recipient school district must submit reports to the State Board as it requires.

The State Board of Education will adopt rules and regulations for the administration of this program and will:

- Establish standards and criteria for reviewing, evaluating, and approving alternative teacher compensation plans and applications of school districts for grants;
- Evaluate and approve alternative teacher compensation plans including efforts of boards to enlist assistance and support in development of the plan from teachers, administrators, school site council members, district patrons, community organizations, and private sector organizations and foundations; and
- Receive from each grant recipient school district reports containing information on the effectiveness of the plan.

A state grant may not exceed the amount spent by the school district in the maintenance of a plan. The grant money a district receives must be deposited in the school district general fund and is treated as a reimbursement for purposes of the school finance law.

Appropriations

- The bill includes the following appropriations to the State Department of Education to fund the enhancements contained in the bill.

(Amounts in Millions)

<u>Purpose</u>	<u>FY 2002</u>
General State Aid	\$87.71
KPERS—Employer Contributions	\$2.0
National Board Certified Teacher Incentive Grants	\$0.5
Exemplary School Recognition Award	\$8.0
Alternative Teacher Compensation Plan Grants	\$2.0

Taxes

- **Uniform Property Tax Levy.** The uniform school district property tax rate of 20 mills and the \$20,000 residential exemption are continued for 2001 and 2002.
- **Sales and Compensating Use Taxes.** The state sales and compensating use taxes are increased from 4.9 to 5.1 percent on June 1, 2001. Demand transfers from the State General Fund (SGF) to the Local Ad Valorem Tax Reduction Fund and City and County Revenue Sharing Fund are adjusted for the next five fiscal years so that the full amount attributable to the 0.2 percentage point increase accrues to the benefit of the SGF.
- **Motor Fuel Taxes.** Motor fuel taxes are increased by 2.0 cents per gallon, effective June 1, 2001. Also, the 1.0 cent increase currently scheduled for implementation on July 1, 2001, is accelerated by one month—to June 1, 2001. Liquefied petroleum taxes also are adjusted commensurately. After June 1, 2001, the state tax on gasoline and gasohol would be 23.0 cents per gallon and, on diesel fuel, 25.0 cents per gallon. Motor fuel tax allocations to the Special City and County Highway Fund are adjusted so that the State Highway Fund will receive the full benefit of the fuel tax increase. Commensurately, the amount attributable to the statutory transfer of sales tax receipts from the SGF to the State Highway Fund will be reduced for the next five fiscal years by the amount produced by the 2.0 cent increase in fuel taxes.

- **Food Sales Tax Refund.** The food sales tax refund is increased as follows:

<u>Household Income and Additional Personal Exemption—Each</u>	<u>Current Maximum Rebate</u>	<u>New Maximum Rebate</u>
Under \$12,500	\$60	\$75
\$12,000-\$25,000	\$30	\$38

Background

Provisions of HB 2051, as amended by the Senate Committee on Education, replaced the contents of the bill which, as introduced, contained a State Board of Education recommended repeal of an obsolete school law.

Following is a comparison of the increases contained in the Senate Education Committee plan as compared to the Governor's initial recommendation to the 2001 Legislature. (Note: The Senate Education Committee amendments and assumptions are essentially those contained in the Governor's school funding enhancement recommendations of March 13, 2001.)

**Comparison: Senate Education Committee Plan and
Governor's Original Plan: FY 2002**

(Amounts in Millions)

Formula Component	Governor Initial Proposal	Senate Education Committee	Amount Difference Senate Education Committee Over Governor
BSAPP			
Change	\$3,870	\$3,930	
Amount	\$28.7	\$63.1	\$34.4
Correlation Weight—1,725 and Over			
Change	NA	1,700 and over	
Amount	NA	\$10.6	\$10.6
At-Risk			
Change	0.09 to 0.10	0.09 to 0.11	
Amount	\$4.0	\$8.2	\$4.2
Four Year Old At-Risk Pupils			
Change	2,230 to 2,666	2,230 to 2,666	
Amount	\$1.0	\$1.0	same
Extended Learning Time			
Change	NA	\$44 per FTE	
Amount	NA	\$20.0	\$20.0
Special Education			
Change	becomes a pupil weighting	becomes a pupil weighting	
Amount	\$8.0-85.3% excess cost	\$22.2-90.0% excess cost	\$14.2
All Day Kindergarten			
Change	NA	5 year phase in to 1.0 FTE	
Amount	NA	\$4.3	\$4.3
National Board Certification			
Change	NA	teacher grants \$ increase from \$1,000 to \$5,000—plus \$3,000 for school	
Amount	\$0.012	\$0.5	\$0.498
Outstanding Schools			
Change	NA	\$50 per student	
Amount	NA	\$8.0	\$8.0
Alternate Compensation Plans			
Change	NA	grant program	
Amount	NA	\$2.0	\$2.0
Increase			
SGF	\$40.712	\$138.9	\$98.198
Children's Initiative Fund	1.0	1.0	0.0
TOTAL	\$41.712	\$139.9	\$98.198

Although not included in Sub. for HB 2051, other items also were considered as elements of the Senate Committee's proposal. Implementation of these recommendations requires legislative action in other bills. These are summarized below.

FY 2002

(Amounts in Millions)

<u>Program</u>	<u>Governor Initial</u>	<u>Senate Education Committee</u>	<u>Added Cost</u>
Parent Education	\$2.0 tobacco money (includes 3 year olds and some program expansion)	2.0	NA
Supplemental General State Aid	\$10.89	\$10.89	NA
Capital Improvements	\$7.1	\$7.1	NA
KPERS	\$16.4	\$18.4	\$2.0
Technology Backbone	\$0.5	\$0.5	NA
School Finance Study	\$0.45	\$0.45	NA
Sports Hall of Fame	\$0.05	\$0.05	NA
Ag. in Classroom and Environmental Education	\$0.01	\$0.01	NA
TOTAL	<u>\$37.4</u>	<u>\$3.94</u>	<u>\$2.0</u>

Note: Amounts do not take into account any additional Supplemental General State Aid that might result from these formula changes.

EXHIBIT

Total Sub. for HB 2051 and Additional Items	\$79.1	\$179.3	\$100.2
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**Comparison: FY 2002—Senate Education Committee Tax Policy Changes
and Governor's Recommendation**

(Amounts in Millions)

<u>Formula Component</u>	<u>Governor Initial</u>	<u>Senate Education Committee</u>	<u>Difference Senate Education Committee Minus Initial Governor</u>
Property Tax			
Proposed Amount	20 mills/\$20,000 res. exemption no change from current law	20 mills/\$20,000 res. exemption no change from current law	NA
Sales and Use Tax			
Proposed Amount	NA NA	0.2 percentage point \$76.1	\$76.1
Motor Fuels Tax			
Proposed Amount	NA NA	2.0 cents \$36.2	\$36.2
Increase			
SUBTOTAL	NA	\$112.3	\$112.3
Less			
Food Sales Tax Rebate Expansion	NA	\$5.0	\$5.0
TOTAL	NA	\$107.3	\$107.3

STATE OF KANSAS

HOUSE OF REPRESENTATIVES

MR. CHAIRMAN:

I move to amend **Substitute for HB 2546**, on page 3, following line 22, by inserting a new paragraph as follows:

"(d) In order to enable school districts to establish a plan for providing interventions for children needing assistance in the acquisition of the reading, writing and mathematics skill sets, each such child shall be encouraged to obtain an eye examination by an optometrist or ophthalmologist to determine if the child suffers from conditions which impair the ability to read. Expense for such examination, if not reimbursed through Medicaid, Healthwave, private insurance or other governmental or private program, shall be the responsibility of the child's parent."

_____ District.

Senate Education
3-28-01
Attachment 5

Proposed Amendment

to

Senate Substitute for House Bill No. 2051

On page 5, in the last sentence in subsection (c), by striking "an intensive research based reading intervention component" and inserting "intensive interventions for K-3 pupils needing assistance in achieving mastery of basic reading, writing and mathematics skills"

Senate Education
3-28-01
Attachment 6

(\$ in millions) Proposal for Senator Umbarger - 3/28/2001

	Sales/Use * to 5.0 Pct on 6/1/01 and to 5.1 on 6/1/02	Liq Excise June 1 Incr from 10 to 12%	Liq Enf June 1 Incr from 8 to 10%	Liq Gallon June 1 Incr Strong Beer \$0.18 to \$0.25	CMB Gallon June 1 Incr CMB \$0.18 to \$0.25	Liq Gallon June 1 Incr Fortified Wine \$0.75 to \$1.05	Liq Gallon June 1 Incr Light Wine \$0.30 to \$0.42	Liq Gallon June 1 Incr Alc & Spirits \$2.50 to \$3	Liquor Tax Pkg Total	Tob Products June 1 Incr from 10 to 14%	Cig Tax June 1 Incr from 24 to 34c	Cig, Tob Pkg Total	Liquor Pkg Plus Cig, Tob Total	Carbonated Beverage Gallonage Tax \$0.20 gal	Rough Est Admin Costs DOR re Carb Bev Tax	After Admin, Net of Carb Bev Tax	Grand Total Sales/Use, Liquor, Cig, Tob Prod, & Net of CB Tax
FY 02	\$38.086	\$4.903	\$9.364	\$3.005	\$1.003	\$0.026	\$0.324	\$1.476	\$20.101	\$1.496	\$21.663	\$23.159	\$43.260	\$30.000	(\$0.886)	\$29.114	\$110.460
03	\$79.155	\$5.099	\$9.926	\$3.095	\$1.033	\$0.026	\$0.334	\$1.520	\$21.034	\$1.556	\$21.230	\$22.786	\$43.820	\$30.000	(\$0.140)	\$29.860	\$152.835
04	\$82.256	\$5.303	\$10.521	\$3.188	\$1.064	\$0.027	\$0.344	\$1.566	\$22.014	\$1.618	\$20.805	\$22.424	\$44.438	\$30.000	(\$0.144)	\$29.856	\$156.549
05	\$85.482	\$5.515	\$11.153	\$3.283	\$1.096	\$0.028	\$0.354	\$1.613	\$23.043	\$1.683	\$20.389	\$22.072	\$45.115	\$30.000	(\$0.149)	\$29.851	\$160.448
06	\$88.834	\$5.736	\$11.822	\$3.382	\$1.129	\$0.029	\$0.365	\$1.661	\$24.124	\$1.750	\$19.982	\$21.732	\$45.856	\$30.000	(\$0.153)	\$29.847	\$164.537
total	\$373.813	\$26.556	\$52.786	\$15.953	\$5.326	\$0.136	\$1.721	\$7.837	\$110.315	\$8.103	\$104.069	\$112.173	\$222.488	\$150.000	(\$1.472)	\$148.528	\$744.829

* The bill also will retain the Governor's recommended \$5.0 million enhancement in the food sales tax rebate program.

Senate Education
 3-28-01
 Attachment 7