

MINUTES OF THE SELECT COMMITTEE ON SCHOOL FINANCE

The meeting was called to order by Chairman Kathe Decker at 9:00 on January 28, 2005 in Room 313-S of the Capitol.

Representative Merrick - excused absence

Committee staff present:

Kathie Sparks, Kansas Legislative Research
Theresa Kiernan, Revisor of Statutes Office
Art Griggs, Revisor of Statutes Office
Ann Deitcher, Committee Secretary

Representative O'Neal gave some history of the Augenblick and Meyers findings from their 2001 study, in coordination with the State Department of Education, saying that it changed the Legislative definition of a "suitable education".

Copies of the qualified admissions and state scholarship program were distributed. This also included the high school graduation requirements. (Attachment 1).

In KSA 4612.5, it is defined what the Legislature meant by "suitable education" and directed that the study be based on that for its definition. That statute said that "for the purpose of the professional valuation of school district finance, the term 'suitable education' means a curricular program consisting of required subjects and courses.

A list naming the members of Kansas Commission on Education Restructuring and accountability was distributed. (Attachment 2).

Representative O'Neal ended by saying he felt they needed a working definition of "suitable" that does not involve every single thing that the schools choose to offer. The question was asked as to whether the contents of "Requirements for a Suitable Education" would not be referred to, (Attachment 3), Representative O'Neal said they would be pulled together with those other statutes that pertained to suitable education requirements.

Questions and answers followed.

It was decided that a sub-committee be formed to come up with a piece of legislation that could be tied in with a formula for suitable education requirements. The Chair asked Representatives O'Neal and Larkin share that responsibility with her.

The meeting was adjourned at 10:10 a.m. The next meeting of the select committee is scheduled for Monday, January 31, 2005.

January 24, 2005

To: Representative Kathe Decker

Office No.: 303-N

From: Kathie Sparks, Principal Analyst *KLS*

Re: K-12 Course Study; Qualified Admissions and State Scholarship Program Pre-college Curriculum, and High School Graduation Requirements

Per your request, the following will provide the Qualified Admissions and State Scholarship Program pre-college curriculums, high school graduation requirements and the required courses of study for K-12 education, and a list of statutes for courses that may be offered.

Qualified Admissions Pre-college Curriculum

Four units of English
Three units of Math
Three units of Natural Science
Three units of Social Studies
One unit of Computer Technology
Two units of Foreign Language (preferred)
One unit of Fine or Performing Arts (preferred)

State Scholarship Program Precollege Curriculum

Four units of English/Language Arts
Three units of Natural Science (one each of Biology, Chemistry, and Physics)
Four units of Math
Three units of Social Studies
One unit of Computer Technology
Two units of Foreign Language

High School Graduation Requirements

Four units of English/Language Arts
Three units of History and Government
Three units of Science
Three units of Math
One unit of Physical Education
One unit of Fine Arts
Six units of Elective Courses

Select Comm. on School Finance

Date 1-28-05

Attachment # 1-1

Statutory Required Courses of Study (copies of statutes enclosed)

<u>KSA</u>	<u>Name</u>
72-8212	Grade (K-12) and (30) Unit of Instruction requirements
72-1101	Required subjects in elementary schools (reading, writing, arithmetic, geography, spelling, English grammar and composition, history of Kansas and United States, civil government and duties of citizenship, health, and hygiene)
72-1103	Required subjects: civil government, United States history, patriotism, duties of citizen, suitable to the elementary grades; and government and institutions of the United States, the Constitution of the United States required for graduation.
72-1117	Kansas history and government, required courses
72-1126	Community Service Programs
72-4520	Adult Basic Education Programs
72-7535	Personal Financial Literacy Programs

The above list does not include the federal requirements for Special Education and Bilingual Education courses.

Statutory Courses That May Be Offered (copies of statutes enclosed)

<u>KSA</u>	<u>Name</u>
72-1120	American Sign Language
72-3604	Parent Education Program
72-5017	Driver Training
72-53, 107	Alcohol and Drug Abuse Programs
72-67, 115	Preschool Programs
72-8238	Extraordinary School Programs

If you have any questions, please do not hesitate to contact me.

are using calculation procedures based on one of two data-based approaches that have evolved over the past few years: (1) the "professional judgment" model or (2) the "successful school (district)" model. These two approaches are among the four approaches (the other two approaches include one based on the cost of whole-school reform models and one based on statistical analysis of school district performance and expenditure data – neither of which has actually been used by a state) that academics and policymakers have been examining in recent years.

The professional judgment approach is a modern version of what used to be called a "resource cost model," or "market-basket" approach that asked educators to specify the resource needs of quality schools. Today, the approach asks educators to identify the resources they feel need to be in place in prototype schools in order for students to achieve a specific set of objectives. Once resources have been specified, prices are determined for the resources which, when applied to the resources, produces a hypothetical cost. Costs for elementary, middle, and high schools can be combined with district level costs to produce an overall cost per student. The district level costs include those expenditures that are in addition to school site expenditures, such as district administration, or those expenditures that cannot be disaggregated to school sites, such as plant maintenance and operation. When undertaken carefully, the approach can be used to distinguish costs of special, high-cost programs from basic services, allowing the user to determine a base cost, or foundation level, as well as adjustments to the base.

The successful school (district) approach relies on a different logic than the professional judgment approach, seeking to infer a base cost figure from the actual spending of school districts, or schools, determined to be successful because they meet whatever standards are used by a state to evaluate student and school performance. Using this approach, a set of schools or school districts are selected from among all schools or districts that meet a variety of criteria related to their level of success in meeting state standards, their normalcy in terms of socio-economic characteristics such as district wealth or proportion of pupils from low income families, and their efficiency in terms of spending. Once districts have been selected, their basic spending (excluding spending for capital purposes, transportation, special education, other special programs, and any service funded by federal revenue) is examined to determine a base cost level. While this approach is best used to determine a base cost figure, it may be possible to use the approach to determine adjustments to the base cost if a sufficient number of cases can be found with varying levels of special needs to determine the relationship between the proportion of pupils with those needs and the excess spending associated with serving those pupils.

Unlike most states, Kansas has chosen to employ both the professional judgment model and the successful school (district) model. Maryland is the only other state to combine both of these methods in a single study. In 2001, A&M conducted an adequacy study for the Thornton Commission in Maryland, which utilized both of these models. The specific methodology varied slightly due to the demographic differences between Kansas

II. ALTERNATIVE APPROACHES TO CALCULATING A BASE COST LEVEL

In most states, the base cost figure that drives the foundation program represents a political judgment, reflecting how much revenue is available or how much might become available through higher levels of taxation.¹ In the past few years, some states have begun to develop new approaches to calculating the base cost that are designed to reflect a particular set of services or a particular level of performance, or both, so that the base cost has a meaning beyond simply reflecting available revenue (see Appendix A for further discussion on actions by specific states).² The effort to develop these approaches is necessitated by the fact that no research exists that demonstrates a straightforward relationship between how much is spent to provide education services and student, school, or school district performance. If such a relationship existed, then state policy-makers could simply determine the level of performance they wanted, and provide the appropriate amount of revenue or, conversely, determine how much revenue was available and know the level of performance

¹ See "A New Millennium and a Likely New Era of Education Finance" by James W. Guthrie and Richard Rothstein, a chapter in the *2001 Annual Yearbook of the American Education Finance Association* (edited by Stephen Chaikind and William F. Fowler) for a discussion of the history of state attempts to deal with adequacy in the distribution of state aid.

² More is being written about the issue of education funding adequacy, including, for example: "Enabling Adequacy to Achieve Reality: Translating Adequacy into State School Finance Distribution Arrangements" by James W. Guthrie and Richard Rothstein in *Equity and Adequacy in Education Finance*, edited by Helen F. Ladd, Rosemary Chalk, and Janet S. Hansen (National Research Council, National Academy press, Washington DC, 1999); "The Empirical Argument for Educational Adequacy, the Critical Gaps in the Knowledge Base, and a Suggested research Agenda" in *Selected Papers in School Finance, 1995* (National Center for Education Statistics, Washington DC, 1997); "Defining Adequacy: Implications for School Business Officials" by Lawrence O. Picus (*School Business Affairs*, January 1999); "The Costs of Sustaining Educational Change Through Comprehensive School Reform" by Allan Odden (*Phi Delta Kappan*, February 2000); "Alternative Approaches to Measuring the Cost of Education" by William Duncombe, John Ruggiero, and John Yinger in *Holding Schools Accountable: Performance-based Reform in Education*, edited by Helen F. Ladd (The Brookings Institution, Washington DC 1996); and "Recommendations for a Base figure and Pupil-Weighted Adjustments to the Base Figure for Use in a New School Finance System in Ohio" by John Augenblick (School Funding Task Force, 1997).

that could be attained. In the absence of such a simple relationship, and in light of the fact that some people believe that there is no clear association between spending and performance, four rational approaches have emerged as ways to determine a base cost level: (1) the professional judgment approach; (2) the successful school (district) approach; (3) the comprehensive school reform approach; and (4) the statistical approach. These approaches differ in terms of underlying philosophy, assumptions, data needs, reliance on research, and ease of understanding. They should not be viewed as competing approaches but, rather, as alternatives that might be appropriate depending on particular circumstances. Moreover, while any of these approaches might be used to calculate a base cost figure, they might be more or less useful in calculating adjustments to the base cost to account for the varying, uncontrollable costs pressures that different districts face.

The professional judgment approach relies on the views of experienced service providers to specify the kinds of resources, and the quantities of those resources, that would be expected to be available in order to achieve a set of objectives specified for the service providers. This contribution-focused approach has been used in Wyoming to calculate a base cost amount in response to the state Supreme Court's requirement that the school finance system reflect the cost of the "basket" of goods and services needed to assure that a high school graduate could be admitted to an institution of higher education in the state. The approach uses a panel of "experts" to specify the way education services should be delivered in prototypical elementary, middle, and high schools, which combine to form a prototype school district.

Once the services have been specified, with a focus on the necessary numbers of different types of personnel, costs are attached and a prototype per pupil cost is determined. This approach best reflects the experiences of people who are actually responsible for delivering education services and may be combined with research results as the basis of a rational way to specify the magnitude of resources that are expected to produce some level of results. As the approach has been implemented, it is designed to distribute funds through a "block grant," without specifying exactly how money should be spent, despite the fact that the prototype schools designate what the experts believe is the best combination of resources. The advantages of the approach are that it reflects the views of actual service providers and it is easy to understand; the disadvantages are that it tends to be based on current practice and there is little evidence that the provision of money at the designated level, or even the deployment of resources as specified by the prototype models, will produce the anticipated outcomes.

The successful school district approach is based on the simple premise that any district should be able to be as successful at meeting a set of objectives as those schools that actually meet those objectives provided that every district has the same level of funding that has been available to the successful districts, and that differences in student characteristics have been taken into consideration. This approach has been used in Mississippi, New Hampshire, and Ohio to establish base cost levels. For example, in Ohio,

the average "basic" spending (excluding spending for capital purposes and transportation, expenditures funded by federal revenues, and expenditures for which adjustments would be expected to be calculated) of the districts that met almost all of the state's 18 measurable objectives is the foundation level; in New Hampshire, the approach was modified to include only those districts that were among the lower spending of those that were within a narrow range of meeting the state's objectives (excluding those that far exceeded the state's objectives). In Mississippi, separate groups of districts were identified to calculate base cost figures for instruction, administration, and plant maintenance and operation, which were then combined to produce a single base cost level.

~~The successful schools approach is most useful when the state has specified its objectives, and districts can be identified that meet them on the basis of acceptable criteria.~~

The strengths of the approach are that it is based on actual evidence that districts can be successful at a certain resource level and that the ways that resources are used can vary among successful districts; a weakness of the approach is that it makes no adjustments to the base cost to reflect uncontrollable cost pressures, since the characteristics of some districts might differ from those that have been successful.

The comprehensive school reform approach is based on the estimated costs of implementing whole-school, systemic reform models, such as those developed by the New American Schools Development Corporation (NAS). The assumption is that such models reflect the best thinking about how to organize schools to assure their success, particularly with the most difficult students, and that any school that had the same resources as the model school would have the ability to put the model into effect and be equally successful. No state has actually pursued this approach, which may simply reflect the fact that the models are not in widespread use and that they have not had a chance to prove their success yet.

The statistical approach is based on understanding those factors that statistically explain differences in spending across school districts while "controlling" for performance.

In some sense, the statistical approach is the most powerful of the alternatives and is subject to the least manipulation. However, it has proven difficult to explain how the approach works in situations other than academic forums. The approach requires the availability of lots of data, much of which needs to be at the school or student level in order to be most useful. No state has used the statistical approach to determine the parameters in a school finance formula. However, the statistical approach has been used to establish some of the adjustments states use to make the allocation of support sensitive to uncontrollable cost pressures, such as setting the "weights" for students enrolled in special education programs or creating the formulas to reflect the costs associated with different enrollment levels.

None of these approaches are immune to manipulation; that is, each is subject to tinkering on the part of users that might change results. In addition, it is not known at this

point whether they would produce similar results if used under the same circumstances (in the same state, at the same time, with similar data). In fact, there is some speculation that the successful school district approach and the comprehensive school reform approach produce lower costs than the professional judgment approach or the statistical approach. Regardless of these shortcomings, each approach represents an attempt to rationally determine the parameters that drive the allocation of state aid, and the use of any of the approaches raises the level of discussion about school finance adequacy.



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Attachment # 2

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Requirements for a Suitable Education

<p>High School Graduation Requirements Kansas State Board of Education - QPA (Effective 7/01/05)</p> <ul style="list-style-type: none"> • 4 units of English/Language Arts • 3 units of History/Government • 3 units of Science • 3 units of Mathematics • 1 unit of PE • 1 unit of fine arts • 6 elective courses 	<p>State Statute 72-116 and 76-717 Qualified Admissions Requirements (currently in effect)</p> <ul style="list-style-type: none"> • 4 units of English • 3 units of Math • 3 units of Natural Science • 3 units of Social Studies • 1 unit of Computer Technology 	<p>State Scholarship Requirements Kansas Board of Regents (currently in effect)</p> <ul style="list-style-type: none"> • 4 units of English/language Arts • 3 units of Natural Science (1 each of biology, chemistry & physics) • 4 units of Math • 3 units of Social Studies • 1 unit of Computer Technology • 2 units of Foreign Language 	<p>State Statute 72-1117 State Law – high school graduation</p> <ul style="list-style-type: none"> • Kansas History and Government
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<p>State Statute 72-1101 Required by Legislature Required subjects in elementary schools</p> <ul style="list-style-type: none"> • Reading • Writing • Arithmetic • Geography • Spelling • English Grammar and Composition • History of the United States • History of Kansas • Civil Government • Duties of Citizenship • Health and Hygiene • Such other subjects as the State Board may determine. 	<p>State Statute 72-1103 Required by Legislature Required courses of instruction; graduation requirements</p> <ul style="list-style-type: none"> • Civil Government (elementary) • U.S. History (elementary) • Patriotism (elementary) • Duties of a Citizen (elementary) • Government and Institutions of the United States (secondary) • Constitution of the United States (secondary) 	<p>Regulation 91-31-32(b) Kansas State Board of Education QPA Performance Criteria</p> <ul style="list-style-type: none"> • Percent at or above proficient on state assessments or having increased overall student achievement by a percentage prescribed by the State Board • 95% or more of all students and each subgroup take state assessments • Have an attendance rate equal to or greater than that set by the State Board • For high schools, have a graduation rate equal to or greater than that prescribed by the State Board
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<p>Regulation 91-31-32(c) Kansas State Board of Education QPA Quality Criteria</p> <ul style="list-style-type: none"> • A school improvement plan that includes a results-based staff development plan • An external assistance team • Local assessments aligned with state standards • Training for teachers on state standards and assessments • 100% of faculty in core areas fully licensed and 95% or more of faculty in other areas • A curriculum that allows students to meet the Regents qualified admissions and state scholarship requirements • Local policies that comply with state graduation requirements and use of licensed personnel 	<p>Regulation 91-31-32(c) Kansas State Board of Education QPA Quality Criteria Programs/services needed at elementary/secondary level</p> <ul style="list-style-type: none"> • Computer literacy • Counseling services • Fine Arts • Language Arts • Library Services • Mathematics • Physical Education, which shall include instruction in health & human sexuality • Science • Services for students with special learning needs • History and Government including Kansas history and government 	<p>Regulation 91-31-32(c) Kansas State Board of Education QPA Quality Criteria Program/services needed at secondary level</p> <ul style="list-style-type: none"> • Business • Family and Consumer Science • Foreign language • Industrial and Technica Education
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Additional programs and services included in the legislature's definition of a suitable education given for the Augenbligh & Myers study that are not mandated by State Regulations, State Statute, Kansas Board of Regents (State Scholarship) or Kansas State Board of Education (QPA).

- Student and staff safety
- Early childhood programs – (except 3 & 4 year old special education)
- Extended learning time
- Alternative schools
- Activities programs
- Student transportation – (mandated over 2 ½ miles if outside the city limits)
- Nursing services

Select Comm. on School Finance

Date 1-28-05

Attachment # 3