

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 12:10 p.m. on February 15, 2005, in Room 123-S of the Capitol.

Committee members absent:

Committee staff present: Carolyn Rampey, Kansas Legislative Research Department
Kathie Sparks, Kansas Legislative Research Department
Theresa Kiernan, Revisor of Statutes
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Mark Tallman, Kansas Association of School Boards
Kathy Cook, Kansas Families United for Public Education
Missy Taylor, Kansas Families for United Public Education
Cathy Creed, Shawnee Mission
Amelia McIntyre, Shawnee Mission
Diane Gjerstad, Wichita Public Schools
Richard Hoffman, Kansas Association of Technical Schools
and Colleges

SB 244—Schools; establishing The 2010 Commission

SB 245—School districts; audits by Legislative Post Audit

SB 246—School finance; three-year plan

Senator Schodorf called upon Carolyn Rampey, Kansas Legislative Research Department, for an overview of **SB 244**, **SB 245**, and **SB 246**. (Attachment 1) Ms. Rampey noted that, although the bills were independent of each other, they were companion bills. She explained that The 2010 Commission created by **SB 244** would become effective July 1, 2005, and terminate December 31, 2009. The Commission's purpose would be to monitor the implementation and operation of school finance legislation to ensure that the public school system is maintained in a manner that promotes constant and improved levels of measurable student achievement. Ms. Rampey noted that the creation of Commission was in response to the Supreme Court's focus on the concept that the education system must advance. She pointed out that the language in Section 2, subsection (a), was broad enough to encompass whatever legislation is enacted this year or in subsequent years. She went on to discuss the duties and responsibilities of the Commission as set out in the bill. In addition, she discussed the composition of the 13 member Commission and explained how the members would be appointed. She noted that the Commission would not be authorized to introduce legislation but would be able to include recommendations for legislative changes in its annual reports which would be due on or before December 1 of each year.

Ms. Rampey explained that **SB 245** would establish the "School District Audit Team" within the Legislative Division of Post Audit and that the Team would operate under the direction of the Legislative Post Audit Committee and conduct annual performance audits of selected school districts. She outlined the possible topics for performance audits. She pointed out that the bill would require the State Department of Education to verify the costs incurred by school districts providing programs required by law and the number of pupils enrolled in such programs.

Barbara Hinton, Legislative Post Auditor, responded to questions from Senator Allen concerning school district audits. She explained that the last audit was conducted two years ago and that audits have been dependent on legislative interest. She commented that **SB 245** envisions creating a unit of auditors that would be responsible, on an ongoing basis, for doing performance audits of school districts. She recalled that there was a similar bill in 1980-81 which required audits of school districts every year. At that time, approximately eight audits were conducted a year, which required the equivalent of two audit teams and support staff. Ms. Hinton did not yet have a fiscal note for **SB 245**. With regard to the provision in the bill allowing the legislative post auditor to enter into contracts for consultants as deemed necessary for any school district performance audit, she explained that the revisor included the language to make it clear that the post auditor

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has the authority to contract out an audit. She explained that, in some instances, it would be advisable to have persons with expertise in a particular subject conduct the audit rather than having a post audit team spend a great deal of time learning about the subject. Ms. Hinton commented further that it was her understanding that the bill would concern an efficiency audit of school districts rather than just a verification of the actual cost to educate students in various categories.

Ms. Rampey explained that **SB 246** contains the amendments to the School Finance Act. She explained that the bill provides funding for special education excess costs at a statutorily prescribed level, deletes the vocational education weight, increases Base State Aid Per Pupil (BSAPP), increases the bilingual and at-risk pupil weights, increases the maximum local option budget (LOB), and renews the 20 mill school district property tax levy. She discussed the details of each of the components. As she discussed the method to determine special education excess costs, she called attention to data regarding the history of special education funding shown in a handout entitled, "Selected Information on Special Education Expenditures—FY 1983-FY 2006 (EST.)." (Attachment 2)

Following a brief discussion of the funding levels specified in the bill, Senator Vratil clarified for new committee members, "Even though a certain funding level is put in the statute, that is not a guarantee that it will be funded at that level. Ultimately, what is appropriated in our budget determines how money is spent on the various weighting factors. And if we don't budget and appropriate enough money to meet our promised level, then it's pro rata reduced. So what we put in statute is really more of a goal or a promise, and there is no guarantee."

Senator Schodorf commented, "When discussing the three bills, we need to ask ourselves: Is this good for education? I think that's our number one goal. And then, of course, the second part is: Does this address the Court's ruling? We need to think about our own districts, but we also need to think about the whole. There's always room for compromise. We have to be able to give. I hope that we will be able to work a great bill that all of us are pleased with or at least to be able to get out on the floor and have a full debate. We also have to think about how we are going to pay for this."

Mark Tallman, Kansas Association of School Boards (KASB), called the Committee's attention to a chart which compared KASB's school finance resolution with the provisions in **SB 244**, **SB 245**, and **SB 246**. (Attachment 3) He pointed out the provisions in the bills which KASB supported or opposed. In addition, he discussed suggested improvements or additions. He also called attention to his written testimony which addressed what KASB believed the Legislature should do to make suitable provision for school finance as directed by the Supreme Court. (Attachment 4) He emphasized that KASB believes new revenue sources must be identified for any plan to be meaningful and that increased state taxes will be required. In addition, he emphasized that, while KASB supported the fact that increased LOB was equalized, it believed that base aid should be high enough to replace most current LOB funding. With regard to the elimination of vocational weighting, he confirmed that KASB members do not agree with the Augenblick and Myer conclusion that it costs no more to educate a vocational student than other types of students such as science or chemistry students. He reported that many KASB members have expressed their opinion that vocational programs are different and should continue to be funded. Senators Teichman, Ostmeyer, and Lee expressed their support for vocational weighting, noting that vocational education is very necessary because not all students plan to go to college after graduating from high school.

Kathy Cook, Kansas Families United for Public Education, contended that, if the school finance plan passed in its current form, it would be rejected by the Kansas Supreme Court because the plan did not use a cost study as directed. She urged the Committee to use the cost analysis referenced by the Supreme Court ruling—the Augenblick and Myers study. In addition, she objected to the plan in its current form because it still relies on the LOB for the essentials instead for the extras, and the funding stream for the second two years was not identified. (Attachment 5)

Missy Taylor, a recently retired teacher with nearly 30 years of classroom experience, urged committee members to "meet your constitutional responsibility to educate all the children of Kansas to a high level of performance and be able to show proof of what you accomplished." In her opinion, the Committee had demonstrated a good grasp of the necessity to provide more funds and to increase base state aid per pupil;

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however, without a clear, unencumbered source of revenue, the proposed plan was like turning in an incomplete assignment. She concluded, "I just don't see how the Supreme Court can give you credit at this point. Please go back to work now." ([Attachment 6](#))

Cathy Creed, a nurse and parent of three children in the Shawnee Mission School District, informed the Committee that, while living and working overseas for 15 years, she became aware of what the competition looks like and how much higher the expectations are in other societies. In her opinion, the state cannot attract highly qualified teachers without providing competitive salaries and long-term funding dedicated to public education. In conclusion, she commented that she wanted her children to have a world-class education, and she was willing to pay for it. ([Attachment 7](#))

Amelia McIntyre, a parent of two Shawnee Mission School District students, urged that the Committee provide "increased support, beyond the financial commitments in **SB 246**, for a solution to the Kansas school finance formula and budget crisis which has significantly impacted the quality of public education for students statewide." She noted that the bill failed to identify steady, continuous sources for quality public education and that school districts would still not receive 100% of the excess special education costs. In her opinion, the Committee should effectively use its time to develop a school finance system that would be in compliance with the expectations for education in today's world. She observed, if Kansas wants to compete in the changing national and international economies, it must maintain an educational advantage by providing adequate funding for a suitable K-12 public education. ([Attachment 8](#))

Diane Gjerstad, representing Wichita Public Schools, informed the Committee that Winston Brooks, the Superintendent of Wichita Public Schools, held a press conference in reaction to the first school finance plan of the session, and he was very complimentary of some of the elements in the plan. However, when she attended the Wichita School Board's public hearing on potential budget cuts, the auditorium was filled with parents, students, and staff members who argued against cuts which they believe would have a devastating effect on the district's athletics, Junior ROTC, fine arts, and driver's education programs. She noted that all of those programs are important because they keep students in school and increase student achievement. She went on to say that the three-year school finance plan would totally change the dynamics of budget discussions in Wichita. As one parent put it, "I'm really tired about cutting budgets. I'd like to talk about growing programs for a change." Ms. Gjerstad commented that the three-year plan would allow the district to plan ahead. She noted that special education is an important issue in Wichita. With the bill, 50% of the districts would get less than 85% excess costs and 50% would get more and that districts like Wichita with high special education costs will not receive 85% excess costs. At this point, she called attention to a handout which included graphs relating to district performance on state assessments in Wichita public schools for grades 4, 5, 7, 8, and 10. ([Attachment 9](#)) She discussed the achievement gaps for each grade in meeting proficiency for the past five years. She noted that, to get all Wichita students up to proficiency, smaller classes would be necessary. Therefore, more funding would be required, especially in those districts which have urban demographics. Smaller classes for bilingual and at-risk populations would take a weighting of 1.0 for bilingual and .6 for at-risk. She commented that vocational weighting sends a very strong public policy message to school districts that vocational programs are highly valued. She noted that vocational programs cost extra money, but they keep students in school and provide them a good start in the job market when they graduate. She noted that the largest cost is for instructors, especially when classes are smaller. She urged the Committee to keep vocational weighting in the plan until such time as further data is available for study.

Richard Hoffman, Kansas Association of Technical Schools and Colleges (KATSC), urged the Committee to reconsider the elimination of the .5 weighted vocational education funding. He emphasized that the elimination would seriously affect the ability of technical schools and colleges to provide quality technical training. He pointed out that technical schools have already had to take millions of dollars from capital improvement funds just to pay day-to-day expenses. In conclusion, he noted that statistics show that the majority of jobs in the future will require advanced training past high school, but only 20% of the jobs will require a four-year degree. He reasoned, if high school students are not exposed to technical training, they will not choose technical training for their careers. ([Attachment 10](#))

Senator Apple commented that, in the past four or five years, most increases for education have been through local property taxes, and some school district struggle more than others. Some school districts have been able

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to protect their local option budget, but some have maxed out their local option budget. For the sake of discussion, he suggested that the Committee consider a fair tax policy for this year which would make the property tax burden equal across the state. He suggested consideration of a plan which would shift the burden from local option budgets to the state level where there are options other than property tax. To provide property tax relief statewide, he proposed a 1/4 cent state sales tax increase and a 2 1/2% income tax surcharge. Senator Vratil commented that, in order to raise \$415 million for education this year, it would be necessary to increase the sales tax by over 1.0% and have a 20% income tax surcharge. Senator Lee said increasing the statewide mill levy from the current 20 mills would be another option. She explained that, for each mill raised, approximately \$24 million is raised. She noted that, with five mills, \$120 million could be raised, and a 4% sales tax would raise about \$90 million. She went on to discuss other options for changes in the statewide mill levy. She summarized Senator Apple's proposal as looking at "what kind of resources we have to get statewide fair funding for the funding we are now doing from state dollars and the local property tax dollars, and then move from there to see where we go." Senator Schodorf commented, "My concern, when I hear revenue neutral, is raising taxes a whole bunch to take over the LOB and not receiving any increases. So it would take additional taxes to increase for schools."

Senator Allen requested that Dale Dennis, State Department of Education, prepare a run showing the increased benefit per pupil for each district under the Senate Plan as introduced. Senator Lee commented that the Committee should be aware that the plan did not include weighting for new facilities or the ancillary weighting.

The meeting was adjourned at 2:30 p.m.

The next meeting is scheduled for February 16, 2005

**SENATE EDUCATION COMMITTEE
GUEST LIST**

DATE: February 15, 2005

NAME	REPRESENTING
Elaine Frisbie	Division of the Budget
Patrick Healey	KEC
Kathy Cook	Ks Families United for Pub Ed
Missy Taylor	Ks Families United for Public Education
Amelia McIntyre	Self
Mark Desetti	KNEA
Dodie Weelskease Johnson	Patrick Healey & Co
Stuart Little	Shansee Mission STZ
Bill Brady	SFFF
STEVE KEARNEY	KS ASSN TECH SCHOOLS & COLLEGES
Lee Alderman	Flint Hills Technical College
Richard Hoffman	Kaw Area Technical School
T.C. ANDERSON	KS CPA
Doug Bowman	Coordinating Council on Early Childhood
TERRY HOLGREN	KANSAS FAUN BUREAU
Diane Gjerstad	Wichita Public Schools
TERRY FORSYTH	KNEA
Don Wilson	USA
Val de Feve	SQE

February 14, 2005

To: Senate Education Committee

From: Carolyn Rampey, Principal Analyst, Kansas Legislative Research Department
Theresa Kiernan, Senior Assistant Revisor, Revisor of Statutes Office

Re: SB 244—The 2010 Commission

SB 244—The 2010 Commission

SB 244 would create the “2010 Commission” to monitor the implementation and operation of school finance legislation to ensure that the public school system is maintained in a manner that promotes constant and improved levels of measurable student achievement. The Commission would become effective July 1, 2005, and terminate December 31, 2009.

Duties and responsibilities of the Commission would include:

- Determining whether there is a fair and equitable relationship between the costs of weighted components and assigned weightings in the law;
- Determining whether additional school district operations should be weighted;
- Evaluating the reform and restructuring components of the law to assess their impact;
- Evaluating the system of financial support, reform, and restructuring of public education in Kansas and in other states to ensure that the Kansas system is the most efficient and effective;
- Examining the availability of revenues to ensure adequate funding of elementary and secondary education in the state;
- Examining school district efficiencies to determine whether districts are using best practices to deliver high quality services and programs;
- Examining school district consolidation and impediments thereto; and
- Monitoring associations and organizations that promote or regulate voluntary or extracurricular activities.

The 2010 Commission would operate like an interim committee and would be authorized to meet 15 days a year when the Legislature is not in session, unless approved by the Legislative Coordinating Council. It would be required to make reports to the Legislature, Governor, and the State Board of Education on or before December 1 of each year. The Commission would not be authorized to introduce legislation, but would be able to include in its reports recommendations for legislative changes.

*Senate Education Committee
2-15-05
Attachment 1*

The Commission would consist of the following 13 members:

- Two members appointed by the President of the Senate, one of whom would be a superintendent of a large school district;
- Two members appointed by the Speaker of the House, one of whom would be a teacher;
- Two members appointed by the Minority Leader of the Senate, one of whom would be a teacher;
- Two members appointed by the Minority Leader of the House, one of whom would be a superintendent of a small school district;
- The Chairperson of the Senate Education Committee or a designee;
- The Chairperson of the House Education Committee or a designee;
- Two members appointed by the Governor, one of whom would be a member of a local board of education; and
- The Commissioner of Education or a designee.

2010 Commission

Two superintendents, one from a large school district and one from a small school district;
Two teachers;
The chairs of the Senate and House Education Committees or their designees;
A member of a local board of education;
The Commissioner of Education or a designee;
An additional appointee of the Governor;
Four additional appointees of the legislative leadership.

SB 245—School District Performance Audits

SB 245 would establish the "School District Audit Team" within the Legislative Division of Post Audit. The Team would operate under the direction of the Legislative Post Audit Committee and conduct annual performance audits of selected school districts. Audits also could be conducted by qualified firms selected by the Legislative Post Audit Committee. Topics for performance audits could include any of the following or other topics assigned by the Legislative Post Audit Committee:

- The accuracy of school expenditures, reports, or other information;
- How school districts use the funding received from the state;
- The relationship between school funding levels and costs;
- Whether funding levels for education programs or students are keeping up with the actual costs school districts report;

- The reasonableness of the amount and type of actual or budgeted expenditures compared with historical costs or with costs of other districts;
- Options for modifying the school funding formula; and
- Whether a school district has adequate operating or administrative procedures and fiscal controls and whether it is efficiently managed.

The bill would require the State Department of Education to verify, on an on-going basis, the costs incurred by school districts providing programs required by law and the number of pupils enrolled in such programs. The verification may be conducted on a sample basis of school districts.

SB 246—Amendments to the School District Finance and Quality Performance Act and Other School Finance Legislation

SB 246 would provide for funding special education excess costs at a statutorily prescribed level, delete the vocational education weight, increase Base State Aid Per Pupil (BSAPP), increase the bilingual and at-risk pupil weights, increase the maximum allowable local option budget (LOB), and renew the 20 mill school district property tax levy. These components are discussed in more detail below:

- **Special Education.** The bill would put into the statute both the current method used to determine special education excess costs and set in statute the percentage of excess costs that should be funded. Currently, the percentage is subject to appropriation and is based on whatever amount of money the Legislature appropriates. The bill specifies that excess costs will be funded at the 85 percent level in school year 2005-06, the 88 percent level in school year 2006-07, and the 92 percent level in school year 2007-08, and thereafter. A proration provision ensures that, if the appropriation is not sufficient, the amount available will be prorated by the State Board of Education among the districts.
- **Vocational Education Weight.** The weight for vocational education would be eliminated.
- **BSAPP.** SB 246 would increase BSAPP from the current statutory rate of \$3,890 to \$4,013 in school year 2005-06, to \$4,138 in school year 2006-07, and to \$4,263 in school year 2007-08, and thereafter. The increase in the first year is \$123 over the current statutory rate or \$150 over the allotment rate which has been in effect since FY 2004. BSAPP would increase by another \$125 for each of the next two years.
- **Bilingual Education Weight.** SB 246 would increase the bilingual education weight from 0.2 to 0.3 for school year 2005-06 and to 0.4 for school year 2006-07, and thereafter
- **At-Risk Weight.** The weight for at-risk students would be increased from 0.1 to 0.15 for school year 2005-06, to 0.2 for school year 2006-07, and to 0.25 for school year 2007-08, and thereafter.

Blue Sheet

SB 246
P3 =
2005-06

- **Renewal of the 20 Mill Levy.** SB 246 renews the 20 mill school district property tax levy for two more years (school years 2005-06 and 2006-07) and continues the \$20,000 exemption for residential property.
- **LOB Increase.** SB 246 would increase the maximum amount of LOBs from the current limit of 25 percent of school district general fund budgets to 27 percent for school year 2005-06, to 29 percent for school year 2006-07, and to 30 percent for school year 2007-08, and thereafter.

**2005 SENATE SCHOOL FINANCE PROPOSAL
 FORMULA ADJUSTMENTS
 THREE-YEAR PLAN**

	<u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>Total</u>
Addition to BSAPP (\$3,863)	\$150	\$125	\$125	10.4 %
Cost:	\$87.2 M	\$72.7 M	\$72.7 M	\$232.6 M
Increased LOB state aid				
Cost:	\$6.0 M	\$6.2 M	\$6.2 M	\$18.4 M
At-Risk Weighting from 0.10 to	0.15	0.20	0.25	250%
Cost:	\$29.1 M	\$29.1 M	\$29.1 M	\$87.3 M
Bilingual Weighting from 0.20 to	0.30	0.40	0.40	200%
Cost:	\$5.6 M	\$5.6 M	\$0.0	\$11.2 M
Special Education excess cost from 81.7% to	85%	88%	92%	12.6%
Cost:	\$17.7 M	\$24.0 M	\$29.0 M	\$70.7 M
Local Option Budget (LOB) increase from 25% to	27%	29%	30%	20%
Cost:	\$10.0 M	\$10.0 M	\$5.0 M	\$25.0 M
Eliminate Vocational weighting of 0.50				100%
Savings:	<u><\$30.2 M></u>	<u>\$0.00</u>	<u>\$0.00</u>	
Total Net Cost:	\$125.4 M	\$147.6 M	\$142.0 M	\$415.0 M

SELECTED INFORMATION ON SPECIAL EDUCATION EXPENDITURES—FY 1983—FY 2006 (EST.)

Fiscal Year	Total Expenditures for Special Education (in thousands)	% Change from Prior Year	Special Education Excess Costs at 100.0% (in thousands)	% Change from Prior Year	Special Education Categorical Aid (in thousands)	% Change from Prior Year	Categorical Aid as a Percent of Excess Cost	Federal Funding—IDEA	% Change from Prior Year	Medicaid Reimbursement	% Change from Prior Year	Teaching Units	% Change from Prior Year	Amount per Teacher	% Change from Prior Year	Headcount Enrollment	% Change from Prior Year
1983	\$ 118,784	—	\$ 63,716	—	\$ 57,440	—	90.1	NA	—	NA	—	5,149	—	\$ 9,580	—	54,296	—
1984	129,361	8.9	69,523	9.1	62,662	9.1	90.1	NA	—	NA	—	5,360	4.1	10,135	5.8	53,615	(1.3)
1985	143,097	10.6	78,282	12.6	70,418	12.4	90.0	NA	—	NA	—	5,493	2.5	11,210	10.6	52,650	(1.8)
1986	162,035	13.2	93,405	19.3	76,384	8.5	81.8	NA	—	NA	—	5,726	4.2	11,855	5.8	52,784	0.3
1987	166,926	3.0	94,007	0.6	76,443	0.1	81.3	NA	—	NA	—	5,759	0.6	11,298	(4.7)	54,263	2.8
1988	173,278	3.8	99,797	6.2	89,785	17.5	90.0	NA	—	NA	—	5,457*	(5.2)	14,450	27.9	55,222	1.8
1989	192,199	10.9	108,143	8.4	101,260	12.8	93.6	NA	—	NA	—	5,753	5.4	15,440	6.9	55,972	1.4
1990	214,650	11.7	119,626	10.6	113,643	12.2	95.0	15,161	—	NA	—	6,132	6.6	16,200	4.9	56,599	1.1
1991	239,321	11.5	151,261	26.4	125,562	10.5	83.0	14,828	(2.2)	NA	—	6,463	5.4	16,945	4.6	58,205	2.8
1992	250,529	4.7	157,439	4.1	121,078	(3.6)	76.9	17,465	17.8	NA	—	6,568	1.6	15,800	(6.8)	59,569	2.3
1993	281,214	12.2	174,840	11.1	149,026	23.1	85.2	14,953	(14.4)	NA	—	7,097	8.1	18,250	15.5	61,634	3.5
1994	305,736	8.7	190,236	8.8	149,026	0.0	78.3	19,698	31.7	NA	—	7,424	4.6	17,400	(4.7)	63,221	2.6
1995	325,609	6.5	212,115	11.5	177,289	19.0	83.6	21,684	10.1	NA	—	7,839	5.6	19,675	13.1	65,651	3.8
1996	345,533	6.1	223,370	5.3	185,815	4.8	83.2	23,349	7.7	NA	—	8,182	4.4	19,825	0.8	67,387	2.6
1997	363,622	5.2	236,973	6.1	190,393	2.5	80.3	25,483	9.1	NA	—	8,591	5.0	19,170	(3.3)	68,992	2.4
1998	389,403	7.1	250,952	5.9	200,848	5.5	80.0	29,292	15.0	NA	—	9,004	4.8	19,245	0.4	70,730	2.5
1999	418,349	7.4	256,990	2.4	218,843	9.0	85.2	33,604	14.7	15,800	—	9,558	6.2	19,815	3.0	72,877	3.0
2000	443,316	6.0	272,167	5.9	228,759	4.5	84.9	39,615	17.9	13,042	(17.5)	10,040	10.9	19,700	(0.9)	74,534	2.3
2001	471,282	6.3	272,250	0.0	247,991	8.4	91.2	46,903	18.4	21,000	61.0	10,335	2.9	20,800	5.6	76,255	2.3
2002	507,120	7.6	286,898	5.4	242,679	(2.1)	85.0	56,490	20.4	24,930	18.7	10,535	1.9	19,625	(5.6)	76,776	0.7
2003	535,238	5.5	298,131	3.9	250,832	3.4	85.0	68,396	21.1	20,000	(19.8)	10,759	2.1	19,715	0.5	79,005	2.9
2004	558,978	4.4	301,703	1.2	251,017	0.1	83.2	81,392	19.0	35,011	50.1	10,891	1.2	19,420	(1.5)	80,404	1.8
2005 (est.)	585,424	4.7	307,242	1.8	251,017	0.0	81.7	91,060	11.9	27,500	(21.5)	11,101	1.4	18,600	(3.9)	81,500	1.4
2006 (est.)	605,201	3.4	316,094	2.9	N/A	-	N/A	100,060	9.9	30,000	9.1	11,251	1.4	N/A	-	N/A	-

* Paraprofessionals were counted as 0.5 FTE teaching unit through FY 1987 and as 0.4 teaching unit beginning in FY 1988.

Senate Education Committee
2-15-05
Attachment 2

<p>KASB SCHOOL FINANCE RESOLUTION <i>Adopted December 4, 2004</i></p>	<p>SB 244, SB 245, SB 246</p>
<p>KASB supports the national aspirations for student achievement embodied in the No Child Left Behind Act and the strategic directions of the Kansas State Board of Education as listed below. We support the commitment of resources necessary to make that vision a reality, and to finance the state and federal requirements all schools must meet. The Legislature's 2002 study provides an appropriate definition of a suitable education.</p>	<p>The plan does not attempt to change the definition of "suitable funding" used by the Legislative study or the Supreme Court. KASB supports the current definition.</p> <p>SB 244 establishes the 2010 Commission to monitor the "Quality Performance Accreditation system to determine that the state's public school system is maintained in a manner that promotes constant and improved levels of student achievement which can be measured." KASB supports this goal and supports the inclusion of a school board member.</p>
<p>Nothing is more important to the long-term prosperity of Kansas than the education of its people. Adequate funding of the school finance system is critical to maintain and improve economies of both rural and urban Kansas and foster stronger citizenship. It is also vital to help reduce the future costs of other state-funded programs. We endorse the following funding strategies to achieve those goals.</p>	<p>First year of the plan is to be funded with existing revenues; no funding identified for final two years. However, expansion of the LOB will require a tax increase at the local level. KASB believes new revenue sources must be identified for any plan to be meaningful, and that increased state taxes will be required.</p>
<p>STRATEGIC DIRECTION 1 – HELP ALL STUDENTS MEET OR EXCEED HIGH STANDARDS.</p>	
<p>The new federal law sets a goal of bringing all children to "proficiency" in core academic areas by 2014. Although a majority of Kansas students currently reach these standards, children in poverty, with disabilities, and from certain other subgroups are far more likely to be unsuccessful, and often require more help to succeed. Without additional resources, serving the growing numbers of these students will be at the expense of general education programs. We support:</p>	
<p>(1) Full funding for the Parent Education Program, the at-risk preschool program and all day kindergarten to help ensure that students begin school ready to learn.</p>	<p>Does not provide increased funding for early childhood programs, or implement all-day kindergarten. (Ways and Means subcommittee recommended increase in Parent Education and Preschool At-Risk) KASB believes increased funding for these programs should be included in any plan.</p>
<p>(2) Increasing the at-risk and bilingual weighting factors and other strategies to give more time and support to students who are not meeting grade-level outcomes.</p>	<p>At-Risk Weighting is increased from 0.1 to 0.25 over three years, estimated cost \$87.3 million. Bilingual Weighting is increased from 0.2 to 0.4 over three years, estimated cost \$11.2 million. KASB supports.</p>
<p>(3) Full funding for the cost of special education services for children with exceptional needs through the school finance formula.</p>	<p>Special education funding is increased from 81.7% to 92% over three years, estimated cost \$70 million. KASB believes special education should be funded at 100%.</p>

Senate Education Committee
2-15-05
Attachment 3

<p>STRATEGIC DIRECTION 2 – RECRUIT, PREPARE, SUPPORT AND RETAIN A COMPETENT, CARING AND QUALIFIED TEACHER FOR EVERY CLASSROOM AND LEADERS FOR EVERY SCHOOL.</p>	
<p>The No Child Left Behind Act and the State Board’s new accreditation and licensure regulations increased requirements for teachers in core academic areas and for teacher aides (paraprofessionals). Effective leadership is equally critical for school success. However, schools already face significant problems in hiring and retaining fully qualified employees. A major reason: school salaries and benefits are often lower than jobs with comparable qualification requirements. We support:</p>	
<p>(1) Increasing base support of school districts to allow salaries that are competitive with schools in other states and with other public and private sector positions.</p>	<p>Base increases in SB 246 would provide an average annual increase of about 3%. “Kansas personal income is expected to grow by 4.8% in 2004, 4.9% in 2003 and remain at that level through 2006” – Consensus review forecast, Nov. 4, 2004.</p>
<p>(2) Assisting districts in providing health insurance.</p>	<p>The proposal does not provide special assistance for health insurance. KASB believes health insurance assistance should be added.</p>
<p>(3) Funding quality professional development programs for teachers and school leaders.</p>	<p>The proposal does not address professional development. (Ways and Means subcommittee recommended \$1 million for Professional Development.) KASB believes the state professional development formula should be fully funded (\$8 million) to promote effective use of new resources for instruction.</p>
<p>STRATEGIC DIRECTION 3 – DESIGN AN EDUCATIONAL DELIVERY SYSTEM TO ENSURE LEARNING FOR ALL.</p>	
<p>The failure of the state to provide funding for the requirements of a “suitable” education has shifted the burden to local districts. Because local resources vary dramatically throughout Kansas, relying on local taxes alone will leave poor districts – and many children – behind. The state’s financing commitment should not be limited to a minimal education system, but to a system that supports high achievement for all, and ensures all districts have the opportunity to enrich their educational programs beyond the base budget through local option enhancements, provided that all districts can exercise the same degree of discretion by making the same amount of effort. We support:</p>	<p>SB 246 increases the maximum LOB from 25% to 30% over three years. Because base state aid increases only incrementally, most districts will continue to rely on the LOB to fund a large portion of their basic operating costs: teacher salaries, special education funding and other programs.</p> <p>KASB supports the fact that increased LOB is equalized, but believes that base aid should be high enough to replace most current LOB funding. If so, a higher LOB would not be necessary, and many districts would not need to use an LOB. Others could choose to use the LOB for further enhancements.</p>

<p>(1) Increasing the base budget per pupil as recommended by the Legislature's study on the cost of a suitable education (\$4,650 in 2001 dollars).</p>	<p>SB 246 increases base state aid from \$3,863 to \$4,263 over three years; estimated cost \$232.6 million. KASB believes the base target should be between \$5,000 and \$6,000, which would also replace all or most of the current \$600 million in LOB.</p>
<p>(2) Annually adjusting the base to reflect changes in educational costs at least equal to the rate of inflation.</p>	<p>The base increases over three years would be slightly more than current inflation estimates. KASB supports inflationary increases after a new finance plan is implemented with a base that reflects actual costs.</p>
<p>(3) Weighting factors that reflect actual differences in school district costs.</p>	<p>SB 246 eliminates vocational weighting and uses the savings to help fund the first year of the program. This means districts with larger vocational programs are disadvantaged, and that approximately one-third of the first year base increase is simply a reallocation. KASB opposes.</p>
<p>(4) Measures that support sound stewardship of financial resources.</p>	<p>The 2010 Commission created by SB 244 is charged with studying "best practices" for efficiency and other ways to improve the system. SB 245 establishes a school district audit team in the Division of Post Audit. KASB believes these bills should be amended to make clear that efficiency should be evaluated based on student achievement, and that school boards should be able to determine how to allocate funds if student performance outcomes are met.</p>
<p>These recommendations should be adopted in a way that does not reduce per pupil funding for any district and will provide increased funding for all districts. Kansas ranks among the highest-performing states, and spends below the national average. We need to invest to be the best, or our children, schools, educators and communities will be left behind.</p>	<p>SB 246, if fully funded over three years, would provide increased funding to all districts. KASB supports increased funding for all districts.</p>

Supreme Court's direction to the Legislature <i>January 3, 2005</i>	
<ul style="list-style-type: none"> Increased funding will be required. 	<p>SB 246 would increase state funding by \$415 million by 2008, about half of the amount recommended by the Legislative cost study for 2001. KASB supports the total amount recommended in the study.</p>
<ul style="list-style-type: none"> The Legislature must also address the "equity with which the funds are distributed." 	<p>The plan does not address the capital outlay levy. KASB supports equalizing capital outlay funding.</p>
<ul style="list-style-type: none"> Consider the actual costs of education, including appropriate administrative costs. 	<p>The base budget is not adjusted to reflect either the 2001 Legislative cost study, or the survey conducted this year by the Kansas State Department of Education.</p> <p>After three years, it would still fall short of the "actual cost" of special education.</p>
<ul style="list-style-type: none"> Correct aspects of the current financing formula, which "increases disparities in funding, not based on a cost analysis, but rather on political and other factors not relevant to education." 	<p>Any plan which increases reliance on local revenue sources will increase disparities because local resources are so unequal. SB 246 will increase, rather than decrease, reliance on the LOB, and provides no limit or equalization of capital outlay.</p>

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Testimony on
Department of Education Budget

Before the
Senate Ways and Means Subcommittee on Education

By Mark Tallman, Assistant Executive Director/Advocacy
February 2, 2005

Mr. Chairman, Members of the Committee:

Every year, KASB and other education organizations come before you to request funding for the Kansas State Department of Education. In the past, our requests have been based on what we believed was necessary to give Kansas students the quality of education expected by parents and patrons, and to meet the standards set by local school boards, the Kansas State Board of Education, the Legislature and the federal government.

This year is different. In addition to our voices, the Kansas Supreme Court has ruled the Legislature has failed to meet its constitutional duty to provide suitable finance for public education, and given April 12 deadline to correct these flaws.

The court's ruling is based on one simple fact. The expectations placed on public schools to provide a "suitable education" – and the cost of meeting those expectations – have far outpaced the resources provided by the state. That has created what might be called a "suitable funding deficit."

Part of that deficit has been filled by districts doing what the state has so far refused to do: raising taxes. School boards and local voters have increased the local option budget, approved bond issues, increased capital outlay levies and even special sales taxes for education. Districts have also raised fees on students and their families, which fall more heavily on lower income Kansans. Because local resources are dramatically unequal across Kansas, these changes have made the funding formula less equal, which the court says must be corrected.

The rest of this deficit has not been filled. As a result, schools cannot afford to provide the programs and services necessary to help all students succeed. Worse, in order to keep up with rising costs, many districts are actually cutting programs, services and staff that will affect student learning.

Make no mistake: this issue is about student achievement. You need look no further than the State Board's Strategic Goals Progress Report, issued last month, to find the basis of the Court's ruling. Despite the progress made by the hard work of our school personnel and the support of boards, parents and communities, far too many students are not reaching proficiency standards, especially those from lower incomes, minorities groups, and those with disabilities or limited English Proficiency.

Addressing these issues will require more resources, which the state budget must provide.

*Senate Education Committee
2-15-05
Attachment 4*

What the Legislature must do to make suitable provision for finance.

To correct its failure to make suitable provision for finance, the Court provides this direction to the Legislature:

- Increased funding will be required.
- Must also address the “equity with which the funds are distributed.”
- Consider the actual costs of education, including appropriate administrative costs.
- Correct aspects of the current financing formula, which “increases disparities in funding, not based on a cost analysis, but rather on political and other factors not relevant to education.”

How much additional funding will be needed?

A. The suitable cost study.

The District Court based much of its findings on the cost study by Augenblick and Myers, which the Supreme Court found “substantial competent evidence.”

The base and enrollment weightings. A&M recommended a base of \$4,650 in 2001. If increased by an annual inflation rate of approximately 2 percent, that amount would be \$5,034 in the current school year, and \$5,135 next year.

- This recommendation was mostly based on the “successful school” approach. The consultants looked at what school districts meeting accreditation and performance standards were actually spending – NOT subjective judgment.
- The projected cost of the higher base in 2000-01 was \$623.3 million. However, the A&M report also proposed offsetting changes in low enrollment and correlation weighting, for a net increase of \$322.2 million.

Special program weighting factors. A&M recommended the following increases in weightings for special programs: \$270 million for at-risk; \$33 million for bilingual; \$102.9 million for special education; \$2.2 million for new facilities; and \$20 million for transportation. The committee also recommended eliminating vocational weighting, saving \$25.4 million. These changes would total \$403.2 million.

Other recommendations and total cost. The net additional cost to the state of changes in base and weightings was \$725.7 million.

- A&M recommended the local option budget be continued as currently operated (25 percent maximum). The Department of Education estimated that with the higher base and weightings in 2000-01, school boards would have reduced their local option budgets by 75 percent, which would have decreased state aid for the LOB by \$63.2 million. (LOB property taxes would have also dropped at much as \$200 million.)
- A&M also recommended an adjustment for inflation since 2000-01, which was estimated to add \$190 million for the three years (2002 through 2004). The total cost of \$852.8 was presented to the District Court and reviewed by the Supreme Court.

If a similar estimate for inflation is added for 2005 and 2006, the cost would be about \$983 million –which is why the total cost is often rounded to \$1 billion. Many other measures suggest that this amount is reasonable and appropriate.

B. Funding foundation or base budget.

The base is what the state should provide to all students for regular or general education, before adding weighting factors.

Inflation and the base budget. If the base had been increased each year since 1992 by the consumer price index, it would be approximately \$4,796. (That amount is within 5 percent of the A&M recommendation adjusted for inflation.) With current weightings, the base adjusted for inflation would provide school districts \$542.5 million more than they will receive this year.

Inflation and school costs. Educational costs have actually been rising more than the rate of inflation, for at least two reasons.

- Salary and benefit costs account for about 85 percent of the average district budget, and these costs have been increasing at much more than the rate of inflation – both in schools and the private sector.
- School costs have risen to deal with new mandates, from special education to No Child Left Behind, from Quality Performance Accreditation to Qualified Admissions.

Total school spending and the base. Although the base is supposed to be the state’s foundational commitment to education funding, it provides a shrinking share of school funding.

- Base state aid (the school district general fund) has fallen from 73.7 percent of total school funding in 1992-93 to 57.6 percent in 2002-03.
- As a percentage of total spending per pupil, the base has fallen from 62.2 percent to 44.1 percent over the same period. To represent the same percentage of costs would require a base of \$5,554.

New Department of Education cost study. Based on all this information, it should be no surprise that a survey of 50 school districts conducted this year by the Department of Education found that large districts reported the costs of providing a suitable education is approximately \$6,000 for regular students.

C. Weightings and other state aid for students with special needs.

The Supreme Court agreed the current system is not suitable because many students fail to reach academic proficiency, especially low income, Black and Hispanic, disabled and English Language Learner students – groups the District Court called “the most vulnerable in our society.”

The performance gap. On 2004 proficiency tests, the difference between low income high school students and other students was over 23.1 percent in reading; 27.4 percent in math; 27.1 percent in science and 23.6 percent in math. For Black and Hispanic students, the gap is even greater. The performance gap for English Language Learners was 28 percent in reading; 34 percent in math, 41 percent in science and 43 percent in social studies.

- The at-risk weighting factor provides only 10 percent more funding for low-income students and does not provide funding for students who are at-risk for other reasons.

- The current weighting factor provides \$45.4 million. The suitable cost study recommended boosting that amount by \$230 million. It also recommended adding \$33 million for increased bilingual education aid.

Failure to fund special programs. The Legislature has created several programs to improve student achievement and teaching, but failed to fund the formulas for those programs.

- **Special education.** The state has adopted and added to federal requirements, but in recent years has provided only about 85 percent of costs (less than 80 percent in the Governor's recommended budget). Full funding would require \$64 million. A&M recommended increasing special education aid by \$102.9 million.
- **Professional development.** The Legislature and State Board both require school districts to provide programs to help teachers upgrade their skills, but eliminated all state funding this year. Under the formula, districts should receive \$8 million.
- **Mentor teachers.** The Legislature created this program to help improve skills and retention of new teachers, but eliminated all funding. Under the formula, districts should receive \$2.75 million.

Early childhood programs. Most educators agree that early education is crucial to helping at-risk students succeed. The Legislature created a program for at-risk preschool students, but provides limited funding in other areas.

- **Parent education.** This program is to help parents of young children develop early learning readiness. It has thousands of families on waiting lists due to limited funding.
- **All day kindergarten.** Despite the popularity of these programs with educators and parents, the state provides only half-day funding. As a result, districts must divert funding from regular education for these programs.

D. Comparison with other states.

Although the District Court ruled that high ranking student achievement in Kansas compared to other states does not demonstrate suitable funding, examination of funding in other states helps demonstrate the need for more increased financial support.

National average. Kansas spends about \$1,000 per pupil less than the national average in total spending, or about 11 percent. Kansas would need to increase funding by \$450 million to reach the national average.

Other high achieving states. Because the courts are concerned with improving student achievement, it is instructive to look at how Kansas compares with the highest-ranking states.

- **National assessment of education progress.** The six states that rank higher than Kansas on the NAEP spend an average of \$9,677 - \$1,794 more than Kansas. Increasing Kansas spending to the average of states that top Kansas in achievement would cost \$807.3 million.
- **Graduation rate.** Kansas ranks 10th in the latest national report. The nine states with higher graduation rates spend an average of \$9,493 - \$1,610 more than Kansas. It would require \$724.5 million to reach that average.

E. Historical comparison and economic impact

The most frequent objection to the A&M recommendations or proposals of similar magnitude is that it would require raising state taxes to a degree that would harm the state economy. However, the evidence from the enactment of the current system in 1992 indicates this concern is unfounded.

- The 1992 Act was phased-in over two years. Between 1992 and 1994, total school funding increased by \$357.8 million, or approximately 16 percent. (State aid for school districts actually increased much more, because the act also reduced local property taxes for schools by \$263.1 million, or about 32 percent.)
- A 16 percent increase in total school spending now would cost approximately \$650 to \$700 million. Because the A&M recommendations would be expected to reduce local option budgets in most districts, its net impact on school district budgets would likely be close to this amount.
- To raise funding necessary to enact the new system in 1992, the Legislature raised state taxes by \$346.4 million, or approximately 15 percent. A 15 percent increase in the estimated FY 2006 state general fund receipts (\$4.84 billion) would raise \$726 million.
- Far from depressing the Kansas economy, state tax receipts actually increased far more than expected. In Fiscal Year 1994, the year following this 15 percent tax increase, actual receipts exceeded the original estimate by \$135.6 million, or 4.5 percent. In fact, tax revenues exceeded consensus estimates every year between 1993 and 2000.

How should the Legislature address equity issues?

Although the Supreme Court said the current finance system does not violate the Equal Protection Clauses of the Kansas and U.S. Constitutions, it clearly stated that the Legislature must address the equity, or fairness, of how funds are distributed among school districts.

Local Option Budget. One reason the Supreme Court cited in finding the current system not suitable is the fact that districts are being required to use the Local Option Budget for general education, rather than for “extras.”

- Since 1992, statewide LOBs have increased by \$499.8 million. Base funding has fallen behind inflation by \$542.5 million. School districts have increased the LOB to keep up with basic operating costs, not for “extras.”
- In 1992-93, only about one-third of all districts had any LOB. Now most districts are at or near the 25 percent maximum. Statewide, districts are using approximately 90 percent of all LOB authority allowed under state law.

The Legislature should raise the base budget per pupil and other weightings to a level that covers the cost of a “suitable education” and then allow the use of local option budgets for programs that exceed the state’s standards for quality and performance.

Capital outlay. (The Supreme Court noted that the removal of any limits on capital outlay levies was one of the changes since 1992 when the school finance system had been unconstitutional.) Capital outlay funds are raised entirely by local property taxes without any state aid. Under state law, these funds may only be used for capital expenses such as construction, repair and equipment.

The Legislature should provide state assistance so both wealthy and poor districts can raise similar revenues with similar local effort, as is done for the LOB and state assistance for building projects financed through bonds.

Other equity issues. In recent years, some school districts have supported proposals to increase the maximum LOB percentage; allowing broader use of capital outlay funds; and to raise funding through local sales taxes. But these proposals are really further evidence that the state is not providing suitable school funding. Most of the districts supporting these proposals have long been at the LOB maximum, and have had to rely on increases in the base budget for new revenues. If the base was truly “suitable,” these proposals would be unnecessary.

How should the Legislature address differences in costs, including administrative costs?

The Supreme Court ruled that the Legislature must consider the actual costs of education, including appropriate levels of administrative costs. Some have suggested this means reducing funding for low-enrollment, high spending districts, requiring consolidation of small schools and districts, or directing reductions in administrative expenses.

Low enrollment and suitable education. The Supreme Court agreed that large and medium school districts with a high percentage of at-risk students ARE NOT receiving the resources to provide a suitable education. However, nothing in the record showed that other districts ARE receiving funding that meets the standard for suitable.

- The “achievement gap” for students in small districts is similar to the achievement gap in larger districts. Districts with fewer low income, minority or disabled students face the same challenges with the students they do have.
- Small districts already have lower average teacher salaries than larger districts, often face more difficulty in attracting new teachers, and have a much more difficult time offering the range of courses required for graduation, Qualified Admissions and the State Scholarship Program.

Reorganization and cost savings. The additional funding provided to small districts through low enrollment weighting is less than \$200 million – only about 5 percent of total school district spending. Reductions in the funding of small districts would provide little additional funding for larger districts. But such cuts would make it impossible for smaller districts to provide a suitable education, or even survive; and would likely create a new set of plaintiffs.

Administrative costs. Kansas school spending on administrative costs are less than 10 percent of total school spending, and are similar to other states. Although Kansas spends slightly more in non-instructional areas than the national average, Kansas ranks far above the national average on student performance while spending less per student. There is no evidence that reducing non-instructional costs improves student learning. In fact, the opposite may be true. Administrative leadership, student and teacher support, parent and community outreach are all non-instructional areas that directly and positively impact learning.

Total central office expenditures in Kansas are about \$100 million – less than 3 percent of total spending. Reducing administrative costs in small districts would result in minimal savings to the state. Most small districts already have administrators with multiple duties, and belong to cooperative agreements for administrative and instructional support. The only way to make major savings in administrative operations of school districts is to close school buildings.

Conclusion

- The Governor's budget, which contains no increases in the base budget, virtually no new funding for high-need students, and no changes in the formula to address equity, would clearly be unacceptable to the Supreme Court.
- The Governor's three-year, \$300 million proposal from last year would have been a start, but would not be adequate to meet the needs of Kansas students for a suitable education.
- Suitable funding will require a substantially higher base for every district, and additional funding for high-need students in every district. By every reasonable measure, the total cost of this increase should be in the \$1 billion range.
- In a \$4 billion total budget for education, \$100 million is just 2.5 percent - not even the rate of inflation. Addressing the Court's ruling will take at least the kind of increase made in 1992, when school budgets increased about 15 percent over a two-year period.
- The 1992 tax increase didn't hurt the state economy. It resulted in a more equitable tax system for public education, reduced property taxes while increasing education spending, and led to a period of rising student achievement on both state and national assessments and other measures of school performance.
- The Supreme Court's decision should be seen as an opportunity to move Kansas to the very top of the list of states in educational quality.

Appendix

What did the Supreme Court say about “suitability”?

In upholding the District Court on suitability, the Supreme Court held the following:

Because of changes, the system is no longer suitable. The current system was found “suitable” as originally adopted in 1992, but the Supreme Court had “noted that the issue of suitability is not stagnant but required constant monitoring.” At trial, the District Court found societal and statutory changes have occurred since 1992. The Supreme Court found those changes supported by “substantial competent evidence.”

Standards for determining suitability. The Supreme Court identified a standard for determining whether the system makes suitable provision for finance, based on three things.

- **Kansas Constitution.** Article 6, Sec.1 mandates an education system that is not “static or regressive,” but which “advances to a better quality or state,” i.e. improvement.
- **School accreditation.** The 1992 Legislature mandated an accreditation system “based upon improvement in performance that reflects high standards and is measurable” (KSA 72-6439(a)) and standards for individual and school performance levels “the achievement of which represents excellence in the academic area at the grade level to which the assessment applies” (KSA 72-6439(c)).
- **Suitable cost study.** The definition used by the Legislature in commissioning its cost study was based on student performance measures.

Why financing is not suitable. The Supreme Court said “We need look no farther than the Legislature’s own definition of suitable to determine that standard is not being met under the current financing formula” for these reasons:

- The Legislature’s own suitable cost study by A&M, which the Court called “substantial competent evidence.”
- Evidence from plaintiff school districts that they and other middle- and large-sized districts with a high proportion of minority and/or at-risk and special education students do not have adequate funding.
- Districts are being forced to use the Local Option Budget to finance general education, rather than the original intent to fund “extra” expenses.

Additional factors. The Court said, “...there are other factors to be considered in addition to whether students are provided a suitable education.” (Emphasis added.)

- The financing formula was not based on actual cost but on former spending levels and political compromise.
- This failure to consider actual costs “distorted” weighting factors.

This language suggests that there must be some basis in actual educational costs for school funding, even if students are receiving a suitable education.

Testimony to Senate Education Committee

RE: SB 246

February 15, 2005

Kathy Cook, Executive Director (913) 825-0099
Kansas Families United for Public Education

I would like to thank the committee for the opportunity to address you this afternoon.

We are pleased that this committee presented a multi-year school finance plan. The fact that it was released this early will allow time for it to be reworked, and it **absolutely** must be reworked.

If this plan passes as it is now, it will be rejected by the Supreme Court. The Supreme Court was clear when it said that the financing level must be based on actual costs, not political compromise or other factors not relevant to education. This plan did not use any type of cost study.

Should the committee pass this plan anyway, we will then face the possibility of a Special Master being appointed by the Court. That is not a result that this committee should risk. Each member of this committee represents a different constituency with different needs, and now is the time for you to speak up for and represent your constituency. If a Special Master is appointed, you will no longer be a party to the process. You, and your constituents, will lose their voice.

Please use the cost analysis that this legislature commissioned, paid for with our tax dollars and was referenced by name in the Supreme Court ruling: Augenblick & Myer.

The Court was also clear when it said that the local option budget was intended to provide extras, not the essentials. The Senate plan in its current form still relies on the LOB for essentials.

The first year of this plan is funded with one-time money. How can we be assured that this money will be available in future years? If education is truly the number-one priority of this state, then let's fund it with a stable and reliable stream of revenue.

Funding streams for years two and three must be identified **NOW** and become a part of this package. Today, years two and three of this plan are nothing more than empty promises.

Our children have waited patiently for this body to act on school finance. Our kids waited for the District Court decision, which was issued in December 2003. When the legislature didn't like that decision they told our kids to wait again. The Supreme Court issued its decision in January; and now we hear legislators saying that April 12th isn't a firm deadline. There is nothing in the court opinion that indicates in any way that this is not a firm and final deadline! The Supreme Court is the highest court in the state, there are no more appeals.

It's time to recognize the reality of our situation and rise above politics. The time to make difficult decisions and demonstrate political courage is now; there are no more "next years." Please, do what's in the best interest of our children. They should not have to beg for the rights afforded them by the Constitution.

Senate Education Committee
2-15-05
Attachment 5

Testimony: Senate Education Committee
February 15, 2005
Missy Taylor (913) 262-0988

My name is Missy Taylor. I am a recently retired teacher with nearly 30 years of classroom experience, so I know you'll be paying attention.

You were given an assignment by the Supreme Court of Kansas. Do you remember what it was? Use funding standards based on improvement of student academic performance that reflects high academic standards and is measurable.

In other words, meet your constitutional responsibility to educate all the children of Kansas to a high level of performance and be able to show proof of what you accomplished.

Notice! Your assignment was NOT to figure out how to educate our kids as best we can with what we've got.

If I were your teacher, and this were a class project, I would say your group has demonstrated a good grasp of the necessity for providing more funds for special education, at risk and bilingual students.

You also get points for knowing that the base state aid per pupil must be increased.

The 2010 Commission is a fine idea for keeping things on track, if it can really be bipartisan and free from political influence. However, board of education members should be included on the Commission. After all, they are the ones responsible to the patrons in their district for spending the money provided by the state.

You've made a good start, and perhaps you might be able to talk me into a little more time to complete your assignment. I can't speak for the Supreme Court.

How can you complete your assignment? For starters, you need to show your work. How did you arrive at your figures for increases? The Supreme Court used the work of Augenblick and Myers.

Did you relate your figures to the survey of 55 districts completed by the Kansas Department of Education? It may not be totally scientific, but it can put you in the ball park.

What percent of the actual **cost** per pupil are you intending to provide?

About the money- without which your ideas mean very little:

If you expect the state to have more coming in, can you guarantee it? How will you guarantee the stream of one-time money proposed this year for future years?

Without a clear, unencumbered source of revenue your plan is like turning in an incomplete assignment. It doesn't meet the requirements.

Frankly, I just don't see how the Supreme Court can give you credit at this point. Please go back to work now.

Senate Education Committee
2-15-05
Attachment 6

Thank you for the opportunity to speak to you today. I am the parent of three children, ages 11, 15 and 18, in the Shawnee Mission School District.

Before moving to Johnson County in 2000, my husband worked for AT&T, and we spent 15 years living and traveling around Europe and Asia. My children attended several excellent American and International schools. While living in Indonesia, Taiwan and Portugal, I was a classroom volunteer. My children have been in class with students from all over the world. One of the first things that I noticed about the student from Europe and Asia, was how advanced they were in Math and Science by 6th grade. These kids were not from affluent elite private schools, and their parents were generally just college educated middle class people much like us. My point is that I know from my experiences living and working overseas, what the competition looks like, and how much higher the expectations are in other societies. I do not think that w as a nation, or the state of Kansas, can expect our children to maintain a competitive edge in global business and manufacturing if you the legislature, continue to think in terms of providing just a "suitable" or "adequate" education. Most corporations try to maintain global competitiveness by continually investing in obtaining and keeping the best-educated and most highly skilled workers. Why is it so inconceivable to expect the same from our state government? How do you expect to attract highly qualified teachers, particularly in math and science, where there is already a critical shortage, without providing competitive salaries and dedicated long term funding to public education? I want my kids to be able to compete with the best and the brightest from all nations. We all know that you do not get something for nothing.

The other issue which greatly concerns me, is the high correlation between high school drop out rates, neighborhood crime and incarceration, and dependence on Medicaid. I am a nurse at KU Medical Center where I see a steady flow of low-income patients with complex and chronic health problems requiring very expensive medical treatments. These patients are more likely to have no health insurance and low levels of literacy. With regards to the prison population, you will not only pay for their food and lodging but you will also be paying for the high incidence of HIV, hepatitis B, and now even more hepatitis C – more state funds for medical expenses which rise monthly. I would think that you would want to do anything possible to help schools increase their graduation rates, improve reading scores, and vocational education. You will either pay now with increased funding for early intervention and smaller class size for high risk kids, or you will pay later for the medical and prison cost.

My hope for my children, and all of the children of Kansas, is that they will receive the kind of education that will prepare them to be the ones who will invent and manufacture the high-tech products of the future. I want my children to have a world-class education and I am ready and willing to pay for it. Please stop shuffling money around, and please provide dedicated long term funding for the kind of education, and teachers that are necessary to maintain the kind of jobs that we need for our future. In closing, I would like to say that providing good education to all of our state's children is not just a good investment, it is also the morally correct thing to do.

Thank you,
Catherine A Creed

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Attachment 7

To: Chairman Jean Schodorf, and other Members of the Kansas Senate Education Committee
Presented at: Hearing on Senate Bill 246
Presented by: Amelia McIntyre, Parent of two Shawnee Mission School District Students and a Kansas Taxpayer
Dated: February 15, 2005

Kansas K-12 Public Education Needs More Than Senate Bill 246

As a concerned parent of students at Shawnee Mission East High School and Indian Hills Middle School, I urge your increased support, beyond the financial commitments in Senate Bill 246, for a solution to the Kansas school finance formula and the budget crisis that has a significant impact on the quality of public education that I expect for my children. I care about students across Kansas, not just those in the Shawnee Mission School District. The economic development engine of Johnson County is fueled by the quality of education provided to its future workforce drawn from the entire state.

More identified sources of revenue are absolutely needed to place Kansas public education on a solid financial foundation, and to enable the Kansas Legislature to meet its constitutional obligation to provide a suitable public education to Kansas students. Each year that the Kansas Legislature fails to provide reasonable funding to K-12 public education causes our children to lose opportunities necessary to succeed in a demanding future. SB 246 fails to identify steady, continuous sources of revenue for quality public education.

The social and economic needs of our nation are changing. Kansas must continue to strengthen its public K-12 education system because of those changing needs. Although Kansas ranks high among the top states in academic performance, the state assessments show that too many children—especially the poor, disabled, students with limited English ability and members of our fastest growing ethnic groups—are those that are being left behind, and not reaching the high academic standards that we expect to be met by all of our children, whatever their circumstances. SB 246 as currently drafted begins to work toward assisting some of these disadvantaged students. However, even with the increase in weightings proposed by SB 246, please note that the school districts would still not receive 100% of the excess special education costs under SB 246, which means the Federal and State mandated special education program, are not being fully funded by those levels of government that require local school districts meet these mandates, in essence drawing funding away from the “regular” student.

I acknowledge that SB 246 proposes to increase Base State Aid Per Pupil (BSAPP) by \$150 to \$4,013 in the next school year at a cost of \$87.2 million; adds \$125 the second year, pushing BSAPP to \$4,138 at a cost of \$72.7 million, and in the final year adding another \$125 to move the BSAPP to \$4,263 at a cost of another \$72.7 million. The BSAPP initiative costs over three years \$232.6 million or a total increase of 10.4%. *It is better to contrast these increases with the actual inflation rates. Although the Senate Education Plan would increase about an average of about 3.5% per year, please keep in mind that inflation has been running 2-3% per year, and employee salaries and benefits have been averaging more than 3%. [See analysis at the KASB website at www.kasb.org/legis/kasbanalysis.pdf] There is no substantial net gain, above inflation, in the BSAPP under the SB 246. The total dollars fall substantially short of the costs to provide a suitable education, under the Legislature’s own studies, whether that is the result of the 55 school district survey conducted by the State Department of Education at the request of the Legislature this session or the results of the May 2002 “Calculation of the Cost of a Suitable Education in Kansas in 2000-2001 Using Two Different Analytic Approaches” prepared by Augenblick & Myers, Inc., at the direction of the Legislative Coordinating Council. Based on the K SDE survey, for school districts with an enrollment the size of the SMSD, the median cost to provide a suitable education was \$6,057.00 per pupil per year, without considering exceptionalities (e.g. excluding the extra costs associated with education at risk, bilingual and special education students). In comparison, the Augenblick & Myers study found that as of that date, the*

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base cost was \$4,650 for the school year 2000-2001, which means that the level under SB 246 does not even reach that level, now five years later, after much inflation.

Please effectively use your time this session to develop a school finance system that will be in compliance with the expectations of today's world for education. I urge you not to eliminate local control of school expenditures and governance. I believe that some measure of local variation in spending is appropriate, at the choice of the local voters, provided the whole state-wide system is adequately funded. Proportionately, the taxpayers of Johnson County contribute revenue in taxes in excess of the state funding assistance our school districts receive back under the current formula. Under the current finance formula our tax dollars are taken, and re-distributed throughout the State, yet at the same time the Legislature has limited our ability to address our local education needs and expectations through increasing the cap on the local option budget. SB 246 allows some increase over three years in the cap on local option budget, but at the same time it takes away correlation weighting, causing SMSD to lose ground. While the Johnson County taxpayers to this point, have on the most part willing taken on the responsibility to help the rest of the public education system across the State, if we face further increases in classroom size, continued cutbacks on key support staff such as nurses and librarians, and reductions in programming linked to the curriculum, which will occur if nothing better than SB 246 is offered, then the inherent unfairness of this situation will cause a further rift in what our Johnson County taxpayers are willing to do for the rest of the State.

The changing national and international economies demand well-educated and highly skilled workers. If Kansas wants to compete in this changing economy, then it has to maintain its educational advantage by adequately funding public education. I encourage you to develop a formula to meet the State's responsibility to provide a suitable K-12 public education. It is within your legislative prerogative to determine what a suitable education is that will take us into the future, and then adequately fund it, but please keep in mind the high expectation for a quality public education that has fueled our economy.

Amelia McIntyre
3812 W. 57th Terrace
Fairway, KS 66205
913-677-5991

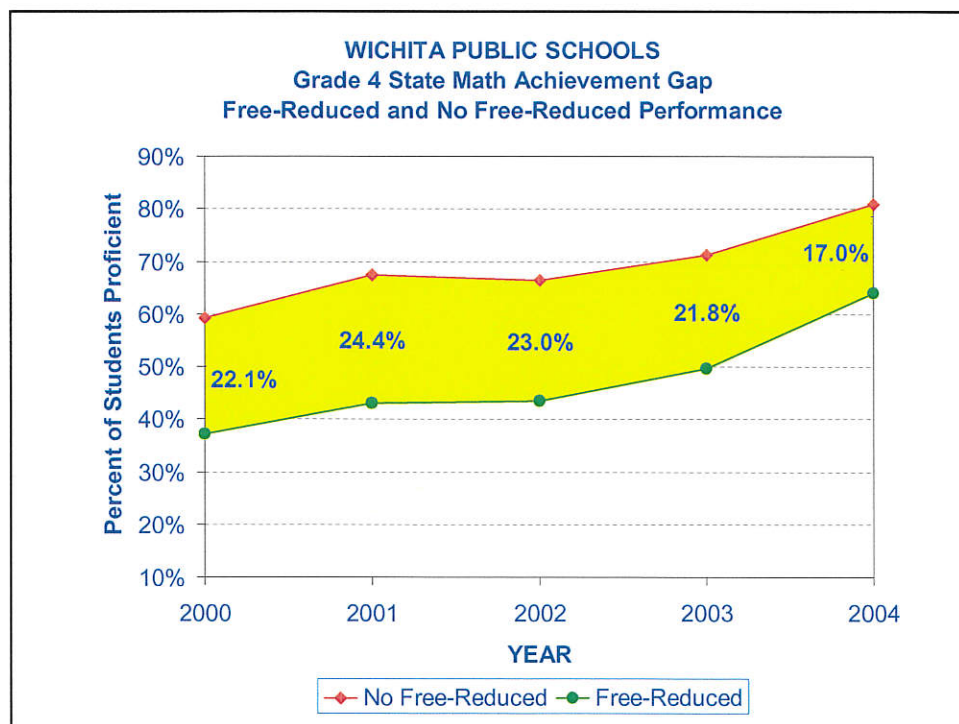
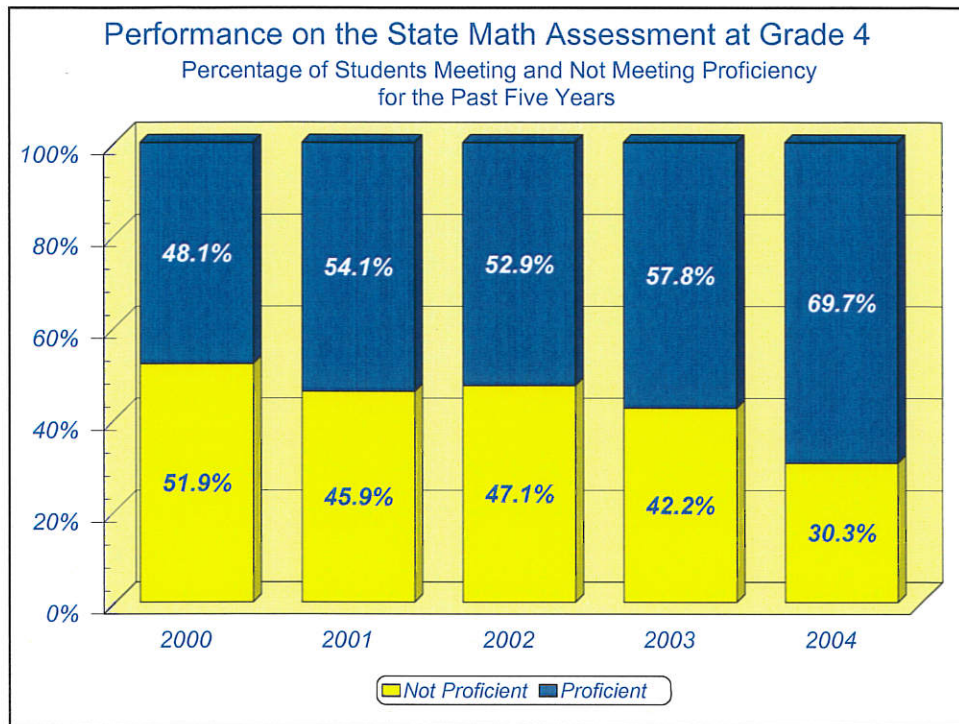
District Performance on the State Assessments

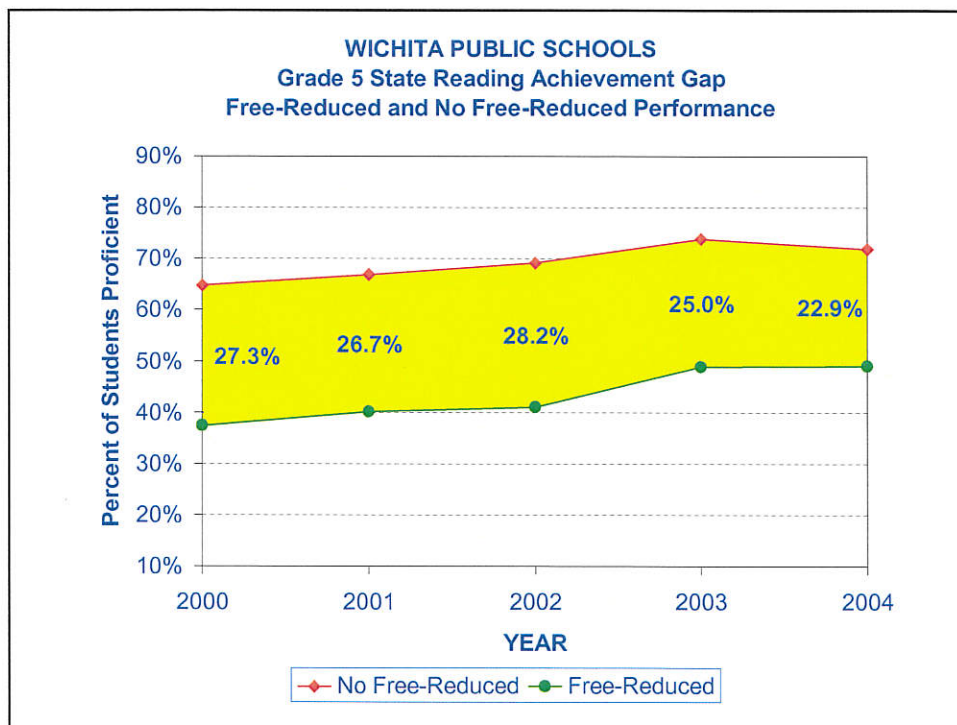
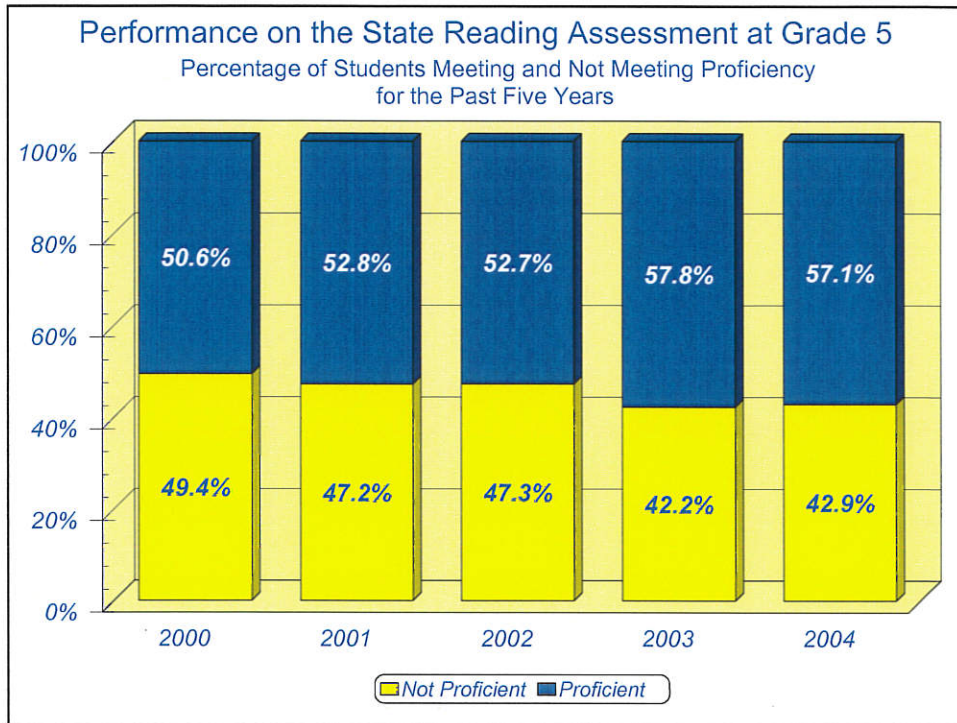
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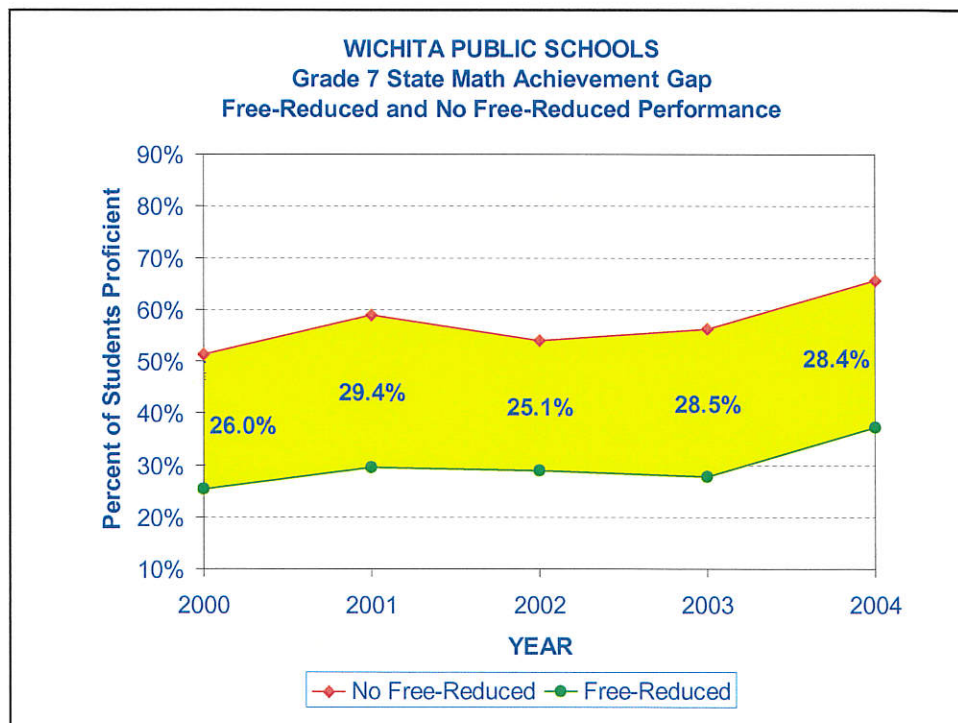
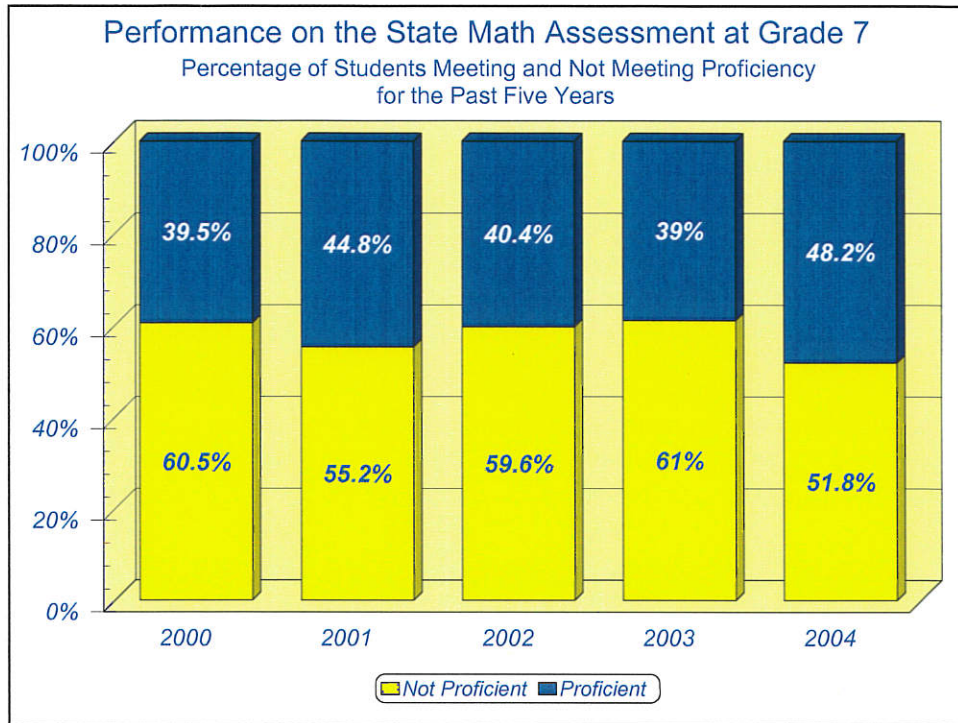
Presentation to the Board of Education

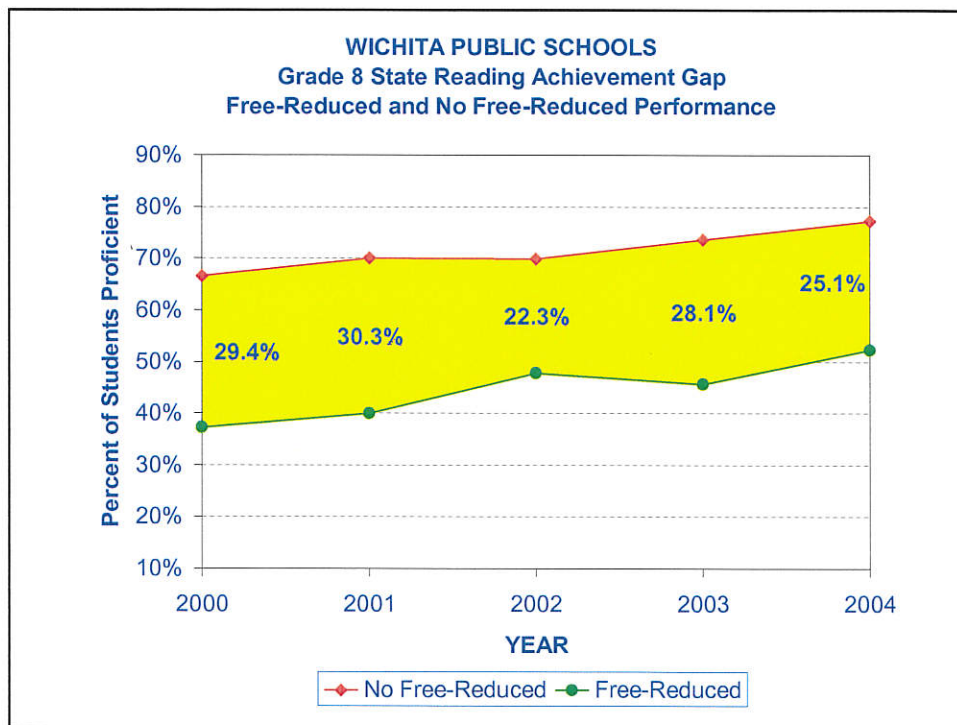
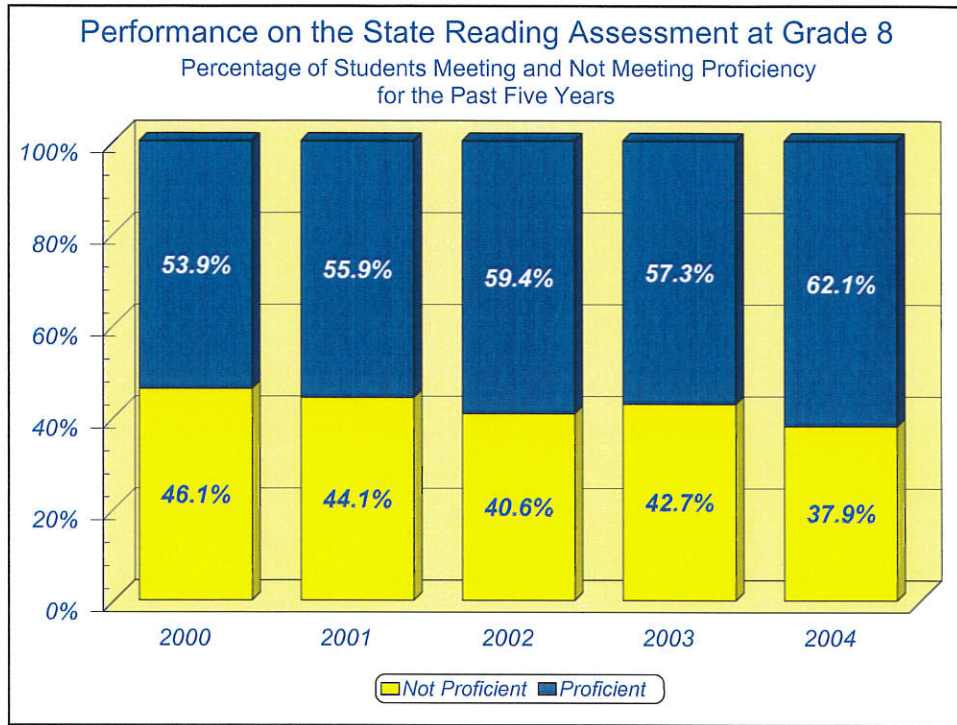
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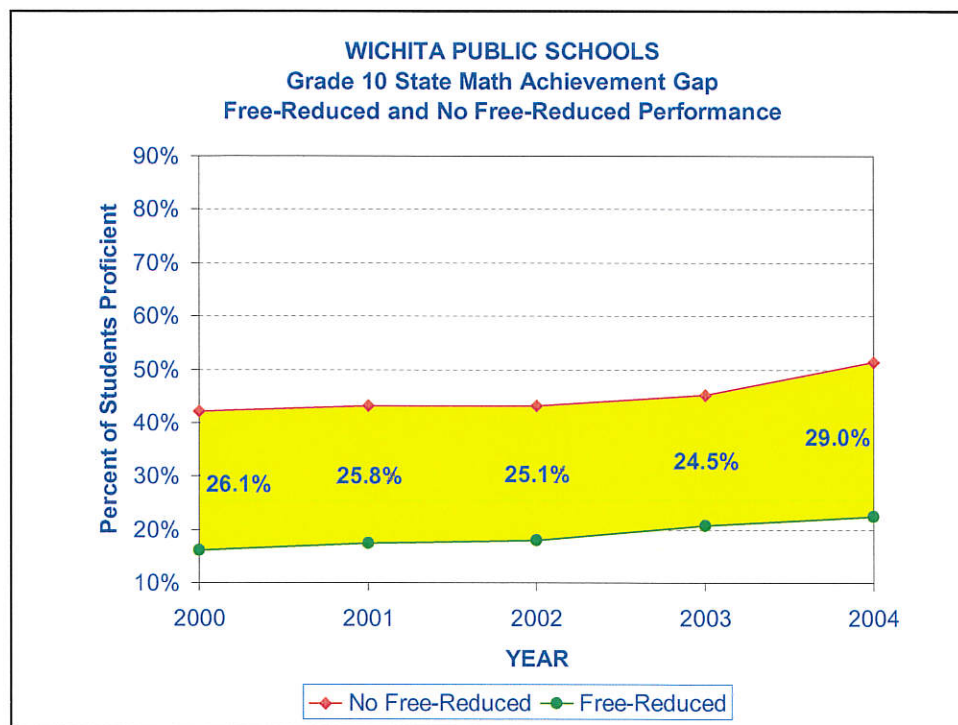
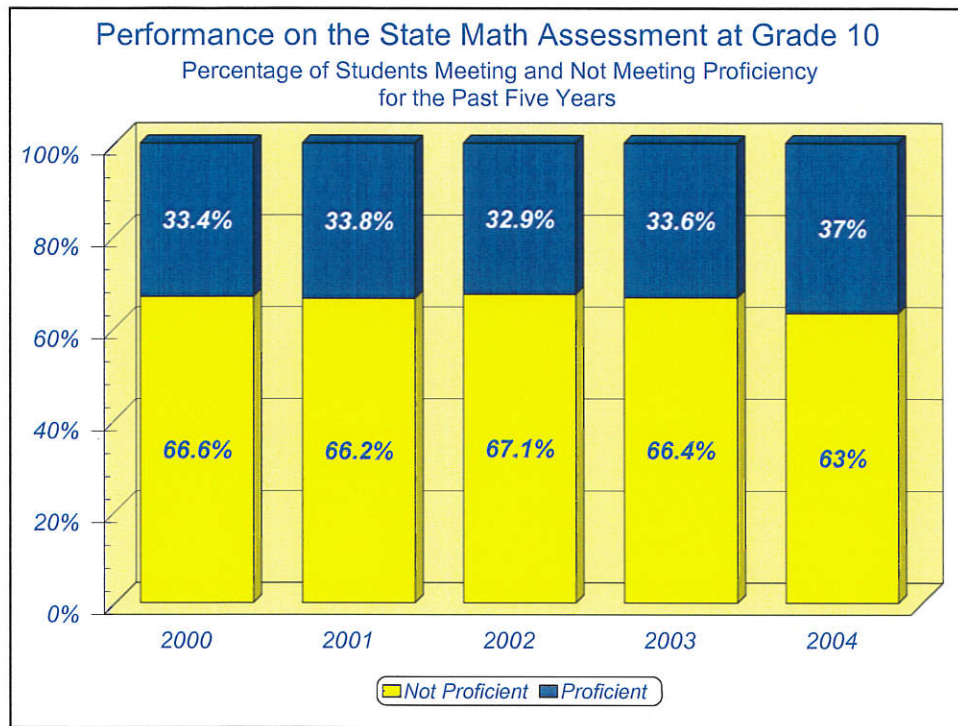
September 13, 2004













February 15, 2005

Senate Education Committee

Dear Honorable Members:

First, let me say thank you for your willingness to be open-minded to this request. It is not an easy task to have so many constituents with so many diverse interests and try to please everyone with a very limited amount of funds. I realize the issues before you are a starting point to begin discussion and to hear views from all affected parties.

I asked to speak to you today, as president-elect of the Kansas Association of Technical Schools and Colleges. On behalf of all technical education institutions in Kansas, I am urging you to reconsider the elimination of the .5 weighted funding. Elimination of this funding will seriously affect technical schools and colleges' ability to provide quality technical training in the state. Personally, as director of Kaw Area Technical School, which is the second largest technical institution in Kansas, two-fifths of my funding comes directly from school districts that make use of the weighted funding to send their students to my school.

My decisions for next year already include:

- Not being able to expand classes with high demand and having to tell potential students "Try again next year to enroll in this class. Yes, I know if additional training was available, this would allow you to get off public assistance and start paying taxes; however, the class is already filled. In fact, students who enrolled in this class waited all night in front of the building just so they would have an opportunity to get into the two slots that were available mid-year."
- Which instructor will I let go so others can have a raise?
- Should I drop a program that has a high cost per student because of the technical nature of its curriculum, yet meets the needs of employers, so I can add another program that may have a lower cost per student ratio?
- Which businesses that want to move to or expand in Kansas should I tell, "I'm sorry there is no money to train your employees?" (This is because I have already cut to the bone, and in fact, have trimmed the meat not just fat from the administrative team at KATS.)
- Inform instructors that they will not be able to take classes to further their teaching ability because the money was needed to pay increased utilities this year.

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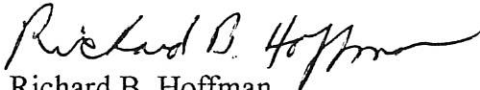
You may think this is an exaggeration, but I am here today to tell you this is fact. Technical institutions across Kansas have already had to take millions of dollars from capital improvements funds just to pay the day-to-day expenses. No longer is this money available to repair leaky roofs, repave parking lots, replace antiquated heating and cooling systems, upgrade instructional equipment and expand classrooms.

The elimination of .5 weighted funding will only make this already serious situation worse. Technical institutions do not have the luxury of offsetting the low enrollment ratio and high cost of our programs with high enrollment low cost programs. We can't put hundreds of freshmen in an entry math class and use the money saved to subsidize the high cost programs. All of our programs are low student-to-teacher ratio because of the technical hands-on nature of our curriculum.

It used to be called "Voc - Ed". It was where we dumped the losers. Truth is, a four - year degree isn't for everyone, nor should it be. But there's still a perception that Career and Technical Education, (CTE) is for entry-level, dead - end jobs. That's just wrong: Engineering technology, business, and health care are consistently at the top of the list of associate's degrees earned by CTE students. And the money's good. A few years back, a worker with a bachelor's degree earned a median salary of \$686 per week, while the average worker with an associate's degree made \$639, only a \$50 difference.¹

In conclusion, let me leave you with this thought. According to a variety of statistics and research, the majority of jobs in the future will require advanced training past high school, but only 20% of the jobs will require a four-year degree. If secondary students do not receive exposure to technical training in high school they will not choose technical training for their careers. What will we do when the 40%+ of employees that represent the baby boomers retire? Where will this next generation of workers come from?

Sincerely,



Richard B. Hoffman
Vice President
KATSC

¹ Jacob Young, *Reader's Digest*, January 2005, Make Something Happen, p. 89