

MINUTES OF THE SENATE EDUCATION COMMITTEE.

The meeting was called to order by Chairperson Senator Dwayne Umbarger at 1:35 p.m. on February 6, 2003 in Room 123-S of the Capitol.

All members were present except: Senator Hensley (excused)

Committee staff present: Carolyn Rampey, Legislative Research
Theresa Kiernan, Revisor of Statues
Judy Steinlicht, Secretary

Conferees appearing before the committee: Dr. Sharol Little, Superintendent, Manhattan/Ogden USD 383
Kenneth Kennedy, Superintendent, Pratt USD 382
Dr. Gary Norris, Superintendent, Salina USD 305
Dr. Morris Reeves, Retired Associate Superintendent for
Business Services

Others attending: See attached list

Regionalization Concept for Reorganization of Kansas School Districts

Chairman Umbarger introduced Dr. Sharol Little. Dr. Little informed the Committee about a concept that she and Mr. Kennedy began to develop after attending a workshop in 2000, followed by other discussions, presentations and related workshops. Dr. Norris and Dr. Reeves joined them in 2002 in the final development and cost analysis of the plan which is subject to ongoing revisions as additional research and community input are considered.

The purpose of the study was to apply sound business theories and educational research to appropriate and efficient reorganization of Kansas school districts. The study shows that the 303 districts have unaffordable and duplicated instructional, policy, administrative and support service costs. The idea is to reduce the number of school districts in Kansas from the present 303 districts to 40 Regional Education Districts (RED's) across the state. Each of the 40 RED's would have about 11,000 students. The purpose is to determine an education structure which is more cost effective and that would continue to provide appropriate and equitable education to all Kansas students and to restructure districts, possibly allowing many small communities to retain their schools, if enrollment and other factors are adequate to make this practical. Savings could be channeled to classrooms and teacher's salaries. They believe this plan will transform and improve the educational delivery system in Kansas while providing equal opportunities to all students of this state.

The conferees detailed their recommendations, implementation procedures and financial advantage to reorganization. (Attachment 1)

Written testimony was distributed from Larry Geil, Superintendent USD 488, Axtell opposing the idea of reorganization presented today. (Attachment 2)

Senator Teichman made a motion to approve the minutes for January 28, 29 and 30. Seconded by Senator Lee. Motion carried.

Meeting adjourned 2:30 p.m. The next meeting is scheduled for February 10, 2003 at 1:30 p.m. in Room 123S.

SENATE EDUCATION COMMITTEE GUEST LIST

DATE - 2-6-03

NAME	REPRESENTING
Mauri Reener	self. Presenting on RED's
Gary Norris	302 - ^{Palmer} testimony on RED's
Sharon Little	USD 383 " "
Ken Lenned	USD 382 " " "
Jim Edwards	KASB
Mark Tallman	KASB
Andrea McIntyre	self
Ray Schultz	USD 406 + USD 486
Lana Axman	USD 429
Dwayne Scott	Doniphan County Education Cooperative # 166.
MARK DEBETTI	KNEA
Brilla Scott	USA
Darryl Geil	USD 488
Janise Ayl	USA - U.S.D. 500
Carmelle Harrison	SRS
Chris Clarke	Legislative Post Audit
Loni Martin	USD #383 Manhattan - Ogden
Karen Roberts	USD #383 Manhattan - Ogden
Pat McAfee	USD 425 / USD 433
Jaquie Baker	SDE
Juni Row	KEC
Gary George	Platte Dist. Schools
James C. Johnson	Intern Sen. Corbin

**Regionalization Concept
For
Reorganization of Kansas
School Districts**

January 2003

Primary Authors:

Dr. Sharol Little, Superintendent, Manhattan-Ogden U.S.D. 383

Mr. Kenneth Kennedy, Superintendent, Pratt U.S.D. 382

Associates:

Dr. Morris L. Reeves, Retired Associate Superintendent for Business Services

Dr. Gary Norris, Superintendent, Salina U.S.D. 305

*Senate Education
2-6-03
Attachment 1*

Introduction and Purpose of the Study

We offer a plan to transform and improve the educational delivery system in Kansas while providing equal opportunities to all students of this state. The plan is further designed to transform a system of 303 school districts, which have unaffordable and duplicated instructional, policy, administrative, and support service costs, into a system of 40 Regional Education Districts (RED's) with those same services efficiently and effectively delivered.

During the late 1990's to 2002, many sessions of the state legislature and the Kansas State Board of Education have proposed or studied consolidating school districts, defining a suitable education, and determining the cost of that suitable education. The years have also been times of worldwide turmoil, rising taxes, legislative chaos, and budget deficits.

Not knowing the answers to defining and funding education led to the Kansas Legislature commissioning of two studies by Augenblick and Myers (A&M):

- "A Comprehensive Study on the Organization of Kansas School Districts," by Dr. John Augenblick, John Myers and Justin Silverstein, January 10, 2001.
- "Calculation of the Cost of a Suitable Education in Kansas in 2000-2001 Using Two Different Analytic Approaches," by John Augenblick, John Myers, Justin Silverstein, and Anne Barkis, May, 2002.

This draft proposal resulted from preliminary studies conducted by Dr. Sharol Little, Superintendent U.S.D. 383 Manhattan-Ogden, Manhattan, Kansas and Mr. Kenneth Kennedy, Superintendent U.S.D. 382, Pratt, Kansas while attending a United School Administrator class in 2000. The plan was further refined following Circle of 19 discussions, other state related workshops, and local presentations and discussions. Dr. Morris Reeves and Dr. Gary Norris joined as associate authors in 2002 and have been instrumental in the final development and cost analysis of the plan. The plan is subject to ongoing revisions as additional relevant research and community input are considered.

The purpose of this study was to apply sound business theories and educational research to appropriate and efficient reorganization of Kansas school districts. This reorganization model proposes possible solutions that may help:

- Determine an education structure which is more cost effective and will continue to provide appropriate and equitable education to all Kansas students,
- and
- Restructure districts, possibly allowing many small communities to retain their school(s), if enrollment and other factors are adequate to make this practical.

History of School Consolidation in Kansas

Consolidation is not new to Kansas. Recent history has seen more movement of population, especially school age, away from rural areas to the metropolitan areas. Small communities argue that closing a school causes a community to die. However, Dr. John Augenblick is quoted as saying "what we have found is, the community would shut down eventually anyway. A school is important, but closing a school won't destroy a community." (Kansas Farmer, Sept. 2002)

The history of Kansas consolidation since 1945:

- In 1945 Kansas had approximately 8,000 school districts.
- By 1960, through consolidation, the number had reduced to 2,600.
- In 1960 the legislature commissioned a landmark study which cited concerns about waste and educational quality. The result of the study suggested reducing the number of school districts to 250. (Hutchinson News, June 10, 2001)
- 1963 House Bill 377 established minimum standards for the structure of districts.
 - > 400 students in grades 1 through 12
 - or
 - > 200 square miles and minimum of \$2,000,000 assessed valuation
- House Bill 377 caused several statute revisions with KSA 72-6744 becoming the main consolidation statute.
- This legislation from the period of 1963 to 1984 caused 2,600 districts to consolidate to 304.
- KSA 76-6744 was repealed in 1984.
- 1999 legislation SB 171 (KSA 72-6445) established incentives to hold harmless school budgets for 2 years who voluntarily consolidate. This legislation (KSA 72-8703) also allowed non-contiguous consolidation. 2002 legislation SB 551 (KSA 72-6445 amended) extended the budget protection to 4 years if consolidation occurs prior to 2004 and 2 years thereafter.
- 1999 legislation commissioned a comprehensive study of school district organization by the firm of Augenblick and Myers, Inc.
 - > Study recommended reconfiguring 56 target districts with 36 neighboring districts
 - > Create 43 new districts for a state total of 255
- Studies, incentives, and voluntary consolidation from 1984 to present has resulted in 304 districts consolidating to 303<-1>.

It would appear, if you evaluate the history, the only way significant and appropriate consolidation will occur is through legislation.

Recommendations

Regional Education Districts (R.E.D.) should be formed in Kansas over the next five to ten years. Further, it is important to insure financial equity with statewide equalization of all sources of school revenue and local taxes.

The R.E.D. would have governing boards, appropriate attendance centers determined by geographical needs, and curriculum necessary to provide a suitable education. Some communities or areas may have K-5 attendance centers, others may have K-8, and some will have K-12. Without doubt, some communities may lose all or a portion of their attendance centers. However, more importantly, through R.E.D. formation, enhanced efficiency will be brought to the operations of schools in the state thus allowing available resources to be directed to the classroom. Following are some preliminary recommendations for the structuring of the regional education districts (R.E.D.), regional boards (R.E.B), satellite education centers (S.E.C.), and K-5, K-8, or 6-8 attendance centers:

- Criteria for Regional Education Districts (R.E.D.)
 - Minimum of at least a full county unit in rural areas
 - The center of administrative and operations functions would be located as designated by Regional Education Boards
 - Facilities to be used are determined by age and condition
 - Staffing appropriate to meet adequate education programming needs to include the Board of Regents recommended curriculum and appropriate technical education
 - Provide support services—transportation, food service, special education, and maintenance support
 - Provide incentives to areas and districts which form RED's
- Criteria for Regional Education Boards (R.E.B.)
 - Elected or appointed membership
 - Appointed C.E.O. (superintendent) to manage the R.E.D.
 - Number on R.E.B. to be an uneven number
 - Areas of representation determined by census numbers
 - Areas of responsibility: budget adoption, policy review and development, select C.E.O., strategic planning, and curricular oversight
 - Provide fair and equal representation of the R.E.D. patrons
 - A legislator from the region shall serve as a member of the R.E.B.
- Criteria for Satellite Education Centers (S.E.C.) - K-12
 - One always located at regional district center
 - Principals will provide administration and instructional leadership
 - Enrollment and travel distance determines need for locations
 - Recommended maximum 9-12 student population of 900 per high school attendance center with 500-700 preferred. Some rural areas will be significantly less
 - Allowances made for necessary small schools in sparsely populated areas of Kansas
- Criteria for K-5 or K-8 Attendance Centers
 - Elementary centers recommended being no more than 15 miles from a student's home and never more than 30 miles
 - Located in a town
 - Maintain reasonable class sizes
 - Staff assignments made by R.E.D. sufficient to provide adequate curriculum
 - Allowances made for necessary small schools in sparsely populated areas of Kansas

Implementation Procedures and Related Issues

In order for this plan to be accomplished, there will be several issues to resolve and numerous steps to facilitate. Based on the history of previous consolidations, it is anticipated it may take five to ten years to fully implement this plan. It is essential to note, for this plan to have success it must be reviewed, revised, and carefully coordinated with other state studies, legislative goals, and State Board of Education performance goals.

Following are additional items that will need consideration or action for successful implementation of the plan:

- 1) Form a special state task force to outline the steps for regionalization of districts
 - Develop Regional Education Districts (RED's) legislation
 - Use an outside team approach to assist with reorganization to promote unbiased, constructive solutions
- 2) Establish a pilot RED
 - Provide incentive funding to promote participation
 - Guarantee appropriate budget protection
- 3) Define suitable education for all students
 - Insure state performance goals are met
 - Meet NCLB federal legislation requirements
 - Regents curriculum and state of the art technical education provided in each RED
 - State communication backbone developed and utilized to provide curriculum delivery and support if needed in rural areas
 - Incorporate relevant state A&M study recommendations
- 4) Plan transition funding to include the key elements of a good fiscal formula
 - Provide a funding formula which will permit an orderly transition to an equitable system of school finance
 - Define necessary small school criteria
 - Develop funding structure for support of necessary small schools
 - Determine the minimum enrollment allowed to maintain a satellite center, or in cases of growth, to open centers
- 5) Consult with the state activities/athletics association
 - Review league reorganization issues
 - Maximize activity participation possibilities for students
- 6) Develop a plan to phase in RED concept over a 5 to 10 year period
 - Year 1 & 2 -- Sharing of services
 - Year 3 & 4 -- Governance changes
 - Year 5 & 10 -- Reduced attendance centers as appropriate and necessary
- 7) Insure appropriate and qualified instructional staffing
 - Increase teacher compensation to the national average
 - Provide affordable health care
- 8) Provide for districts with special circumstances
 - Provisions will be made for large districts to petition the state to separate into smaller districts
 - Geographical isolation or necessary small schools (sparse population density) will be designated as such

Service Concept

Many services could be provided in a cooperative method. This would reduce unnecessary duplication and result in both improved services and reduction in costs. Some service are best met when developed and delivered in the school or attendance center. Both cooperative services and locally provided services are listed.

Areas of Cooperative Services

Test Coordination
Curriculum Development
Staff Inservice
Special Education
Title I
English Language Learners
Budget Preparation and Administration
Transportation - Staff Commercial
Transportation - Student
Central Administration
Food Service Programming
Custodial Services
Maintenance Support - Specialty Areas
Payroll Processing
Grant Application Preparation and Administration
Charter and Diploma Completion School Operations
Staffing for Areas of Limited Enrollment
Equipment Sharing
Technical Education Support
State Reports
Legislative Lobbying
Vocational Program Administration and Reporting

Areas of Local Autonomy

Instructional Delivery
Sports and Activity Structure and Competition
Community Events
Staffing in all Areas where Assistance is not Needed
Building Administration
Day to Day Operations
Parent Teacher Organizations
Parent, Student, Teacher Conferences
Building Budget Management
Activity Fee Management
Routine Building Maintenance

Financial Advantage to Reorganization

It is estimated that with the proper reorganization of school districts and the sharing of services as outlined in the service concept section of this document, the state could realize a reduction in cost. This savings could be used by school districts in Kansas to enhance the educational opportunities for all Kansas students.

It is proposed the dollars saved could be used as follows:

- Meeting NCLB/QPA performance goals
- Increase teacher salaries to national average
- Provide quality affordable health care for employees
- Provide uniform and reasonable class sizes
- Enhance classroom supplies and materials
- Expand activity offerings
- Provide adequate maintenance and enhancement of facilities
- Provide for increased support from the Kansas State Dept. of Education to regional districts

Financial Incentive Package (School Loss)

Communities that lose their schools should be provided some financial compensation to help the community with development following the loss. This package may help facilitate better feelings on the part of patrons who have vested interests in the community school. This package is based in part on similar initiatives enacted by the South Dakota Legislature in 2001. (Argus Leader, Sioux Falls, SD, Oct. 2001)

1. Each community would receive \$1,000 per student the first year not to exceed \$100,000 to be used to convert site to
 - a. Community Center
 - b. Senior Center
 - c. Other community use
 - d. For maintenance and upkeep of the site
 - e. To raze the site and invest money elsewhere
2. 2nd year to 5th year – the community would receive 20%/year of the first payment
3. 6th year to 10th year – the community would receive 10%/year of the first payment

Rationale for Regional Education Districts (Fiscal Issues)

Regional Education Districts (R.E.D.)'s will be of sufficient size to take advantage of cost savings and educational enhancements based upon organizational decisions made by their governing boards. This will occur as the decision-makers strive for the expansion of educational opportunities for the students they serve. With the continued decline in enrollment in many of our school districts it is obvious that without restructuring educational opportunities will degrade. This is critical in small school districts at the secondary level.

It is time for the citizens of Kansas to set aside the emotional aspects of school consolidation and school closures. The need is to focus upon what is best for the students and for the state as a whole from both the fiscal and educational view. The state can no longer afford to fund the education of some of the students at 2+ times the rate of the statewide average funding. The financial considerations coupled with the difficulty of small high schools to provide a comprehensive educational program are sufficient reason to seriously consider regionalization and consolidation of K-12 education in Kansas.

The argument that the proposed reorganization will not save money cannot be sustained when examined even in light of the current finance structure. For example the four districts in one Kansas County during the 2001-2002 school year reported budgets for their general fund and supplemental general fund (LOB) that show a composite per pupil expenditure of \$8,907 based upon their FTE enrollment. The smallest district reported a cost of \$13,164 per pupil while the largest reported costs of \$6,924. If these districts were consolidated in FY 02, the state would have saved \$810,757. Comparing these expenditures with other school districts of like size and circumstance you will find that other districts have found the means and methods of delivering educational services at a lower cost.

For example, the Scott County School District reported an FTE enrollment of 964.7 with costs of \$6,825 per pupil. Riley County with 606 reported FTE provided their services at a cost of \$7,041 per pupil. Stanton County Schools with 543 FTE came in with a low cost of \$6,976. These data suggest that with the proper reorganization over time the State would realize savings of \$1,500 to \$2,000 per student in these districts. See below for data on additional districts.

The more significant savings realized by these school districts are found in their ability to offer reasonably sized classes at the elementary level and to reduce the number of very small high schools in the area. At the secondary level it should be noted that the four districts in the sample reported on their 2002-2003 staffing reports that they had 28.7 certified staff at the senior high level and 28.6 at the elementary level, which would imply that if there was one high school in the county considerable savings could be realized.

Other cost savings will include reductions in the extracurricular, athletic, food service, maintenance, and operations budgets if fewer facilities are used. The reduction in the number of administrators and support staff for central offices along with fewer boards of education will save additional funds.

The R.E.D. organizational plan will realize the greatest level of cost savings with the consolidation of small schools and school districts that are small by choice rather than necessity caused by excessive distances or some natural or manmade barrier. The schools that are small by necessity must have some provision in the funding formula to provide additional funds.

To accomplish the consolidation of school districts there must be a fiscal incentive to consolidate, as opposed to the current school finance formula, which has a built-in fiscal penalty for consolidation.

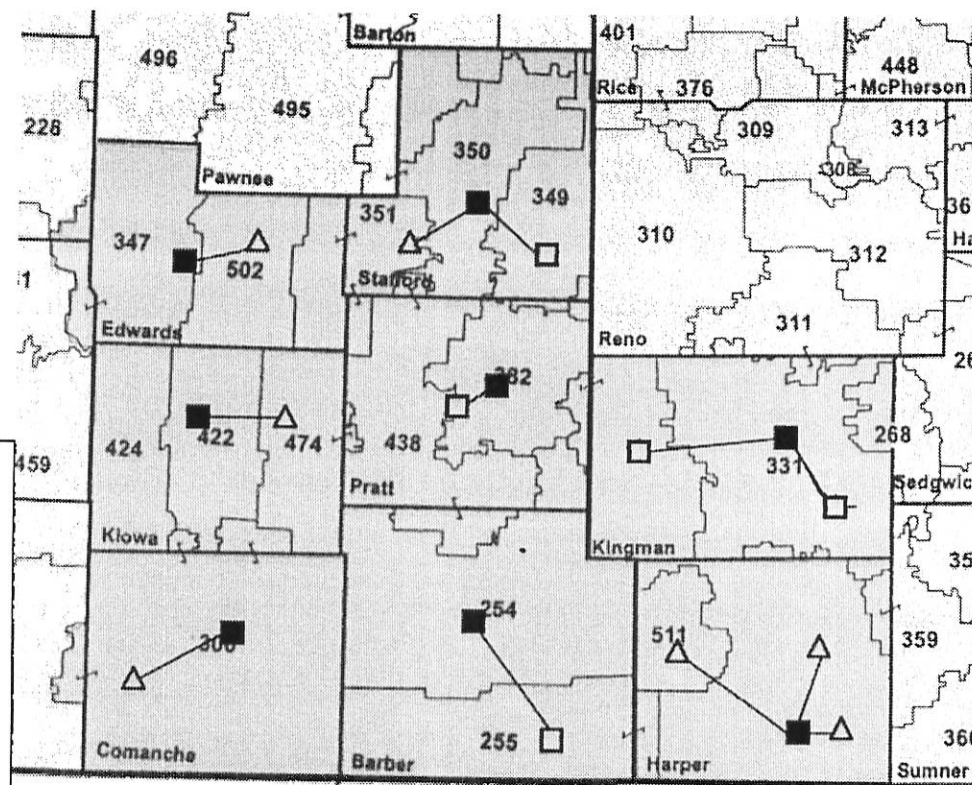
In addition to the elements introduced above the ideal fiscal formula for school districts will have the following elements: 1) It must provide for all school districts regardless of size or location; 2) Upon implementation, it cannot destroy the fiscal integrity of existing districts; 3) There must be some provision in the formula to provide for regression to the mean. Low funded school districts should receive more annual increase than high funded districts; 4) It must provide for the funding of necessary small and isolated schools; 5) It must accommodate supplemental funding to address unique needs of students such as poverty and language barriers; 6) It must address transportation needs of both rural and urban school districts; 7) It should be fiscally neutral for the state in funding of interdistrict transfer students; 8) Special education funding should be structured in a manner to discourage over identification of special education students.

COMPARISON OF FOUR DISTRICTS IN ONE KANSAS COUNTY TO DISTRICTS OF SIMILAR CONDITIONS, 2001-2002 DATA

Unified School District Name	2001-02 FTE Enrollment	General Fund	Local Option Budget	General Fund Per Pupil	LOB per pupil	Total Revenue Per FTE
District A	49.0	\$517,032	\$128,000	\$10,552	\$2,612	\$13,164
District B	92.5	\$825,858	\$186,200	\$8,928	\$2,013	\$10,941
District C	126.0	\$1,154,777	\$170,000	\$9,165	\$1,349	\$10,514
District D	302.3	\$1,933,092	\$160,000	\$6,395	\$529	\$6,924
Composite	569.8	\$4,430,759	\$644,200	\$7,776	\$1,131	\$8,907
Unified District*	569.8	\$ 3,620,002	\$ 644,200	\$6,353	\$1,131	\$7,484
Riley County	606.0	\$3,791,407	\$475,490	\$6,256	\$785	\$7,041
Oskaloosa	666.0	\$4,282,361	\$685,890	\$6,430	\$1,030	\$7,460
Stanton County	543.0	\$3,537,892	\$222,983	\$6,515	\$411	\$6,926
Moundridge	564.6	\$3,390,478	\$690,000	\$6,005	\$1,222	\$7,227
Cherryvale	576.0	\$3,830,913	\$577,702	\$6,651	\$1,003	\$7,654
Syracuse	514.0	\$3,349,970	\$546,095	\$6,517	\$1,062	\$7,580
Chase County	474.2	\$3,111,500	\$299,616	\$6,562	\$632	\$7,193
Leoti	475.3	\$3,088,260	\$345,754	\$6,497	\$727	\$7,225
Scott County	964.7	\$5,572,881	\$1,010,781	\$5,777	\$1,048	\$6,825

*Assumes the same LOB amount plus same transportation, vocational and at risk weighting for unified district

South Central RED (Regional Educational District)



Regionalization Efficiencies

	Present	Proposed
Districts	17	1
Attendance Centers	36	30
Admin Support Serv	17	1
Boards of Education	17	1
Salary Schedules/Payrolls	17	1
Negotiated Agreements	17	1

- K-12 in county seat
- K-12
- △ K-5 or K-8

South Central Regional Area Statistics

Chart: **RED**

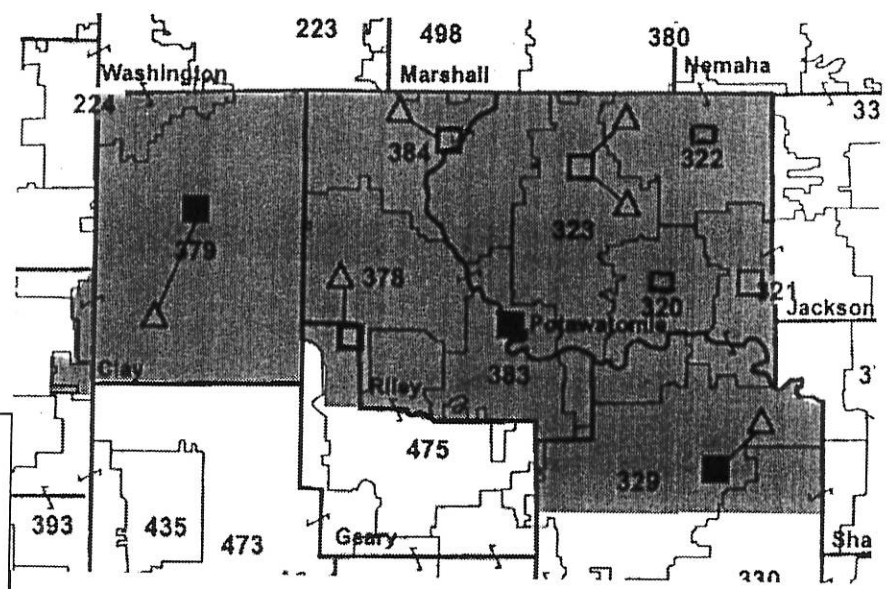
School	Elem/Staff	MS/Staff	HS/Staff
USD 347 Kinsely-Offerle	140-12		178-17
Kinsley-Offerle Jr/Sr High			178-17
Kinsley-Offerle Elementary	140-12		
USD 351 Macksville	202-17		95-14
Macksville High			95-14
Macksville Elementary	202-17		
USD 502 Lewis	89-10		88-11
Lewis High			88-11
Lewis Elementary	89-10		
USD 350 St. John-Hudson	210-19		215-22
St. John High			215-22
Hudson Elementary	64-6		
St. John Elementary	146-13		
USD 349 Stafford	144-13		198-19
Stafford MS/HS			198-19
Stafford Elementary	144-13		
USD 254 Barber County North	233-19	223-17	212-24
Medicine Lodge High			212-24
Medicine Lodge MS		223-17	
Medicine Lodge Prim. Elem.	233-19		
USD 255 South Barber	116-12	81-7	129-14
South Barber High			129-14
South Barber Middle		81-7	
South Barber Elementary	116-12		
USD 511 Attica	75-8		38-12
Attica High			38-12
Puls Elementary	75-8		
USD 361 Anthony-Harper	624-51		369-30
Chaparral High Anthony			369-30
Anthony Elementary	332-25		
Harper Elementary	292-26		
USD 331 Kingman-Norwich	792-63		437-38
Kingman High			331-27
Norwich High			106-11
Kingman Elementary	594-47		
Norwich Elementary	198-16		
USD 300 Comanche County	142-16	77-9	102-13
South Central High School			102-13
South Central Middle School		77-9	
South Central Elementary School	142-16		
USD 332 Cunningham	207-22		94-12
Cunningham High			94-12
Cunningham Elementary	152-12		
Zenda Elementary	55-10		
USD 382 Pratt	466-41	296-22	419-36
Pratt Sr. High			419-36
Liberty Middle School		296-22	
Mattie O Haskins Elementary	198-17		
Southwest Elementary	268-22		
USD 438 Skyline	233-23		119-14
Skyline High			119-14
Skyline Elementary	233-23		
USD 474 Haviland	116-10		65-7
Haviland High			65-7
Haviland Elementary	116-10		
USD 422 Greensburg	221-24		112-14
Greensburg High			112-14
Delmer Day Elem/Middle School	221-24		
USD 424 Mullinville	45-6	31-3	
Mullinville Junior High		31-3	
Mullinville Elementary	45-6		
Totals:	4055-366	708-58	2870-297

Grand Total:	17 districts	7633 students	721 staff
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Area Approximately 6,846 square miles
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Elementary Schools	22
Middle Schools	5
High Schools	17

Northeast RED (Regional Educational District)



K-12 in county seat
 K-12
 K-5 or K-8

Regionalization Efficiencies		
	Present	Proposed
Districts	9	1
Attendance Centers	45	30
Admin Support Serv	9	1
Boards of Education	9	1
Salary Schedules/Payrolls	9	1
Negotiated Agreements	9	1

Northeast Regional Area Statistics

Chart: RED

School	Elem/Staff	MS/Staff	HS/Staff
<u>USD 383 Manhattan-Ogden</u>	<u>2719-225</u>	<u>834-85</u>	<u>1848-142</u>
MHS (9 th grade center & 10 – 12)			1848-142
Eisenhower MS		409-37	
Anthony MS		425-48	
A Arnold	324-22		
F Bergman	406-31		
Lee	235-19		
Mariatt	406-27		
Northview	370-27		
Ogden	193-22		
T/Roosevelt	229-20		
W/Wilson	228-27		
<u>USD 329 Mill Creek (Alma)</u>	<u>282-25</u>	<u>76-10</u>	<u>194-22</u>
Wabauensee HS			194-22
Mill Creek MS		76-10	
Alma EI	161-12		
Maple Hill EI	52-5		
Paxico EI	69-8		
<u>USD 378 Riley</u>	<u>398-35</u>		<u>225-22</u>
Riley HS			225-22
Riley EI (k-4, 5-8)	398-35		
<u>USD 384 Blue Valley (Randolph)</u>	<u>97-8</u>	<u>98-9</u>	<u>79-11</u>
BVHS			79-11
BVMS		98-9	
Olsburg EI	97-8		
<u>USD 323 Rock Creek</u>	<u>395-33</u>		<u>388-33</u>
Rock Cr MS-HS			388-33
St. George EI	233-19		
Westmoreland	162-14		
<u>USD 320 Wamego</u>	<u>590-47</u>	<u>333-30</u>	<u>462-44</u>
Wamego HS			462-44
Wamego MS		333-30	
Central EI	311-25		
West EI	279-22		
<u>USD 321 Kaw Valley</u>	<u>756-62</u>		<u>375-40</u>
Rossville HS(7-12)			176-20
St. Marys HS(7-12)			199-20
Delia EI	85-8		
Emmett EI	81-7		
Rossville EI	345-26		
St. Marys EI	245-21		
<u>USD 322 Onaga-Havensville-Wheaton</u>	<u>254-26</u>		<u>130-16</u>
Onaga HS			130-16
Onaga EI	230-22		
<u>USD 379 Clay Center</u>	<u>732-74</u>	<u>288-25</u>	<u>522-48</u>
Clay Com HS			428-39
Wakefield HS			94-9
Clay MS		288-25	
Garfield EI	153-15		
Green EI	31-5		
Lincoln EI	256-25		
Longford EI	33-4		
Morganville EI	67-9		
Wakefield EI	192-16		
Totals:	6223-535	1629-159	4223-378

Grand Total:	9 districts	12,075 students	1,042 staff
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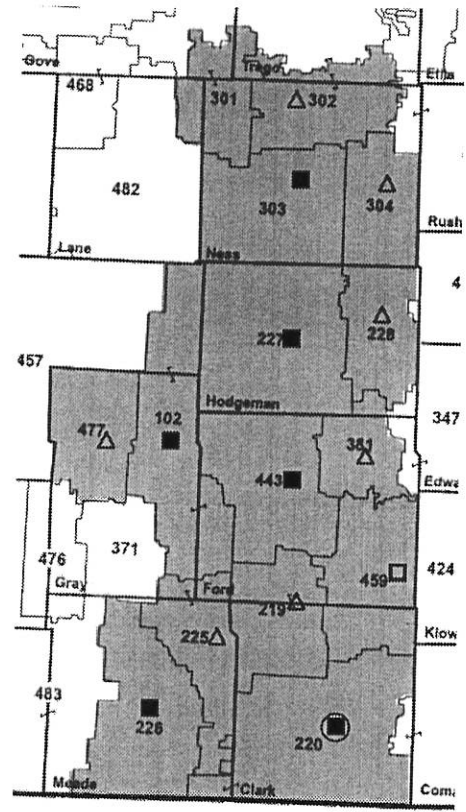
Area Approximately 2,500 square miles

Elementary Schools 28
 Middle Schools 6
 High Schools 12

Southwest RED (Regional Educational District)

- 14 -

Regionalization Efficiencies		
	Present	Proposed
Districts	17	1
Attendance Centers	36	30
Admin Support Serv	17	1
Boards of Education	17	1
Salary Schedules/Payrolls	17	1
Negotiated Agreements	17	1



- K-12 in county seat
- K-12
- △ K-5 or K-8
- Necessary Small School

Southwest Regional Area Statistics

Chart: RED

School	Elem/Staff	MS/Staff	HS/Staff
USD 443 Dodge City	3328-212	792-85	1,565-113
Dodge City High School			1,565-113
Dodge City Middle School		792-85	
Beeson Elementary	417-28		
Central Elementary	470-22		
Linn Elementary	513-35		
Miller Elementary	368-29		
Northwest Elementary	543-32		
Soule 6 th Grade Center	436-27		
Sunnyside Elementary	437-30		
Wirroads Elementary	144-9		
USD 102 Cimarron Ensign	357-27		321-28
Cimarron High School			321-28
Cimarron Elementary	357-27		
USD 219 Minneola	176-16		88-15
Minneola High School			88-15
Minneola Elementary	176-16		
USD 220 Ashland	142-11	32-3	84-12
Ashland High School			84-12
Ashland Upper		32-3	
Ashland Elementary	142-11		
USD 225 Fowler	91-10		101-12
Fowler High School			101-12
Fowler Elementary	91-10		
USD 226 Meade	339-30		176-15
Meade High School			176-15
Meade Elementary	339-30		
USD 227 Jetmore	239-20		102-15
Jetmore High School			102-15
Jetmore Elementary	239-20		
USD 301 Nes Tre La Go	32-6		
Utica Elementary	32-6		
USD 302 Smokey Hill	63-6		69-10
Ransom Jr/Sr High School			69-10
Ransom Elementary	63-6		
USD 303 Ness City	212-15		112-14
Ness City High School			112-14
Ness City Elementary	212-15		
USD 304 Bazine	43-7		52-7
Bazine High School			52-7
Bazine Elementary	43-7		
USD 328 Hanston	47-6		82-9
Hanston High School			82-9
Hanston Elementary	47-6		
USD 381 Spearville	162-13		180-19
Spearville Jr/Sr High School			180-19
Spearville Elementary	162-13		
USD 459 Bucklin	207-15		121-13
Bucklin High School			121-13
Bucklin Elementary	207-15		
USD 477 Ingalls	151-11		127-14
Ingalls Jr/Sr High School			127-14
Ingalls Elementary	151-11		
Totals:	5589-405	824-88	3180-296

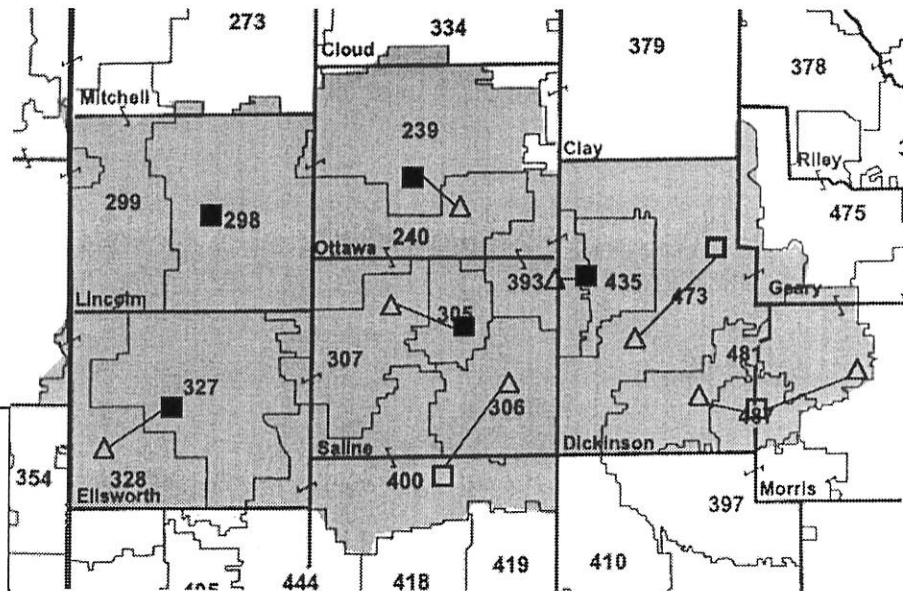
Grand Total:	15 districts	9,593 students	789 staff
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Area Approximately 5,496 square miles
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Elementary Schools	22
Middle Schools	2
High Schools	14

Central RED (Regional Educational District)

-91-



Regionalization Efficiencies

	Present	Proposed
Districts	15	1
Attendance Centers	59	40
Admin Support Serv	15	1
Boards of Education	15	1
Salary Schedules/Payrolls	15	1
Negotiated Agreements	15	1

- K-12 in county seat
- K-12
- △ K-5 or K-8

Central Regional Area Statistics

Chart: **RED**

School	Elem/Staff	MS/Staff	HS/Staff
USD 239 North Ottawa County	439-38		241-23
Minneapolis High			241-23
Delphos Elementary	187-19		
Minneapolis Elementary	252-19		
USD 240 Twin Valley	449-35		223-23
Bennington High			149-13
Tescott High			74-10
Bennington Elementary	319-21		
Tescott Elementary	130-14		
USD 298 Lincoln	229-19		194-19
Lincoln Jr/Sr High			194-19
Lincoln Elementary	229-19		
USD 299 Sylvan Grove	68-9		93-13
Sylvan Unified High			93-13
Sylvan Unified Elementary	68-9		
USD 305 Salina	3956-305	1161-101	2374-184
Salina High Central			1200-93
Salina High South			1174-91
Lakewood Middle		557-50	
South Middle		604-51	
Coronado Elementary	352-24		
Cottonwood Elementary	475-38		
Franklin/Lowell Elementary	347-32		
Hageman Elementary	368-28		
Heusner Elementary	473-35		
Meadowlark Elementary	309-24		
Oakdale Elementary	458-39		
Schilling Elementary	324-24		
Stewart Elementary	444-28		
Sunset Elementary	406-33		
USD 306 Southeast of Salina	285-24		353-32
Southeast of Salina High			353-32
Southeast of Salina Elementary	285-24		
USD 307 Ell-Salina	222-20	72-6	140-15
Ell-Salina High			140-15
Ell-Salina Elementary	222-20		
Ell-Salina Middle		72-6	
USD 327 Ellsworth	225-23	218-20	234-28
Ellsworth High			234-28
Kanapolis Middle		218-20	
Ellsworth Elementary	225-23		
USD 328 Lorraine	280-28		238-29
Quivira Heights High			100-12
Wilson Jr/Sr High			138-17
Quivira Heights Elementary/Jr High	179-16		
Wilson Elementary	101-12		
USD 393 Solomon	226-18		211-21
Solomon High			211-21
Solomon Elementary	226-18		
USD 400 Smoky Valley	398-34	253-18	368-27
Smoky Valley High			368-27
Lindsborg Middle		253-18	
Marquette Elementary	126-14		
Soderstrom Elementary	272-20		
USD 435 Abilene	618-45	347-26	485-37
Abilene High			485.37
Abilene Middle		347-26	
Garfield Elementary	214-15		
Kennedy Elementary	205-15		
McKinley Elementary	199-15		
USD 473 Chapman	410-37	266-22	424-34
Chapman High			424-34
Chapman Middle		266-22	
Blue Ridge Elementary	67-8		
Chapman Elementary	191-14		
Enterprise elementary	105-9		
Rural Center Elementary	47-6		
USD 481 Rural Vista	282-26		135-22
Hope High			69-10
White City High			66-12
Hope Elementary	137-13		
White City Elementary	145-13		
USD 487 Herington	222-20	118-13	171-20
Herington High			171-20
Herington Middle		118-13	
Herington Elementary	222-20		
Totals:	8,309-681	2,435-206	5,884-527

Grand Total:	15 districts	16,628 students	1,414 staff
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Area Approximately	4,465 square miles
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Elementary Schools	34
Middle Schools	8
High Schools	19

**Regional Concept for Reorganization
of Kansas School Districts**

Primary authors:
Ken Kennedy, Superintendent
Pratt USD 382 Public Schools
Dr. Sharol Little, Superintendent
Manhattan-Ogden USD 383 Public Schools

Associates:
Dr. Morris Reeves, Retired Associate Superintendent
for Business Services
Dr. Gary Norris, Superintendent
Salina USD 305 Public Schools

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**Kansas school districts face
an unprecedented challenge**

Providing equal opportunities for ALL
Kansas school children to meet the
Kansas State Board of Education
"Performance Goals"

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**A regionally organized Kansas
school system**

About 40 Education Districts with about
11,000 students each will ensure a
quality education for every child in
Kansas

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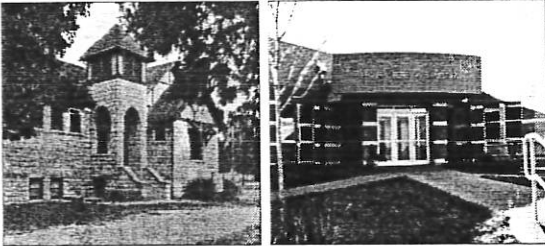
Utilizing REDs would allow resources to flow from:

- Inefficient school organizations
 - Excess administrative costs
 - Schools which are too small
 - Duplication of services
 - Inefficient governance
 - Inefficient use of support staff
- to**
- Classrooms
 - Meeting State BOE performance goals
 - Meeting AYP for NCLB
 - Increasing opportunities for student activities
 - Increasing teacher salaries to national average
 - Providing a state of the art "technical education" opportunities in each region

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4

Schools of the past and present



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5

the afterlife...



History of this study

- Past Proposals
 - Consolidation of School Districts
 - Definition of a Suitable Education
 - Determine the Cost of that Suitable Education

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Legislature Commissioned Studies "The A&M Studies"

1. "A Comprehensive Study on the Organization of Kansas School Districts," by Dr. John Augenblick, John Meyers and Justin Silverstein, January 10, 2001
2. "Calculation of the Cost of a Suitable Education in Kansas in 2000-2001 Using Two Different Analytic Approaches," by John Augenblick, John Meyers, John Meyers, Justin Silverstein, Anne Barkis, May 2002

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Purpose of this Study

- Apply Business Theory
 - Determine an education structure that is more cost-effective and provide appropriate and equitable education to all Kansas students
 - Allow many small communities to retain their schools

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History of Kansas Consolidation

- 1945 - Kansas had 8,000 school districts
- By 1960 - Through consolidation, number had decreased to 2,600; Study suggested 250
- 1963 - House Bill 377 (KSA 72-6744) established district requirements
 - 400 Students in grades 1 – 12, or
 - 200 Square miles and \$2 million assessed valuation

KK/SL: Shanell.Sherman@ksde.net 11/2/10

10

History of Kansas Consolidation

- 1963 to 1984 – 2,600 districts consolidated to 304
- 1984 - KSA 72-6744 was repealed
- 1999 - Senate Bill 171 established consolidation incentives
- 1999 – Legislative study recommended 255 districts
- 2001 - Senate Bill 551 enhanced incentives
- 1984 to present – Only 1 consolidation (304 Districts to 303)

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11

History of School Consolidation

- "... what we have found is, the community would shut down eventually anyway. A school is important, but closing a school won't destroy a community."
– Kansas Farmer, Sept. 2002

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12

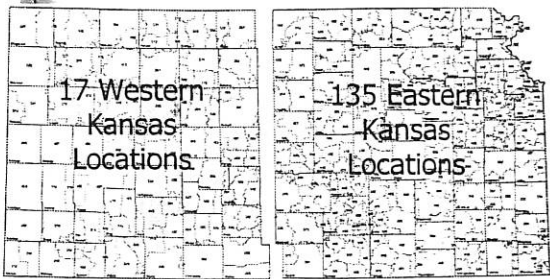
Three Business Models

- McDonald's Restaurants
 - Lexus and the Olive Tree by Thomas Friedman
- Wal-Mart Stores
- Regional Hospital Reorganization
 - Good To Great by Jim Collins

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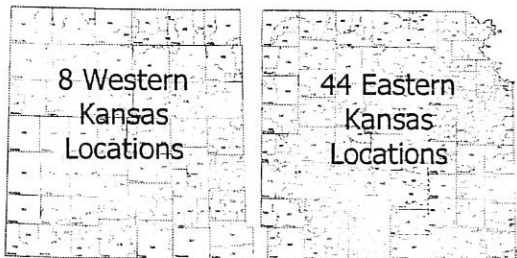
McDonald's Restaurants 152 Locations



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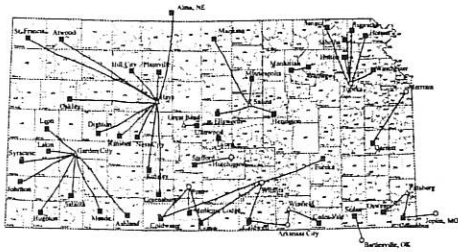
Wal-Mart Stores – 52 Locations



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Kansas Rural Health Network



○ EACH (Essential Access Community Hospital)
■ CAH (Critical Access Hospital)
▲ Supporting Hospital

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Application of the Models

- McDonald's Restaurants Design
 - Reduce number of Kansas school districts to half - 152 instead of 304
 - Western Kansas - 17 school districts instead of 125
 - Eastern Kansas - 135 school districts instead of 179
- Wal-Mart Stores Design
 - Western Kansas - 8 instead of 125
 - Eastern Kansas - 49 instead of 179
- Regional Hospital Design
 - Convert to 40 Regional Education Districts

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2001 A&M Recommendations

- Consolidate to 255 Districts
 - Pupil Performance
 - Per Pupil Spending
 - Distance Between Schools
 - Located in the Same County
- Research Optimal School Size
 - Elementary School - 300 to 400 students
 - Middle School - 400 to 599 students
 - High School - 500 to 900 students

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2002 A&M "Suitability Study" Recommendations

- Raise Base State Aid
- Increase in At Risk Weighting
- Special Education Weighting based on number of pupils rather than teachers
- Transportation Payment of all students residing over 1.25 miles
- Increased funding for bi-lingual education

KC/S/L_Share/2/2002a/m112.k12.k12.us

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Our Study Recommends

- Forming approximately 40 Regional Educational Districts (REDs) in Kansas
 - Providing Financial Incentives for communities to form REDs
 - Accomplished through Legislation
 - Analyze Financial Impact of Regionalization
 - Form a state-wide planning commission
 - Pilot one RED

KC/S/L_Share/2/2002a/m112.k12.k12.us

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Our Study Recommends

- Reorganization of Kansas School Districts to better meet state BOE "performance goals"
- Developing a system that will ensure a "Suitable" Regents curriculum to all Kansas students
- Providing a state-of-the-art technical education for any student in each region

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Our Study Recommends

- Developing a system which facilitates state BOE performance goals and federal NCLB legislation
- Providing financial incentive package for communities that may lose their school
- Consulting with state activities/athletics association

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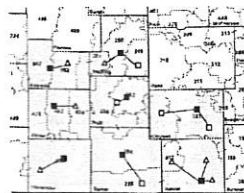
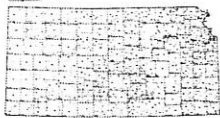
Our Study Recommends

- Incorporate appropriate A&M recommendations.
- Provide a funding formula which will transition to an equitable system of school finance.

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South Central RED (Regional Educational District)



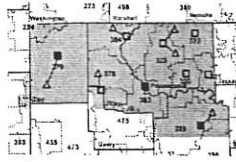
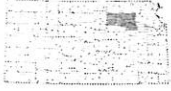
Reorganization Efficiencies		
	Present	Proposed
Districts	17	1
Attendance Centers	36	30
Admin Support Serv	17	1
Boards of Education	17	1
Salary Schedules/Payrolls	17	1
Negotiated Agreements	17	1

■ K-12 in county seat
□ K-12
△ K-5 or K-8

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Northeast RED (Regional Educational District)

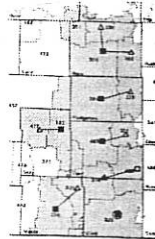
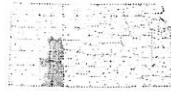


Reorganization Efficiencies		
	Present	Proposed
Districts	9	1
Attendance Centers	45	30
Admin Support Serv	9	1
Boards of Education	9	1
Salary Schedules/Payrolls	9	1
Negotiated Agreements	9	1

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Southwest RED (Regional Educational District)

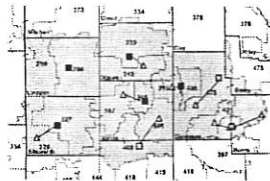
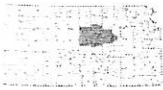


Reorganization Efficiencies		
	Present	Proposed
Districts	17	1
Attendance Centers	36	30
Admin Support Serv	17	1
Boards of Education	17	1
Salary Schedules/Payrolls	17	1
Negotiated Agreements	17	1

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Central RED (Regional Educational District)



Reorganization Efficiencies		
	Present	Proposed
Districts	15	1
Attendance Centers	59	40
Admin Support Serv	15	1
Boards of Education	15	1
Salary Schedules/Payrolls	15	1
Negotiated Agreements	15	1

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Four Proposed Kansas REDs (Regional Educational Districts)



Kansas could be divided into 40 REDs.
The four shown here are examples that include
a total of 56 USDs.

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Moving to REDs will enhance education in Kansas by:

- Meeting NCLB/QPA performance goals
- Increasing teacher salaries to national average
- Providing quality and affordable health care for employees (larger insurance pools)
- Providing uniform class sizes
- Expanding activity offerings for many smaller schools
- Enhancing classroom supplies and materials
- Providing for increased support from Kansas State Dept. of Education to regional districts (40 vs 303)

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How does this work financially in a sample RED?

- District office duplication \$ 3 - 4 million
 - Reduction of operational costs (extra facilities) \$ 1 - 2 million
 - Reduction of instructional and support staff \$ 4 - 6 million
- \$ 8 - 12 million
(sample region)**

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30

\$240-480 Million Redistribution statewide

We propose a substantial reallocation of organization and management funds.

These funds will be redistributed

- Enhance learning opportunities for students
- Increase teacher salaries to the national average

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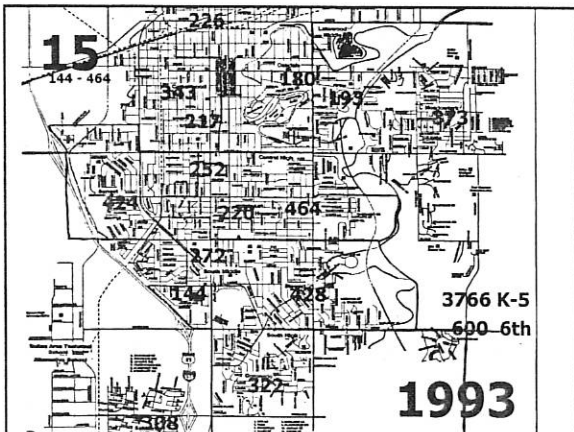
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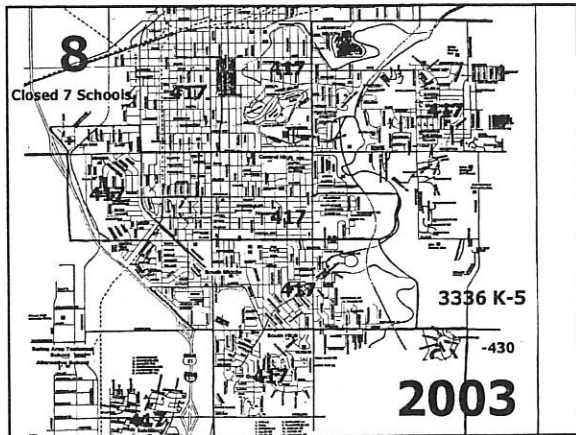
Changes and Sacrifices

Citizens from rural areas are not the only communities that are making changes and sacrifices to adapt to the present situation in Kansas.

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Our Purpose

"What we have attempted to do, is to move Kansas school districts from good to great:

- By being part of the solution rather than part of the problem
- By recommending a system designed to increase the achievement of all Kansas students."

Kennedy, Little, Reeves, and Novis

KK, SL, Shamir, @markham 112 to us 15

Recommendations

- Page 3 Recommendations
- Page 4 Implementation
- Page 5 Financial Advantage
- Page 6 Financial Incentives
- Page 7 + 8 Fiscal Issues
- Page 9+ Maps

KK, SL, Shamir, @markham 112 to us 16

Questions?

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School finance Details

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Essential Elements of a Sound School Finance Formula

Ideal fiscal formula will have the following eight elements:

1. Must provide for all districts regardless of size or location.
2. Upon implementation it cannot destroy the fiscal integrity of the existing districts.
3. Must be a provision in the formula to provide for regression to the mean. Highly-funded districts should receive less annual increase than low-funded districts.
4. Must provide for the funding of necessary small and isolated schools.

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Essential Elements of a Sound School Finance Formula (con't)

5. Must accommodate supplemental funding to address unique needs of students such as poverty and language barriers.
6. Must address transportation needs of both rural and urban school districts.
7. Should be fiscally neutral for the state in the funding of interdistrict transfer students.
8. Special education funding should be structured in a manner to discourage over identification of special education students.

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Essential Elements of a Sound School Finance Formula (cont.)

The revenue limit concept will accommodate these essential elements:

- Using unrestricted monies, the state will calculate a revenue limit per pupil for each district.
- REDs will assume the composite revenue limit of the component districts.
- The state will calculate a state-wide base **revenue limit** per pupil.
- When the state increases the base **revenue limit** per pupil those REDs below the base revenue limit will receive a higher increase than those above.
- Necessary small schools will receive an additional allowance.

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Proposed Definition of Necessary Small School

- K-8
 - Less than 101 enrollment for elementary or 51 for middle school.
 - Less than 151 enrollment for K-8 Elementary School.
 - Distance to nearest attendance center is over 15 miles.
- 9-12
 - Less than 101 student enrollment.
 - Greater than 20 miles to nearest senior high school attendance center.

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Proposed Necessary Funding Allowance

- Small K-8 School
 - Less than 26 students-----\$130,000
 - Less than 51 students-----\$255,000
 - Less than 76 students-----\$380,000
 - Less than 101 students-----\$500,000
- Note: Districts receive the greater of the base budget authority or the necessary small school allowance.

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Proposed Necessary Funding Allowance

- Small 9-12 School
 - 1-20 students-\$55,000 per Certificated Staff Not to Exceed \$165,000.
 - 21-40 students-\$55,000 per Certificated Staff Not to Exceed \$220,000.
 - 41-60 students-\$55,000 per Certificated Staff Not to Exceed \$330,000.
 - 61-80 students-\$55,000 per Certificated Staff Not to Exceed \$440,000.
 - 81-100 students-\$55,000 per Certificated Staff Not to Exceed \$550,000.
- Note: Districts receive the necessary small school allowance or the base budget authority, whichever is greater.

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Cost Savings

- With the proper reorganization of school districts the state could realize savings of

\$1,500 to \$2,000 per student to be redistributed to all school districts in Kansas.

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45

Proposed Use of Dollars Saved

- Meeting NCLB/QPA performance goals
- Increase teacher salaries to national average
- Quality and affordable health care for employees
- Uniform class sizes
- Expand activity offerings
- Enhance classroom supplies and materials
- Adequate maintenance and enhancement of facilities
- Provide for increased support from Kansas State Dept. of Education to regional districts

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Academic Reasons for REDs

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Curriculum Rationale for Regionalization

- Graduation standards have raised significantly since the school consolidations in the 1960's.
- Admission standards have raised significantly in the Regents Universities.
- NCLB (Elementary and Secondary Education Act) have significantly raised standards.
- High schools with more students and staff will allow for more offerings to students.
- A more diversified high school staff will reduce the number of class preparations for each teacher.
- Instructional support such as counseling, library services and health will be more accessible.

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February 5, 2003

From: Larry Geil
Superintendent USD 488
Box N
Axtell KS 66403
785-736-2304

School Consolidation Will Not Save the State of Kansas Money

The *Regionalization Concept For Reorganization of Kansas School Districts* which is being presented to the Senate and House Education Committees of the Kansas Legislature this week and the State Board of Education next week would be very detrimental to students in small districts. An example would be the Salina School District whose superintendent, Gary Norris, is an associate of this reorganization proposal. The Salina School district is financially well funded but continues to have a high non-graduation rate. Their drop out rate is between 20% and 30% (in small districts this rate is usually less than 10%) therefore when 600 students enter Kindergarten in Salina at graduation 150 of them are dropouts. Prison and welfare rolls contain many high school dropouts and the cost to society is enormous. Regional school districts would absorb many small schools and create large ones with the higher drop out rates.

Senate Education
2-6-03
Attachment 2