

MINUTES OF THE SPECIAL SESSION SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 10:15 a.m. on June 20, 2005, in Room 519-S of the Capitol.

Committee members absent: Barbara Allen- excused (Karin Brownlee appointed for Special Session)
Chris Steineger- excused (Anthony Hensley substituting)

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

Conferees appearing before the committee: Alan Conroy, Director, Kansas Legislative Research Dept.
Barbara Hinton, Legislative Post Auditor
Dale Dennis, Deputy Commissioner, State Board of
Education

Senator Schodorf noted that the Committee's charge was to develop a plan for spending an additional \$143,000,000, or another amount, on education if appropriated. She commented that the development of the plan would not force committee members to take a position on how they would vote in session. She pointed out that the purpose of the meeting was to develop a bill so that it would be ready for introduction when the Special Session convened on Wednesday, June 22. She emphasized the importance of a tentative agreement, subject to change, regarding all weighting factors. Before opening committee discussion, she called upon staff for a review of the most recent rulings of the Kansas Supreme Court relating to school finance.

Theresa Kiernan, Office of Revisor of Statutes, outlined the decision in *U.S.D. 229 v. State of Kansas* in which the Supreme Court upheld the provisions of the 1992 school finance law, and she also reviewed the decision in *Montoy, et al. v. State of Kansas, et al.*, in which the Court held that the Legislature had failed to make suitable provision to finance the public school system. In addition, she discussed the order the Supreme Court issued in advance of oral arguments to consider the 2005 education funding legislation and the supplemental opinion to the Montoy case which the Court issued on June 3, 2005. She then listed answers to the question, "What is the Supreme Court telling the Legislature in its latest decision as to suitable finance?". In conclusion, she stated, "When reviewing any law passed during the special session, it (the Court) most likely will use the broader scope of review it used with 2005 **HB 2247**." (Attachment 1)

Ms. Kiernan confirmed Senator Vratil's statement that the Montoy decision entered by the Supreme Court on January 3, April 15, and June 3, 2005, did not overrule any aspect of the decision in the U.S.D 229 case.

Carolyn Rampey, Kansas Legislative Research Department, outlined the specifics of the Kansas Supreme Court Supplemental Opinion in *Montoy, et al. v. State of Kansas, et al.* At the outset, she noted that the Court ruled that the Legislature must show that actual costs were used when funding education and that the distribution of funds was equitable. In the supplemental opinion in the school finance case issued on June 3, 2005, the Court found that the 2005 school finance legislation fell short of standards set by Article 6 of the *Kansas Constitution*, citing a "continuing lack of constitutionally adequate funding" and "inequity-producing local property tax measures." Ms. Rampey went on to discuss four specific policies enacted by the 2005 Legislature in **HB 2247**, as amended by **SB 43**, which the Court examined and ordered that they not go into effect. In addition, she discussed the 2005 Legislature's directive to the Legislative Division of Post Audit to conduct a professional cost study to determine the costs of delivering the kindergarten and grades one through 12 curriculum, related services, and other programs mandated by state statute in accredited schools. She noted that the Court found the directive to be deficient because it limited the study to "inputs" only, and the Court expanded the scope of the study to include "outputs." She went on to discuss the concerns the court had with regard to the base state aid per pupil, at-risk weighting, bilingual education weighting, special education, and local option budgets. With regard to the total funding the Supreme Court required, she noted that the Court heavily relied on the Augenblick and Myers study which was commissioned by the 2001 Legislature and overseen by the Legislative Educational Planning Committee (LEPC) and which was completed in 2002. (Attachment 2)

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Following committee discussion and questions concerning the methods used in the Auguenblick and Myers study and the outcome of the study, Senator Schodorf called upon Alan Conroy, Director of the Kansas Legislative Research Department, for an update on state revenues.

Mr. Conroy distributed a packet of information which included the following: (1) a copy of the report by the Consensus Revenue Estimating Group on total State General Fund receipts through May of 2005, (2) a copy of a memorandum to the Governor and the Legislative Budget Committee regarding consensus revenue estimates for fiscal years 2005 and 2006, (3) two tables regarding state general fund receipts, expenditures and balances as projected for FY 2005-FY 2008, and (4) an outline of State General Fund out-year demands. (Attachment 3) As he discussed the information, he pointed out that, at the end of May, actual general fund receipts were \$75.6 million, or about 1.8 percent above the estimate, and receipts from taxes only was \$72.6 million, or 1.7 percent above the estimate. He also noted out that the informal finding of the Consensus Estimating Group was that the combined estimate for FY 2005 and FY 2006 needed to be increased by \$172.0 million. He called attention to data which showed that of the \$172.0 million, \$88.0 million was in individual income taxes between the two years, and \$70.0 million was in corporate income taxes for the two years.

Barbara Hinton, Legislative Post Auditor, followed with a report on issues relating to the cost study analysis required under **HB 2247** passed by the 2005 Legislature. In her opinion, the language in the bill could potentially be read as incorporating two distinctly different and incompatible interpretations of the costs to be included in the study. She explained scenario one, which would include only the cost of those resources needed to fund what is mandated by state statute in schools that are accredited by the Board of Education with additional costs added for special needs students (input-based approach), and scenario two, which would include the cost of those resources needed to achieve certain outcomes adopted by the Board of Education in its school accreditation standards (outcomes-based). She requested that the Legislature clarify which Board standards are to be used by Post Audit as a basis of the cost study analysis so that neither the Post Audit Committee nor the Legislative Division of Post Audit is put in the position of having to interpret which type of study the Legislature wanted. She noted that, based on the conference committee discussion, it was her understanding that **HB 2247** called for the outcomes-based approach. She went on to say that, if the Legislature determined that the outcomes approach was the intended method for the cost study, there was an issue as to which standards should be used due to the fact that the Board of Education adopted new standards on January 1, 2005, which go into effect on July 1, 2005. (Attachment 4)

Senator Vratil confirmed that the conference committee intended that student outcomes be a part of the cost study and that committee members were fully aware at the time that the Board of Education had adopted standards which would be going into effect on July 1, 2005. Committee discussion followed regarding the two cost study methods and the projected cost to Post Audit for consulting services related to the study. Ms. Hinton emphasized that, if the Legislature did not clarify which method was to be used in the cost study analysis, Post Audit would have to conduct two separate studies (one using the input-based approach and one using the outcomes-based approach).

The meeting was recessed at 12:05 p.m. until 2:00 p.m.

Senator Schodorf called the meeting to order at 2:10 p.m. at which time she called upon Dale Dennis, Deputy Commissioner, State Board of Education, for a report on potential schedules which might be used by school districts when preparing their 2005-06 budgets, assuming that the Special Legislative Session adjourned on June 30. Mr. Dennis distributed copies of potential schedules for school districts with daily newspapers and districts with weekly newspapers. He noted that budget preparation would require eight working days. (Attachment 5)

Senator Hensley distributed a Department of Education computer printout of data based upon a proposed school finance plan he developed along with Senator Lee. (Attachment 6) He explained that the proposed plan would basically continue the law as was passed in **HB 2247**, which eliminated correlation weighting and low enrollment weighting and raised the base state aid per pupil to \$4,107. At-risk weighting, bilingual education weighting, and special education weighting would be increased, and an additional \$163 would be added to the base state aid to pupil. The total cost of the proposed plan (\$144,200,00) when combined with the provisions in the bill which passed would be \$285,228,000.

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Senator Vratil compared **HB 2247** with the plan presented by Senator Hensley as follows:

	HB 2247	Proposed Plan Increase
At-risk weighting	\$26 million	\$60.4 million
Bilingual weighting	\$11 million	\$ 2.5 million
Special education	\$17.7 million	\$28.4 million

Senator Vratil also noted that the \$163 increase in base state aid per pupil in Senator Hensley’s plan amounted to an additional \$26.6 million and that \$8.6 million was added to equalize the local option budget.

Senator Hensley moved to introduce the conceptual school finance bill he presented, seconded by Senator Lee. The motion carried.

Senator Vratil distributed copies of a school finance proposal which he developed along with Senators Wysong and Allen. (Attachment 7) He explained that, in drafting the proposal, they tried to respond a number of the criticisms that the Supreme Court expressed in their opinion of June 3, 2005. In addition, they tried to recognize the lengthy negotiations and the compromises that went into **HB 2247**. He noted that the proposal would increase funding for education by \$143.0 million. He discussed the seven components of the proposal. He pointed out that the proposal, combined with what was in **HB 2247**, would double the at-risk weighting, and it would increase special education funding by \$16.0 million. He confirmed that item 6 shown on the handout would equalize 16 school districts and that item 7 would equalize 4 school districts. He noted that the Court’s criticism dealt with wealth based disparity, and the proposed equalization to the 75th percentile in items 5 and 6 would eliminate that disparity. Committee questions and discussion followed.

Senator Vratil moved to introduce the conceptual school finance bill he proposed, seconded by Senator Brownlee. The motion carried.

Senator Schodorf distributed copies of a Legislative Research Department summary of a proposed school finance bill (totaling \$150.5 million) sponsored by Senators Derek Schmidt, Jean Schodorf, Dwayne Umbarger, Peter Brungardt, Vicki Schmidt, and Pat Apple. (Attachment 8). The major features of the proposal included: (1) an increase in base state aid per pupil by \$65.0 million, (2) a \$32.0 million increase for at-risk weighting, (3) a \$15.8 million total increase for special education, (4) equalization of the capital outlay program up to the 8 mill limit (\$18.0 million), (5) an increase in KPERS school fund payroll growth due to the base state aid increase (\$2.5 million), (6) funding the local option budget increase due to the higher base state aid (\$6.6 million), and (7) property tax relief for school year 2005-06 and for future years (\$40.0 million). Among other policies, the proposed bill would create an “At-Risk Council” which would report to the Governor and to the 2010 Commission by the beginning of the 2006 Legislative Session. Senator Schodorf also called the Committee’s attention to copies of a Department of Education computer printout which was based upon the factors included in the proposal. (Attachment 9)

Senator Derek Schmidt responded to questions from committee members concerning the effect the proposed bill would have with regard to levies for local option budgets. He called attention to the last two columns of the printout, noting that the millage equivalency of buy down was on the far right in column number 11, and what that meant in terms of dollars for the district was shown in column number 10. He noted that the Supreme Court opinion issued on June 3 made it clear that equity is a problem, and the Legislature needed to remedy it. He explained that one of the effects of the proposal would be shrinking the gap between richest and poorest districts made by property wealth. He commented, “The Court did not strike down the three new local option pieces and say they’re never going to be enforced. To the contrary, the Court entered a stay on those pieces and, in effect, said you can’t have your dessert until you finish your peas. By moving down the road of trying to fix the Constitutional flaws in the formula and equalize what we’re doing, this moves us in the direction of those with an interest in that subject matter, making a case to the Court that it’s time for dessert now, free the hostages if you will. So, I think there is some benefit to every part of the state in moving toward additional equalization, at least in the long run and for some in the short run.” He went on to say, “To the extent that our proposal puts \$150 million in, it targets the overwhelming bulk of that money to areas which are not distorted, in the Court’s words, by low enrollment weighting. It puts them in the at-risk weighting factor. It puts them in special education. It puts them in equalizing capital outlay. It puts them into a \$40.0 million LOB buy down/further equalization provision. None of which are further distorted to the extent there is a distortion by low enrollment weighting. So, the fact that we put in only \$65

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on base and directed the rest of the money to other areas addressing the Court's concern, I think tends to minimize any problems there." Senator Schmidt continued to take part in Committee discussion which followed regarding the provisions in the proposed school finance bill.

Senator Schodorf moved to introduce the conceptual bill as summarized in the handout prepared by the Legislative Research Department, seconded by Senator Apple. The motion carried.

Senator Schodorf called upon Ms. Rampey for a review of the three-year plan in **SB 246** (2005 Session), which involved amendments to the School District Finance and Quality Performance Act and other school funding legislation. Ms. Rampey summarized the supplemental note on **SB 246** as amended by the Senate Committee on Education. (Attachment 10)

Senator Schodorf opened a discussion on funding for special education excess costs in the plan by quoting the portion of the *Montoy v. State of Kansas* decision (page 11) which addresses the provision for special education in 2005 **HB 2247**. Mr. Dennis responded to committee questions concerning 100 percent reimbursement for a district's special education costs and the identification of students eligible for special education money. Senator Schodorf noted that legislators were concerned about the results of a Post Audit study which documented that some districts were receiving over 100 percent of excess costs.

Senator Goodwin moved to include special education excess costs in the plan at no less than 90 percent, seconded by Senator Pine.

Senator Teichman made a substitute motion to include special education excess costs in the plan at no less than 94 percent, seconded by Senator Lee. The substitute motion failed.

Senator McGinn made a substitute motion to include special education excess costs in the plan at no less than 92 percent, seconded by Senator Teichman. The substitute motion carried.

For the Committee's information, copies of a data sheet comparing school finance funding options, prepared by the Legislative Research Department, were distributed. (Attachment 11)

Senator Schodorf opened committee discussion regarding the possibility of including additional funding for at-risk students in the plan.

Senator McGinn moved to raise the at-risk weighting to 0.2 (\$29.7 million), seconded by Senator Brownlee. The motion carried.

Senator Schodorf opened committee discussion on bilingual weighting. Mr. Dennis noted that the 2005 Legislature increased the weighting from 0.2 to 0.395. He explained that the weighting was slightly less than double, but the dollars were slightly more than double because of the increase in base state aid. Senator Lee commented that the Supreme Court's decision in the Montoy case stated, "Although the increase in this weighting is significant, it still differs substantially from the cost information in the record." Senator Schodorf pointed out that the decision also states, "The Board makes no argument as to the weighting's relationship to actual costs; it simply repeats that it regards the change in the weighting as a good faith effort toward compliance."

Senator Apple moved to leave the at-risk weighting at the current level of 0.395, seconded by Senator Pine. The motion carried.

Senator Schodorf opened committee discussion on capital outlay equalization.

Senator Lee moved to equalize at eight mills, seconded by Senator Teichman. The motion carried.

Senator Schodorf reminded the Committee that the Legislative Post Auditor requested that the Legislature clarify which approach (input-based or outcomes-based) was to be used in the cost analysis study to be presented to the 2006 Legislature. She noted that one part of current legislation includes all of the mandates,

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policies, and regulations that apply to accredited schools. She commented, "The question is, does the Legislature want the cost analysis study, as the Court suggested, to focus on the outcomes or not. In addition, the Legislature must decide if it is necessary to put in the date." She noted that the Republican plan had wording about an outcome approach. Ms. Kiernan confirmed that the Republican plan pulled in references to statutes the Court referenced. She noted that it references the State Board of Education's constitutional power section and also anything the State Board has set by standard that is not in a rule or regulation. She also noted that the plan as currently drafted would pick up No Child Left Behind. Senator Schodorf suggested that the Committee not make a decision until the next meeting when copies of the plan would be distributed by Ms. Kiernan.

The meeting was adjourned at 5:05 p.m.

The next meeting is scheduled for June 21, 2005, at 12:00 p.m.

**SPECIAL SENATE EDUCATION COMMITTEE
GUEST LIST**

DATE: June 20, 2005

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Elaine Frisbie	Division of the Budget
Ringer Lewman	Kans. Ass. for Gifted Children
Diane Gjerstad	Wichita Public Schools
JAMES F. MILLER	FCC TOPEKA - NARFE
Jim Sullinger	KC STAR
Tom Hawk	House 67 th Marshattan, MO
Fred Kaufman	# 489
Richard Sommers	Kennedy Assoc.
Mark Tallman	KASB
Ron Secker	Hickman Firm
BILL REARDON	USD 500 (KANSAS CITY)
Val deFever	SQE
Hany George	Olathe Public Schools
Dow Adkinson	USD 260 Derby
Jim Markoe	USD 402 Augusta
Doug Bowman	Ks Coordinating Council ^{Early} Childhood
Bill Brady	SFFF
Kim Dietrich	TARC
Jamie Katsibilus	TARC

**SPECIAL SENATE EDUCATION COMMITTEE
GUEST LIST**

DATE: June 20, 2005

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Somedia Braden	Cure Council
John Ballou	Ruffin Co
RON BALLARD	USD 470 - Arkansas City
Kelley May	LITTLE BOD. RELATIONS
Dodie Weishear-Johnson	Pat Hurley & Co. / KEC
Jim Edwards	KASB
Mike Soetaert	SALINA USD 305
ROB WINTER	" "
TERRY HOLDEN	KANSAS FARM BUREAU
Allie Duvine	Kansas State High Association
Leslie Kaufman	Kansas Cooperative Council
Don Willson	USA
JOHN ROBB	SCHOOLS FOR FAIR FUNDING
Alan Rye	"
Michael Clegg	"
John Morte	SFFF / USD 373
Gary Janz	Newton USD 373
Susan Hernandez	Emporia USD 253
Bob Vanorum	USD 229

**SPECIAL SENATE EDUCATION COMMITTEE
GUEST LIST**

DATE: 6/20/05

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Gloria Davis	Dodge City Schools
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E-mail: Revisor'sOffice@rs.state.ks.us

To: Senate Committee on Education
From: Theresa Kiernan
Senior Assistant Revisor of Statutes
Date: June 20, 2005
Re: Montoy v. State

The following is a highlight of certain provisions contained in the most recent rulings of the Kansas Supreme Court relating to school finance.

In U.S.D. 229 v. State, the Supreme Court upheld the provisions of the 1992 school finance law. In particular the court held that:

- The court had a limited scope of review of the law and that was limited to whether the legislature had the power to enact the legislation, not the wisdom behind the enactment.
- The issue for judicial review was whether the SDFQPA provided suitable financing, not whether the level of finance is optimal or the best policy.
- The court would uphold funding differences among districts if there was a legitimate goal for the differences and the means to achieve that goal bear a rational basis to the goal.
- Upheld each weighting because it found that there was a rational basis for each. In overruling the district court's ruling that there was no rational basis grounded in educational theory for how the low enrollment weighting was determined, the court stated that the lack of scientific evidence is not determinative of whether or not the legislature had a rational basis for drawing the line where it did.
- The issue of suitability is not stagnant and must be closely monitored. When attacked upon enactment or modification, the law may be determined constitutional. At a later time as a result of underfunding and inequitable distribution of finances, a court could determine that the law no longer complies with constitutional provisions.

On January 3, 2005, the Supreme Court issued its ruling in the Montoy case. The court held that:

- The legislature had failed to make suitable provision for finance of the public school system.
- As funded, the SDFQPA failed to provide suitable finance for students in middle-sized and large districts with a high proportion of minority and/or at-risk and special education students.
- Districts were being forced to use LOB money to fund a constitutionally adequate education.
- Among the critical factors for the legislature to consider in achieving a suitable formula

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for financing education were "equity with which the funds are distributed and the actual costs of education, including appropriate levels of administrative costs." The court felt this guidance was necessary because the current formula increases disparities in funding, not based on cost analysis, but rather on political and other factors not related to education.

- Increased funding would be required.

In advance of oral arguments to consider the 2005 legislation, the Supreme Court issued an order in which it:

- Explained to the parties to the suit what it wanted to know about the 2005 legislation:
 - Did the legislature address the court's special concern as to whether it considered actual costs of providing a suitable education when drafting the law?
 - Did the law exacerbate and/or create funding disparities among the districts?
- Asked the parties to address whether additional fact-finding would be necessary.
- Asked the parties what remedial action should be ordered.

On June 3, 2005, the Supreme Court issued a supplemental opinion to the Montoy case in which it:

- Rejected the state's argument that the separation of powers doctrine limited the court's scope of review to the issue of whether the legislature had the authority to pass the legislation. Stating the remedial posture of this case made inapplicable any language in U.S.D. No. 229 which might be read to limit its scope of review. The court stated that the final decision as to the constitutionality of legislation rests exclusively with the courts. Citing the Marbury v. Madison case of 1803, the court states that the balance of power may be delicate, but the judiciary's sworn duty includes judicial review of legislation for constitutional infirmity. The court stated it is "not at liberty to abdicate our own constitutional duty."
- Reiterated its specific concerns about whether the actual costs of providing a constitutionally adequate education were considered as to each component of the school finance formula and the statutory formula as a whole and whether any unjustified funding disparities have been exacerbated rather than ameliorated.
- Used the Augenblick and Myers study as its guide in making its determination and stated the reasons for using the study:
 - It was competent evidence admitted at trial.
 - Commissioned by the legislature.
 - Only analysis resembling a cost study before the court or the legislature.
 - SBOE and KSDE recommended that the A&M recommendations be adopted at the time the study was completed and sent to the legislature.
- Retained jurisdiction of the appeal.

What is the Supreme Court telling the legislature in its latest decision as to suitable finance?

- The court has determined that to meet the constitutional requirement of providing suitable finance, the legislature needs to provide at least \$143 million more for the educational system of the state for school year 2005-2006.
- The court has left it to the legislature to determine how that \$143 million is to be

distributed for school year 2005-2006 so long as it is equitable and that method of distribution does not create or exacerbate unjustified funding disparities among the school districts.

- Unless the legislature, using a valid cost study, enacts legislation based on actual and necessary costs of providing a suitable system of finance and which equitably distributes the funding, funding for school year 2006-2007 and thereafter would be in amounts recommended by the Augenblick and Myers study.
- The court does not look favorably local funding mechanisms under which school districts are paying for the state's obligation to provide suitable finance for the educational interests or which create wealth-based disparities in funding.
- In addition to staying the new local funding authority, the court has concerns about numerous provisions in the school finance law, but it did not strike them as unconstitutional in this opinion.
- The court retained jurisdiction. The court stated that the "court's retained jurisdiction allows a review to determine if there has been compliance with our opinion." When reviewing any law passed during the special session, it most likely will use the broader scope of review it used with 2005 HB No. 2247.

June 16, 2005

Kansas Supreme Court Supplemental Opinion
in *Montoy, et al. v. State of Kansas, et al.*

The Kansas Supreme Court on June 3, 2005, issued a supplemental opinion in the school finance case, *Montoy, et al. v. State of Kansas, et al.*, in which the Court found that school finance legislation enacted by the 2005 Legislature falls short of standards set by Article 6 of the *Kansas Constitution*. Citing a "continuing lack of constitutionally adequate funding" and "inequity-producing local property tax measures," the Court retained jurisdiction and told the Legislature that it has until July 1, 2005, to increase funding for the 2005-06 school year by an additional \$143.0 million.

In addition, the Court examined four specific policies enacted by the 2005 Legislature in HB 2247, as amended by SB 43, and ordered that they not go into effect. They are described below, with the Court's findings in italics:

- **Increased Local Option Budget (LOB) Authority.** HB 2247 increases the maximum LOB authorization to 27 percent in school year 2005-06, to 29 percent in school year 2006-07, and to 30 percent in school year 2007-08 and thereafter. For school year 2005-06, the increase in the LOB would not be equalized. *The Court's position is that the increase in the LOB exacerbates wealth-based disparities between districts because districts with high assessed property valuations have access to additional funding with less tax effort than districts with lower assessed property valuations.*
- **Extraordinary Declining Enrollment Weighting.** HB 2247 creates the extraordinary declining enrollment weighting, which is applicable to a school district that has declined during the preceding three school years at a rate of at least 15 percent per year or by at least 150 pupils per year and has adopted an LOB that is equal to the state prescribed percentage. Such a school district could appeal to the State Board of Tax Appeals for permission to levy a property tax for up to two years. *The Court finds that this policy has the potential to be disqualifying because it benefits only a small number of school districts.*
- **Cost-of-Living Weighting.** The new school finance legislation creates a cost-of-living weighting applicable to school districts which have adopted LOBs that are at the state prescribed percentage and in which the average appraised value of a single family residence is more than 25 percent higher than the statewide average value. A qualifying district could levy additional property taxes. *The Court notes a lack of rationale for this provision, contends that resorting to additional property taxes demonstrates that the state has failed to meet its obligation to adequately fund schools, and finds that this property-tax based provision, "as with the other property-tax based provisions of HB 2247," has a potentially disqualifying effect.*
- **Approval to Receive State Aid for New Construction.** HB 2247 requires that any school district that has experienced at least a 5 percent per year decline or

at least a 50-pupil per year decline for the three previous school years must get a recommendation from the Joint Committee on State Building Construction prior to issuing new bonds. The recommendation from the Committee would be made to the State Board of Education, which has final authority to approve the building project. If the State Board disapproves the project, the school district may proceed, but it would not be entitled to receive capital improvement state aid. *The Court finds that this policy, like the extraordinary declining enrollment provision, is potentially disequalizing and was designed to benefit a very small number of school districts.*

Other Concerns

With the Augenblick and Myers (A&M) study as its background, and using as its “guiding considerations” those set forth in its January opinion—(1) actual costs of providing a constitutionally adequate education; and (2) funding equity—the Court examined various components of HB 2247, and concluded that they fall short, particularly in light of whether they were based on actual costs of providing a constitutionally adequate education and on funding equity. The items and the Court’s assessments are as follows:

- **Base State Aid Per Pupil (BSAPP).** The Court concludes that the increased rate for BSAPP in HB 2247 still “substantially varies” from cost information in the record and from recommendations for funding made by the State Board of Education.
- **At-Risk Weighting.** The Court notes that actual costs of educating at-risk students were not considered by the Legislature and cites the A&M study and another outside source in support of higher funding for at-risk students.
- **Bilingual Education Weighting.** Although the Court agrees that the 2005 Legislature increased the bilingual education weighting significantly, it points out that the weighting still is lower than cost information entered into evidence during the course of the litigation.
- **Special Education.** The Court notes the higher amount of special education funding recommended by A&M, acknowledges the concern that 100 percent funding of special education excess costs could lead to over-identification of special education students, but concludes that no evidence was presented that districts have, in fact, over identified students or inflated student counts in order to maximize reimbursement. It concludes that the higher funding level recommended by A&M [\$102.9 million in 2001 dollars] is “a stark contrast to the \$17.7 million provided by HB 2247.”
- **Local Option Budgets.** In addition to staying implementation of increasing the LOB above the current 25 percent, the Court makes other general comments about the LOB. It observes that the original purpose of the LOB was to give school districts access to additional property taxes to fund “enhancements to the constitutionally adequate education provided and financed under the legislative financing formula.” However, the Court says that, because the state’s funding formula has been inadequately funded, school districts have been forced to use

the LOB, not for enhancements, but simply to fund a constitutionally adequate education. The Court's argues that the *Constitution* places the burden of financing a constitutionally adequate education on the state, not on local districts. The Court believes that forcing districts to use their LOB's to supplement the state's funding leads to wealth-based disparities that hurt districts with lower property valuations.

The Court goes one step further and addresses the role of the LOB *after* the Legislature has added enough money to adequately fund education. It acknowledges that, once suitable funding for education has been provided, "there may be nothing in the *Constitution* that prevents the legislature from allowing school districts to raise additional funds for enhancements to the constitutionally adequate education already provided." The Court adds: "At least to the extent that funding remains constitutionally equalized, local assessments for this purpose may be permissible. Clearly, however, such assessments are not acceptable as a substitute for the state funding the legislature is obligated to provide under Article 6, section 6. That should pre-exist the local tax initiatives."

- **Low Enrollment Weighting.** The Court agrees that the 2005 Legislature did not change low enrollment weighting, but points out that no evidence has been presented to justify either the enrollment cut-off of 1,750 students or the actual weightings used. This lack of factual support for the policy is "particularly troubling" to the Court because HB 2247 eliminates correlation weighting for districts with enrollments above 1,750, thus eliminating funding earmarked for larger school districts. The Court finds that transferring funds allocated to correlation weighting to BSAPP "gives low-enrollment districts even more of the funds that previously were devoted to balancing the disparities in per pupil funding caused by the low-enrollment weighting." *substantively*
- **Capital Outlay.** The Court notes that the 2005 Legislature reimposed a cap on the capital outlay mill levy, but says: "Because the provision is based on local property tax authority, the amount of revenue a district can raise is tied to property value and median family income; thus the failure to provide any equalization to those districts unable to access this funding perpetuates the inequities produced by this component."

The Legislative Division of Post Audit Cost Study

HB 2247 directs the Legislative Division of Post Audit to conduct a professional cost study to determine the costs of delivering the kindergarten and grades one through 12 curriculum, related services, and other programs *mandated by state statute* in accredited schools [emphasis added]. The study is to be presented to the 2006 Legislature.

The Court finds this directive to be "deficient" because it limits the study to "inputs" only—the cost of providing for programs and services that are statutorily mandated. The Court expands the scope of the study to include "outputs"—the cost of attaining "measurable standards of student proficiency." In the Court's view, merely determining how much it costs to pay for statutorily-required programs and services does not answer the question of how much it costs to enable students to meet the educational standards adopted by the State Board of Education and envisioned by the Legislature when it directed the State Board to "design and adopt a school performance accreditation

system based upon improvement in performance that reflects high academic standards and is measurable” (KSA 2004 Supp. 72-6439).

Further, the Court says that, in its report to the 2006 Legislature, the Division of Post Audit must be able to demonstrate how it has met the Court’s requirement that output data be considered and requires the Division to show how its use of historical cost data accurately arrives at current and projected cost data, considering that, in the Court’s opinion, historical costs have been underfunded. The Court also instructs the Division to consider all administrative costs in its study, not just costs of central administration.

Total Funding Required

The Supreme Court placed heavy reliance on the A&M study, which was completed in 2002. A study of a professional evaluation of school district finance to determine the cost of a suitable education was commissioned by the 2001 Legislature and overseen by the Legislative Educational Planning Committee (LEPC). For purposes of the study, what constituted a “suitable education” was defined by the Legislature and expanded by the LEPC, with input from the State Board of Education. The Court based its order on the estimated cost of \$853.0 million to implement the A&M recommendations. (The figure was arrived at by updating the original estimates by an annual 2 percent inflation factor through school year 2003-04.) The Court explains that it used the A&M study because it was “the only analysis resembling a legitimate cost study before us.”

The Court warns that one remedy available to it would be to require the Legislature to fully fund the \$853.0 million amount over a two-year period, except that the Legislature could substitute the cost study done by the Division of Post Audit if the study meets certain conditions. Specifically:

- For the 2005-06 school year, the Legislature has until July 1, 2005, to add \$143.0 million to the \$142.0 million already approved for FY 2006, for a total increase over FY 2005 of \$285.0 million. The total is approximately one-third of the \$853.0 million necessary to implement the A&M recommendations.
- Funding beyond the 2005-06 school year is contingent upon the results of the cost study done by the Legislative Division of Post Audit, according to the Court. But the Court says that if the study is not completed or submitted in time for the 2006 Legislature to consider it, if it is “judicially or legislatively determined not to be a valid cost study,” or if legislation is not enacted which is based upon “actual and necessary costs of providing a suitable system of finance and which equitably distributes the funding,” the Court would consider, “among other remedies, ordering that, at a minimum, the remaining two-thirds (\$568.0 million) in increased funding based upon the A&M study be implemented for the 2006-07 school year.”



Kansas Supreme Court
Summary of *Montoy v. State*
June 3, 2005

For more information, contact: [Ron Keefover](#), Office of Judicial Administration, Kansas Judicial Center, 301 West 10th, Topeka, KS 66612-1507 (785-296-2256), e-mail: keefover@kscourts.org.

RE: Appeal No. 92,032: *Montoy v. State*

The Supreme Court today unanimously ordered school funding for the coming school year to be increased no later than July 1 from approximately \$142 million appropriated by the 2005 Legislature to \$285 million above the past school year's level of funding.

The figure is one-third of the \$853 million amount recommended by a consulting firm retained by the 2001 Legislature to determine the cost of educating students in Kansas.

"The case is extraordinary, but the imperative remains that we decide it on the record before us," the Court said in the decision. The State cites no cost study or evidence to rebut the 2001 study by Augenblick & Myers, the consultants retained by the Legislature. "Thus the A&M study is the only analysis resembling a legitimate cost study before us."

"Accordingly, at this point in time, we accept it as a valid basis to determine the cost of a constitutionally adequate public education in kindergarten through the 12th grade. The alternative is to await yet another study, which itself may be found legislatively or judicially unacceptable, and the school children of Kansas would be forced to further await a suitable education." The Court noted that the present suit was filed in 1999.

The Court also said a suggestion by the State Board of Education that the 2005 legislation be accepted as an interim step toward a full remedy is initially attractive, but arguments by the plaintiffs and numerous "friends of the court" briefs present compelling arguments for an immediate fix. "They remind us that we cannot continue to ask current Kansas students to 'be patient.' The time for their education is now," the Court wrote.

However, in deference to a Legislative Post Audit cost study analysis mandated by the 2005 session, the "implementation beyond the 2005-06 school year will be contingent upon the results of the study and this opinion."

"Further, if (1) the post-audit study is not completed or timely submitted for the legislature to consider and act upon it during the 2006 session, (2) the post-audit study is judicially or legislatively determined not to be a valid cost study, or (3) legislation is not enacted which is based upon actual and necessary costs of providing a suitable system of finance and which equitably distributes the funding, we will consider, among other remedies, ordering that, at a minimum, the remaining two-thirds (\$568 million) in increased funding based upon the A&M study be implemented for the 2006-07 school year."

"Clearly, the legislature's obligation will not end there; the costs of education continue to change and

constant monitoring and funding adjustments are necessary. H.B. 2247's provisions regarding establishment of the 2010 Commission and mandating annual increases based upon the Consumer Price Index may satisfy these demands, but the legislature may seek other means to assure that Kansas school children, now and in the future, receive a constitutionally adequate education.


"In addition, . . . the new funding authorized by [the 2005 session] regarding the increased Local Option Budget authority over 25 percent, the cost-of-living weighting; and both extraordinary declining enrollment provisions are stayed." The Court left the remainder of the legislation intact.

The Court said it "readily" acknowledges that "our present remedy is far from perfect; indeed, we acknowledge that it is merely a balancing of several factors." Among the factors the Court listed are:

- The ever-present need for Kansas school children to receive a constitutionally adequate education.
- The role of the Court as defined in the Kansas Constitution
- The need for the legislature to bring its school finance legislation into constitutional compliance, with acknowledgment of the unique difficulties inherent in the legislative process.
- And the press of time caused by the rapidly approaching school year.

"Accordingly, we retain jurisdiction of this appeal. If necessary, further action will be taken by this court as is deemed advisable to ensure compliance with this opinion," the Court concluded.

####

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Revised: June 3, 2005.

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IN THE SUPREME COURT OF THE STATE OF KANSAS

No. 92,032

RYAN MONTOY, *et al.*,*Appellees/Cross-appellants,*

v.

STATE OF KANSAS, *et al.*,*Appellants/Cross-appellees.*

SUPPLEMENTAL OPINION

Appeal from Shawnee district court; TERRY L. BULLOCK, judge. Supplemental opinion filed June 3, 2005. 2005 House Bill 2247 is not in compliance with the January 3, 2005, opinion of this court and fails to remedy the constitutional infirmities in the Kansas School District Finance and Quality Performance Act (SDFQPA), K.S.A. 72-6405 *et seq.*, identified in that opinion.

Kenneth L. Wertz, of Lathrop & Gage L.C., of Overland Park, argued the cause, and *Curtis L. Tideman*, *Alok Ahuja*, and *Jeffrey R. King*, of the same firm, and *David W. Davies*, assistant attorney general, and *Phill Kline*, attorney general, were with him on the briefs for appellant/cross-appellee State of Kansas.

Dan Biles, of Gates, Biles, Shields & Ryan, P.A., of Overland Park, argued the cause, and *Rodney J. Bieker*, of Kansas Department of Education, and *Cheryl Lynn Whelan*, of Lawrence, were with him on the briefs for appellants/cross-appellees Janet Waugh, Sue Gamble, John Bacon, Bill Wagnon, Connie Morris, Kathy Martin, Kenneth Willard, Carol Rupe, Iris Van Meter, Steve Abrams, and Andy Tompkins.

Alan L. Rupe, of Kutak Rock LLP, of Wichita, argued the cause, and *Richard A. Olmstead*, of the same firm, and *John S. Robb*, of Somers Robb & Robb, of Newton, were with him on the briefs for appellees/cross-appellants.

Wm. Scott Hesse, assistant attorney general, was on the brief for defendants/cross-appellees Governor Kathleen Sebelius and State Treasurer Lynn Jenkins.

Jane L. Williams, of Seigfreid, Bingham, Levy, Selzer & Gee, of Kansas City, Missouri, was on the briefs for *amicus curiae* Kansas Families United for Public Education.

Patricia E. Baker and *Zachary J.C. Anshutz*, of Kansas Association of School Boards, of Topeka, were on the briefs for *amicus curiae* Kansas Association of School Boards.

David M. Schauner and *Robert M. Blaufuss*, of Kansas National Education Association, of Topeka, were on the briefs for *amicus curiae* Kansas National Education Association.

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Joseph W. Zima, of Topeka Public Schools, was on the brief for *amicus curiae* Unified School District No. 501, Shawnee County, Kansas.

Michael G. Norris and *Melissa D. Hillman*, of Norris, Keplinger & Hillman, L.L.C., of Overland Park, were on the brief for *amici curiae* Unified School Districts Nos. 233, 229, and 232, Johnson County, Kansas.

Anne M. Kindling, of Goodell, Stratton, Edmonds & Palmer, L.L.P., of Topeka, was on the briefs for *amicus curiae* Unified School District No. 512, Shawnee Mission, Kansas.

Bernard T. Giefer, of Giefer Law LLC, of WaKeeney, was on the briefs for *amici curiae* Unified School District No. 208, Trego County, Kansas (WaKeeney), *et al.* (60 other Kansas school districts).

Thomas R. Powell and *Roger M. Theis*, of Hinkle Elkouri Law Firm L.L.C., of Wichita, were on the briefs for *amicus curiae* Unified School District No. 259, Sedgwick County, Kansas.

Janice L. Mathis, of Rainbow/PUSH Coalition, of Atlanta, Georgia, was on the brief for *amicus curiae* Rainbow/PUSH Coalition.

Cynthia J. Sheppard, of Weathers & Riley, of Topeka, was on the briefs for *amicus curiae* Kansas Action for Children.

Bob L. Corkins, of Lawrence, was on the brief for *amicus curiae* Kansas Taxpayers Network.

Kirk W. Lowry, of Kansas Advocacy & Protective Services, of Topeka, was on the brief for *amicus curiae* Kansas Advocacy & Protective Services.

Martha B. Crow, of Crow, Clothier & Associates, of Leavenworth, was on the brief for *amicus curiae* Martha B. Crow.

Dr. Walt Chappell, of Wichita, was on the brief for *amicus curiae* Educational Management Consultants.

Tristan L. Duncan and *Daniel D. Crabtree*, of Stinson Morrison Hecker L.L.P., of Overland Park, were on the brief for *amici curiae* Individual Students in the Shawnee Mission Unified School District No. 512.

Per Curiam: This case requires us to review recent school finance legislation to determine whether it complies with our January 3, 2005, opinion and brings the state's school financing formula into compliance with Article 6, § 6 of the Kansas Constitution. We hold that it does not.

FACTS

In our January opinion, this court reversed the district court in part and affirmed in part, agreeing that the legislature had failed to make suitable provision for finance of the public school system and, thus, had failed to meet the burden imposed by Article 6, § 6 of the Kansas Constitution. *Montoy v. State*, 278 Kan. 769, 102 P.3d 1160 (2005) (*Montoy II*). Among other things, we held that the Kansas School District Finance and Quality Performance Act (SDFQPA), K.S.A. 72-6405 *et seq.*, as funded, failed to provide suitable finance for students in middle-sized and large districts with a high proportion of minority and/or at-risk and special education students; some school districts were being forced to use

local option budgets (LOB) to finance a constitutionally adequate education, *i.e.*, suitable education; the SDFQPA was not based upon actual costs, but rather on former spending levels and political compromise; and the failure to perform any cost analysis distorted the low-enrollment, special education, vocational education, bilingual, and at-risk student weighting factors.

We further held that among the critical factors for the legislature to consider in achieving a suitable formula for financing education were "equity with which the funds are distributed and the actual costs of education, including appropriate levels of administrative costs." We provided this guidance because "the present financing formula increases disparities in funding, not based on a cost analysis, but rather on political and other factors not relevant to education." We also held that "increased funding will be required." *Montoy II*, 278 Kan. at 775.

We stayed the issuance of the mandate to allow the legislature a reasonable time to correct the constitutional infirmity in the then existing financing formula. Rather than suspend the funding of education, we ordered that the present financing formula and funding would remain in effect until the court took further action, noting: "The legislature, by its action or lack thereof in the 2005 session, will dictate what form our final remedy, if necessary, will take." We set a deadline of April 12, 2005. *Montoy II*, 278 Kan. at 776.

The legislature timely responded by enacting 2005 House Bill 2247 on March 30, 2005, which was modified by 2005 Senate Bill 43, passed during the veto session (collectively H.B. 2247). The Governor allowed the bill to become law without her signature, and the new legislation was delivered to this court.

On April 15, 2005, we issued an order which, among other things, directed the parties to file briefs addressing "whether the financing formula, as amended by H.B. 2247, meets the legislature's constitutional burden to 'make suitable provision for finance' of the public schools."

The parties were first directed to address 10 specific components of the financing formula. With respect to each of the components, as well as to the formula as a whole, the parties were asked to address our special concern as to whether the actual costs of providing a suitable education was considered and whether H.B. 2247 exacerbates and/or creates funding disparities among the districts.

Second, the parties were asked to address whether additional fact-finding would be necessary, and, if so, how that fact-finding should be pursued.

Third, the parties were asked to address what remedial action should be ordered and on what timetable in the event the court concludes, without additional fact-finding, that the financing formula, as amended by H.B. 2247, is still unconstitutional.

The parties were ordered to appear before this court on May 11, 2005, to show cause why the court should or should not find that H.B. 2247 complied with our January opinion. We recognized that the burden of proof had been on the plaintiffs to show that the SDFQPA, as it existed at the time of the filing of the action herein, was constitutionally infirm. We held that because the plaintiffs had prevailed, the burden of proof had "shifted to the defendants to show that the legislature's action has resulted in suitable provision for the financing of education as required by Article 6, § 6."

Pursuant to our April order, the defendants, State of Kansas (State) and the Board of Education members and Commissioner of Education (Board), filed separate briefs. The plaintiffs filed a response

brief. Ten *amici curiae* briefs were filed. Oral arguments were heard by this court on May 11, 2005.

We must now decide if H.B. 2247 remedies the SDFQPA infirmities identified in our January opinion and thus makes suitable provision for financing of education as mandated by Article 6, § 6 of the Kansas Constitution. To do that, we first need to identify the changes H.B. 2247 makes in the SDFQPA.

H.B. 2247 modifies the school finance system in several ways. First, it alters the Base State Aid Per Pupil (BSAPP) and several of the weightings and other factors that affect the formula. It increases bilingual and at-risk weightings; it eliminates correlation weighting; it provides for phased-in increases in funding of special education excess costs at a statutorily prescribed level; and it provides for increases in general state aid based on the Consumer Price Index-Urban (CIP-U). It does not substantively change the low-enrollment weighting provision as it existed at the time of the January opinion.

Second, it provides certain districts the authority to raise additional revenue through local ad valorem taxes upon taxable tangible property within the district. Specifically, it provides a phased-in increase in the LOB cap. Before H.B. 2247 was enacted, a school district could enact a LOB that was as much as 25 percent of its state financial aid. K.S.A. 72-6433(a)(1)(A)-(D); K.S.A. 72-6444. H.B. 2247 makes incremental increases in this cap of 27 percent in the 2005-06 school year, 29 percent in 2006-07, and 30 percent in 2007-08. H.B. 2247 also authorizes districts with high housing costs to levy additional ad valorem taxes upon the taxable tangible property within the district. The rationale for this provision is to allow districts to pay enhanced teacher salaries. In addition, districts with extraordinary declining enrollment may apply to the Board of Tax Appeals (BOTA) for permission to levy an ad valorem tax on the taxable tangible property of the district in an amount authorized by BOTA.

Third, H.B. 2247 makes several nonformula changes. It provides for statutorily mandated areas of instruction; establishes an 11-member "2010 Commission" to provide legislative oversight of the school finance system; and provides for a study by the Legislative Division of Post Audit to "determine the costs of delivering the kindergarten and grades one through 12 curriculum, related services and other programs mandated by state statute in accredited schools."

Fourth, H.B. 2247 limits all new local capital outlay mill levies to eight mills. SDFQPA originally capped the capital outlay level at four mills, but the cap was completely removed in 1999.

Fifth, certain changes to H.B. 2247 made by S.B. 43 are slated to become effective July 1, 2005, while other provisions became law upon publication in the Kansas Register. See S.B. 43, secs. 27, 28.

The estimated grand total for H.B. 2247's fiscal impact is approximately \$142⁽¹⁾ million in additional state funding for the 2005-06 school year.

DISCUSSION AND ANALYSIS

Overall, the State claims that the constitutionality of the school financing formula as amended by H.B. 2247 is not properly before this court. In its view, this case can address only the *former* financing formula, which no longer exists. Regarding the important issue of consideration of actual costs, the State contends that the legislature did consider such costs to the extent possible. At oral arguments, the State repeatedly claimed that our focus should be limited to whether the legislature had authority

to pass school finance legislation, suggesting any further intervention by this court would offend the separation of powers doctrine and the carefully calibrated system of checks and balances among our three branches of government.

In the alternative, the State generally argues that if the financing formula's constitutionality remains at issue, H.B. 2247 should enjoy a presumption of constitutionality and the burden of proof should be upon the plaintiffs to demonstrate otherwise. Moreover, if the court should determine that further fact-finding is necessary on the constitutional issue, the case should be remanded for further proceedings, with the present legislation remaining in effect until the remand produces another district court ruling. Finally, as another alternative, the State argues that if this court holds the legislation unconstitutional, without remand, then our only authority is to strike it in toto. In that event, the State contends, the legislature would have to enact new legislation, because this court has no authority to impose an interim funding plan.

In contrast, the Board argues that the issue before us is whether the State complied with our January opinion. It generally disagrees that the legislation fully meets the legislature's constitutional obligation. It also argues that H.B. 2247's modifications to the financing formula were not based upon the actual costs of providing a suitable education. However, because the legislature commissions a cost study, the Board asserts this court should uphold the legislation as an adequate interim first step in a multi-year remedial response. It urges us to hold that the changes made by H.B. 2247 are sufficient pending the results of the cost study, *i.e.*, an installment on the first remedy year toward what may very well be a much larger obligation based on the evidence in this case.

The Board strongly disagrees, however, with the legislation's provisions allowing increased funding authority based solely on local ad valorem property taxes, because it believes these provisions exacerbate funding inequities based on district wealth. It asks that these provisions be stricken, with the remainder of H.B. 2247 taking effect to enable school districts to plan for the rapidly approaching school year with the benefit of increased state aid. The Board also specifically disagrees with the parameters of the legislature's proposed cost study and expresses concerns that merely studying how much money has been spent over the years on a broken school financing system will be of little assistance. As a result, it argues that additional fact-finding will be necessary to determine the future costs of providing a suitable education.

The plaintiffs argue the increases in funding "fall grossly short of what is actually necessary to provide a constitutionally suitable education." They agree with the Board that actual costs were not considered and allege that the legislation was the result of political compromise and what the majority of the legislature believed it could provide without raising taxes. They also agree with the Board that the three provisions dependent on local ad valorem property taxes compound the formula's unjustified funding disparities.

The plaintiffs further argue that additional fact-finding is unnecessary. They ask us to (1) declare the legislation unconstitutional; (2) direct the Board to design a temporary school funding plan that incorporates recommendations from the 2001 Augenblick & Myers Study (A&M study), and direct the State to implement the plan, on a temporary basis, by July 1, 2005; (3) direct the State to enact constitutional legislation for funding public education; and (4) retain jurisdiction to ensure our orders are followed.

With this overview of the parties' arguments in mind, we turn to consideration of more specific contentions.

In support of its argument that the financing formula, as amended by H.B. 2247, is no longer properly before us, the State relies on *Knowles v. State Board of Education*, 219 Kan. 271, 547 P.2d 699 (1976). It characterizes *Knowles* as "indistinguishable" from the situation before us. In fact, the State's reliance on *Knowles* is misplaced because *Knowles* was before this court in an entirely different procedural posture.

In *Knowles*, the district court struck down the 1973 School District Equalization Act as unconstitutional. Because the legislature was in session when the judgment was entered, the district court withheld issuing a remedy in order to give the legislature time to correct "the inequities." The legislature amended the 1973 School District Equalization Act effective July 1, 1975. The district court took judicial notice of the new bill, declined to hear new evidence, dissolved the injunction, and dismissed the case. The district court held that because the legislature enacted new legislation, the law as it existed on the date of the decision no longer was in effect. Thus any determination concerning the constitutionality of the old law was moot, and any issue of the constitutionality of the new legislation was an entirely new matter that must be litigated in a new action. *Knowles*, 219 Kan. at 274.

The *Knowles* plaintiffs appealed the order dissolving the injunction and dismissing the case. This court found the new legislation had not rendered the case moot and reversed and remanded the matter to the district court for additional fact-finding on the changes made to the formula. This court rejected the plaintiffs' request that it rule on the constitutionality of the new legislation, stating that the facts and figures necessary to demonstrate plaintiffs' claims as to the new legislation were not part of the record before the court. *Knowles*, 219 Kan. at 278.

In *Knowles*, this court did not review the 1973 Act in the first instance; nor did it reach an independent conclusion as to the constitutionality of that Act. In contrast, in the instant case, not only was the issue of the constitutionality of the SDFQPA before this court pursuant to our appellate jurisdiction, but also we evaluated the district court's findings of fact to determine if they were supported by substantial competent evidence and determined the school financing formula was unconstitutional. In addition, the statutory amendments at issue in *Knowles* were made in response to the district court's declaratory judgment issued while it still had jurisdiction over the case. Here, H.B. 2247 arose as a remedy in response to a specific order of this court while we retained jurisdiction. Due to these differences, the following statement in *Knowles* actually supports our continuing review at this juncture:

"The right of persons to challenge the constitutional effect of a law upon their persons or property should not be aborted every time the law is amended by the legislature. In some instances amendments occur almost annually with minimal impact upon the overall effect of the law. It is entirely possible that the 1976 legislature will again amend this Act.

....

"The nature of this controversy is such that the rights of the parties continue to be affected by the law. It is an ongoing controversy which can be adjudicated in the present action as well, if not better, than in a new action filed." *Knowles*, 219 Kan. at 279-80.

In short, this court's retained jurisdiction allows a review to determine if there has been compliance with our opinion.

The State's next argument -- that if the provisions of H.B. 2247 are properly before us, we must presume that the new statute is constitutional -- has already been rejected. (Order, 4/15/05.) While this

presumption normally applies to initial review of statutes, in this case we have already determined the financing formula does not comply with Article 6, § 6. H.B. 2247 was passed because this court ordered remedial action. The State now presents its remedy for our determination of whether it complies with our order.

The Ohio Supreme Court faced the same argument after the Ohio Legislature passed school finance legislation in response to the court's ruling that the system was unconstitutional. It also rejected the argument, stating:

"The legislature has the power to draft legislation, and the court has the power to determine whether that legislation complies with the Constitution. *However, while it is for the General Assembly to legislate a remedy, courts do possess the authority to enforce their orders, since the power to declare a particular law or enactment unconstitutional must include the power to require a revision of that enactment, to ensure that it is then constitutional.* If it did not, then the power to find a particular Act unconstitutional would be a nullity. As a result there would be no enforceable remedy. A remedy that is never enforced is truly not a remedy." (Emphasis added.) *DeRolph v. State*, 89 Ohio St. 3d 1, 12, 728 N.E.2d 993 (2000).

Typically a party asserting compliance with a court decision ordering remedial action bears the burden of establishing that compliance, and our April 15 order made the allocation of that burden clear in this case. See also *DeRolph v. State*, 83 Ohio St. 3d 1212, 1212, 699 N.E.2d 518 (1998) (state must meet burden by preponderance of evidence standard).

We also reject the State's related argument that the doctrine of separation of powers limits our review to the issue of whether the legislature had the authority to pass such legislation. Any language in *U.S.D. No. 229 v. State*, 256 Kan. 232, 236-38, 885 P.2d 1170 (1994), to this effect is inapplicable here because of this case's remedial posture. Even now, however, we do not quarrel with the legislature's authority. We simply recognize that the final decision as to the constitutionality of legislation rests exclusively with the courts. Although the balance of power may be delicate, ever since *Marbury v. Madison*, 5 U.S. (1 Cranch) 137, 2 L. Ed. 60 (1803), it has been settled that the judiciary's sworn duty includes judicial review of legislation for constitutional infirmity. We are not at liberty to abdicate our own constitutional duty.

Again, like arguments have been raised in other state courts. Other state courts consistently reaffirm their authority, indeed their duty, to engage in judicial review and, when necessary, compel the legislative and executive branches to conform their actions to that which the constitution requires.

For example, in *Lake View Sch. Dist. No. 25 v. Huckabee*, 351 Ark. 31, 54-55, 91 S.W.3d 472 (2002), the court reviewed legislation passed after its 1994 determination that the Arkansas school financing system violated the education provisions of that state's constitution. The Arkansas Supreme Court stated:

"This court's refusal to review school funding under our state constitution would be a complete abrogation of our judicial responsibility and would work a severe disservice to the people of this state. We refuse to close our eyes or turn a deaf ear to claims of a dereliction of duty in the field of education. As Justice Hugo Black once sagely advised: '*[T]he judiciary was made independent because it has . . . the primary responsibility and duty of giving force and effect to constitutional liberties and limitations upon the executive and legislative branches.*' Hugo L. Black, *The Bill of Rights*, 35 N.Y.U.L. Rev. 865, 870 (1960).

....

"The Supreme Court of Kentucky has emphasized the need for judicial review in school-funding matters. The language of that court summarizes our position on the matter, both eloquently and forcefully, and, we adopt it:

'Before proceeding . . . to a definition of "efficient" we must address a point made by the appellants with respect to our authority to enter this fray and to "stick our judicial noses" into what is argued to be strictly the General Assembly's business.

' . . . [In this case] we are asked--based solely on the evidence in the record before us--if the present system of common schools in Kentucky is "efficient" in the constitutional sense. *It is our sworn duty to decide such questions when they are before us by applying the constitution. The duty of the judiciary in Kentucky was so determined when the citizens of Kentucky enacted the social compact called the constitution and in it provided for the existence of a third equal branch of government, the judiciary.*

' . . . *To avoid deciding the case because of "legislative discretion," "legislative function," etc., would be a denigration of our own constitutional duty. To allow the General Assembly (or, in point of fact, the Executive) to decide whether its actions are constitutional is literally unthinkable.*

'The judiciary has the ultimate power, and the duty, to apply, interpret, define, and construe all words, phrases, sentences and sections of the Kentucky Constitution as necessitated by the controversies before it. It is *solely* the function of the judiciary to so do. This duty must be exercised even when such action services as a check on the activities of another branch of government or when the court's view of the constitution is contrary to that of other branches, or even that of the public.'" (Emphasis added.)

Almost 60 years ago the Kansas Supreme Court addressed the separation of powers issue in the non-school finance case of *Berentz v. Comm'rs of Coffeyville*, 159 Kan. 58, 152 P.2d 53 (1944). There the appellants challenged a pension act on the grounds it violated Article 2, § 17 of the Kansas Constitution. Finding the challenge meritorious, this court noted:

"[T]his court has always approached consideration of questions challenging the constitutionality of statutes with a disposition to determine them in such manner as to sustain the validity of the enactment in question. It has repeatedly recognized, as we do now, the rule that *it is the duty of the court to uphold a law whenever such action is possible. In so doing it has not, however, lost sight of the fact that constitutions are the work not of legislatures or of courts, but of the people, and when in its calm and deliberate judgment, free from the influences frequently responsible for legislative enactments, it determines rights guaranteed by its provisions have been encroached upon it has, with equal consistency, recognized its duty and obligation to declare those enactments in contravention of constitutional provisions.*" (Emphasis added.) 159 Kan. at 62-63.

Our holding in *Berentz* is consistent with decisions in other states when a challenge has been made to the constitutionality of school finance systems and a separation of powers issue has arisen during the remedial phase. We agree with the conclusions drawn by one commentator reviewing those cases:

"[J]udicial monitoring in the remedial phase can help check political process defects and ensure that meaningful relief effectuates the court's decision.

"Thus, when these defects lead to a continued constitutional violation, judicial action is entirely consistent with separation of powers principles and the judicial role. Although state constitutions may commit educational matters to the legislative and executive branches, if these branches fail to fulfill such duties in a constitutional manner, 'the Court too must accept its continuing constitutional responsibility . . . for oversight . . . of compliance with the constitutional imperative.' Moreover, unlike federal courts, state courts need not be constrained by federalism issues of comity or state sovereignty when exercising remedial power over a state legislature, for state courts operate within the system of a single sovereign.

"Nor should doubts about the court's equitable power to spur legislative action or to reject deficient legislation impede judicious oversight. An active judicial role in monitoring remedy formulation is well-rooted in the courts' equitable powers. As long as such power is exercised only after legislative noncompliance, it is entirely appropriate." (Emphasis added.) Note, "*Unfulfilled Promise: School Finance Remedies and State Courts*," 104 Harv. L. Rev. 1072, 1087-88 (1991).

We now turn to this court's specific concerns about whether the actual costs of providing a constitutionally adequate education were considered as to each of the formula components and the statutory formula as a whole, and whether any unjustified funding disparities have been exacerbated rather than ameliorated by H.B. 2247. In this determination we will be guided, in large part, by the A&M study, despite the State's criticism of it and our knowledge that, at best, its conclusions are dated. We do so for several reasons.

First, the A&M study is competent evidence admitted at trial and is part of the record in this appeal. See *Montoy II*, 278 Kan. at 774 (within the extensive record on appeal "there is substantial competent evidence, including the Augenblick & Myers study, establishing that a suitable education, as that term is defined by the legislature, is not being provided").

Second, the legislature itself commissioned the study to determine the actual costs to suitably and equitably fund public school systems; it also maintained the overall authority to shape the contours of the study and to correct any A&M actions that deviated from its directions during the process. (See K.S.A. 60-460[h]). As we stated in *Montoy II*:

"[T]he legislature directed that a professional evaluation be performed to determine the costs of a suitable education for Kansas school children. In authorizing the study, the legislature defined 'suitable education.' K.S.A. 2003 Supp. 46-1225(e). The Legislative Education Planning Committee (LEPC), to whom the task of overseeing the study was delegated, determined which performance measures would be utilized in determining if Kansas' school children were receiving a suitable education. The evaluation, performed by Augenblick & Myers, utilized the criteria established by the LEPC, and, in part, examined whether the current financing formula and funding levels were adequate for schools to meet accreditation standards and performance criteria. The study concluded that both the formula and funding levels were inadequate to provide what the legislature had defined as a suitable education." *Montoy II*, 278 Kan. at 773-74.

Third, the A&M study is the only analysis resembling a cost study before this court or the legislature.

Fourth, both the Board and the State Department of Education recommended that the A&M study recommendations be adopted at the time the study was completed and sent to the legislature.

With the A&M study as background, we next examine the provisions of H.B. 2247 in light of the two

guiding considerations set forth in our January opinion: (1) actual costs of providing a constitutionally adequate education and (2) funding equity.

BASE STATE AID PER PUPIL

BSAPP is the foundation upon which school district funding is built, as state financial aid to schools is determined by multiplying BSAPP by each district's "weighted enrollment." See K.S.A. 72-6410(b). When the SDFQPA was first implemented in 1992, BSAPP was set at \$3,600. It remained at that level until 1995, when it was increased by \$26 to \$3,626. Small increases were funded each year thereafter until the 2002-03 school year. During the years of increases, the amounts ranged from an additional \$22 to \$50 per student. From 2002 until 2005, the statute allowed for a BSAPP of \$3,890; however, only \$3,863 was funded. Over the span of time from when the SDFQPA was implemented in 1992 until 2005, the legislature increased the BSAPP only a total of \$263. As the plaintiffs point out, if the BSAPP had been increased to keep up with inflation, in 2001 alone the increase would have been \$557. The A&M study recommended increasing the base to \$4,650 in 2001, resulting in \$623.3 million in additional funding (in 2001 dollars).

H.B. 2247 increases the BSAPP from \$3,890 to \$4,222. Only \$115 of the \$359 increase is "new" money; the balance was achieved by eliminating the correlation weighting and shifting those dollars to BSAPP. The \$115 increase translates to \$63.3 million in additional funding flowing into the financing formula for the 2005-06 school year.

The State argues the legislature considered actual costs in deciding upon the increase.

The plaintiffs point out that the legislature had the A&M study recommendations, as well as the results of a 2005 survey conducted by Deputy Commissioner of Education Dale Dennis for the Senate Education Committee. The survey, which requested cost information from selected school districts, showed the BSAPP should be \$6,057. The plaintiffs argue that the legislature ignored the A&M and Dennis figures, instead looking at historical expenditures and arbitrarily choosing a BSAPP level based on political compromises and what it believed it could afford without raising taxes.

The Board contends that the increase in the BSAPP, coupled with increases in the at-risk and bilingual weightings, provide a substantial increase in funding for those middle-sized and large districts with a high proportion of such students. By implication, this is an argument that the BSAPP increase helps equalize the funding disparity suffered by those districts.

The plaintiffs, on the other hand, claim that increasing the BSAPP only exacerbates the inequities in the system because the formula was not adjusted to make distorted weights, such as the low-enrollment weight, correspond to actual costs. For example, for every \$1 of base funding that middle-sized or large districts receive, some low-enrollment districts receive \$2.14. The plaintiffs assert Dr. Bruce Baker's testimony at trial and his earlier report described this effect.

At a minimum, the increased BSAPP provided for in H.B. 2247 substantially varies from any cost information in the record and from any recommendation of the Board or the State Department of Education.

AT-RISK

H.B. 2247 increases funding for at-risk students from .10 of the BSAPP to .145. This increased

weighting, when applied to the higher BSAPP, results in an increase of \$26 million targeted to at-risk students. The A&M study recommended a weight of .20 for districts with 200 or fewer students, .52 for districts with 1,000 students, .59 for districts with 10,000 students, and .60 for districts with 30,000 students, resulting in a range of \$1,491 to \$2,790 per student (in 2001 dollars).

Both the State and the Board contend the increased funding for at-risk students is significant. The Board argues that, pending performance of a new cost study, H.B. 2247 should be viewed as a good faith effort toward legislative compliance with our January 3, 2005, opinion. The plaintiffs, on the other hand, contend that the increased funding level remains significantly lower than that recommended by the State's own expert witness in 1991, *before* the SDFQPA was enacted. That expert, Dr. Allan Odden, recommended a .25 minimum weight to provide an extra \$1,000 for each eligible at-risk student.

Neither the State nor the Board contend that actual costs of educating at-risk students were considered.

BILINGUAL

H.B. 2247 increases the weighting for bilingual programs from .2 to .395 for the 2005-06 school year and thereafter. When applied to the higher BSAPP, the result is an \$11 million increase in state aid. The Board computes the effects of these changes to be an additional \$1,668 per bilingual student, a 115.7 percent increase. A&M recommended that the bilingual weighting increase be based on student enrollment and that it range from .15 to .97, providing \$1,118 to \$4,510 per bilingual student.

The plaintiffs point out that this weighting is limited to "contact hours," usually a maximum of two hours per day for each student. This means the \$1,668 amount must be reduced by 2/3, to \$556 per actual bilingual student.

The State contends that it considered the actual costs of providing a suitable education for bilingual students. That contention is based solely on the House Select Committee on School Financing's reliance on historical data showing what school districts had already been spending under the financing formula we have held to be unconstitutional. The Board makes no argument as to the weighting's relationship to actual costs; it simply repeats that it regards the change in the weighting as a good faith effort toward compliance.

Although the increase in this weighting is significant, it still differs substantially from the cost information in the record.

SPECIAL EDUCATION

H.B. 2247 provides for a multi-year phased-in increase in state reimbursement for special education excess costs from 85 percent in the 2005-06 school year to 88 percent in 2006-07 and 91 percent in 2007-08 and thereafter. According to the evidence at trial, the State had been funding only 85 percent of the excess costs of special education. For fiscal year 2005, however, only 81.7 percent of the average excess costs of special education were funded. Reimbursement at 85 percent thus results in a total funding increase of \$17.7 million for the upcoming school year.

The plaintiffs contend that anything less than 100 percent reimbursement for a district's special education costs is a failure to fund the actual costs of a suitable education. The State and the Board

both disagree, contending less than 100 percent reimbursement furthers the State's policy of discouraging school districts from over-identifying students as eligible for special education money.

The defendants have failed to point to any evidence that any district has ever over-identified students; and, when asked at oral arguments, the State's counsel responded that he was not aware of any district that had intentionally inflated its number of such students to maximize reimbursement. Furthermore, the A&M study recommended a range, based on student enrollment, of weights from .90 to 1.50, resulting in a nearly \$102.9 million (in 2001 dollars) increase in funding -- a stark contrast to the \$17.7 million provided by H.B. 2247.

LOCAL OPTION BUDGET

H.B. 2247 provides a phased-in increase in the LOB cap from the current 25 percent to 27 percent in the 2005-06 school year, 29 percent in the 2006-07 school year, and 30 percent in the 2007-08 school year and thereafter.

The plaintiffs argue local districts have been forced to use the LOB to cover the inadequacies of state funding. They also argue the use of the LOB increases disparities and exacerbates inequities.

The Board takes issue with the legislature's failure to provide for equalization for the new level of LOB authority above 25 percent for the 2005-06 school year only. The absence of equalization means the dollars for the optional increases must come entirely from each district's property tax base, which can worsen wealth-based disparities.

The State argues that the LOB acts as a counterweight to low-enrollment weighting, at-risk weighting, and perhaps even bilingual weighting, because the middle-sized and large districts expected to benefit from the increased LOB "receive little, if any, of these weightings."

This argument fails because increasing the LOB does not address inadequate funding of middle-sized and large districts that have high concentrations of bilingual, at-risk, minority, and special education students, high pupil-to-teacher ratios, and high dropout rates, but also have low median family incomes and low assessed property valuation. For example, the Emporia school district demonstrates that size of enrollment does not necessarily correlate with high property valuations or low numbers of students who are more costly to educate.

The original intent and purpose of the LOB was to allow individual districts to levy additional property taxes to fund enhancements to the constitutionally adequate education provided and financed under the legislative financing formula. The evidence before the trial court demonstrated that the inadequacy of the formula and its funding had forced some districts to use the LOB to fund the State's obligation to provide a constitutionally adequate education rather than enhancements. See *Montoy II*, 278 Kan. at 774. H.B. 2247 does nothing to discourage this practice.

We also agree with the plaintiffs and the Board that, in fact, the legislation's increase in the LOB cap exacerbates the wealth-based disparities between districts. Districts with high assessed property values can reach the maximum LOB revenues of the "district prescribed percentage of the amount of state financial aid determined for the district in the school year" (K.S.A. 72-6433[a][1], amended by S.B. 43, sec. 17) with far less tax effort than those districts with lower assessed property values and lower median family incomes. Thus, the wealthier districts will be able to generate more funds for elements of a constitutionally adequate education that the State has failed to fund.

COST-OF-LIVING WEIGHTING

H.B. 2247 authorizes a new local property tax levy for cost-of-living weighting. As originally enacted, the purpose of this weighting was to "finance teacher salary enhancements." H.B. 2247, sec. 19. In S.B. 43, sec. 12, the legislature removed this limiting provision and no purpose for the additional funding is now stated in the law. This weighting is available in those districts where the average appraised value of a single-family residence exceeds 125 percent of the state average, as long as the district has already adopted the maximum LOB. This is estimated to amount to a total funding increase of \$24.6 million for the 17 districts that would currently qualify.

This provision, the State asserts, is necessary to allow districts with high housing costs to recruit and retain high-quality teachers and is based on the actual costs of providing an education in those 17 districts that would qualify.

Counsel for the State could not substantiate, when asked at oral arguments, its rationale that those 17 districts pay higher salaries or would pay higher salaries to teachers or that higher education costs are linked to housing prices. Further, as the plaintiffs noted, the evidence at trial demonstrated that it is the districts with high-poverty, high at-risk student populations that need additional help in attracting and retaining good teachers.

Furthermore, we note that this weighting, like the increase in the LOB cap, demonstrates the State is not meeting its obligation to provide suitable financing. Also, as with the other property-tax based provisions of H.B. 2247 there is a potentially disequalizing effect. Moreover, since the original reason given for the enhancement, teacher salary increases, has been removed from the legislation, the funds generated can be used for any purpose.

LOW-ENROLLMENT WEIGHTING

Low-enrollment weighting provides a sliding scale of adjustments for districts with fewer than 1,750 students; as district enrollment decreases past that number, the size of the adjustment increases. In other words, smaller school districts receive more favorable treatment based on the premise that they require additional funding to balance economies of scale at work for larger districts.

H.B. 2247 did not substantively change the low-enrollment weighting; it remains a significant component of the financing formula. Extrapolating from State Department of Education data, the plaintiffs argue that total state spending on the low-enrollment weighting in 2003-04 was \$226,189,852. In comparison, total state spending in 2003-04 on at-risk students was \$47,123,964 and on bilingual students was \$8,352,964. The plaintiffs also note that application of the various weighting factors results in a large disparity in per pupil aid, ranging in 2002-03 from \$16,968 to \$5,655, and this disparity is largely caused by the low-enrollment factor.

Because of the significant impact of low-enrollment weighting on the financing formula, in our January opinion and April order we sought cost justifications for it. In response to questions from the court at oral arguments, counsel for the State could not provide any cost-based reason for using the 1,750 enrollment figure or for the weight's percentage. This absence of support is particularly troubling when we consider the disparity this low-enrollment weighting may produce. H.B. 2247 has the potential to worsen this inequity because it eliminates correlation weighting for districts with 1,750 enrollment or more. The funds allocated for correlation weighting were transferred to the BSAPP; this gives low-enrollment districts even more of the funds that previously were devoted to

balancing the disparities in per pupil funding caused by the low-enrollment weighting.

EXTRAORDINARY DECLINING ENROLLMENT

In addition to the declining enrollment provision of K.S.A. 2004 Supp. 72-6407(e)(2), H.B. 2247, as amended by S.B. 43, created two provisions concerning extraordinary declining enrollment. First, H.B. 2247 authorizes a district with "extraordinary declining enrollment," defined as declining enrollment over 3 years at a rate of 15 percent or 150 pupils per year, to apply to the Board of Tax Appeals (BOTA) for permission to levy an additional property tax if it has already adopted the maximum LOB. See H.B. 2247, sec. 29, repealed and replaced by S.B. 43, sec. 13. Currently only four districts potentially would qualify for this provision. We will refer to this provision as the EDE-BOTA provision.

Second, H.B. 2247 requires districts entitled to equalizing supplemental capital improvements state aid on their bonds to seek approval from the Joint Committee on State Building Construction (JCSBC) prior to issuing new bonds if the district has had an "extraordinary declining enrollment," defined for purposes of this section as declining enrollment over 3 years at a rate of 5 percent or 50 pupils per year. If approval is denied, the district can still issue the bonds, but it does not receive any state aid on the bonds. See H.B. 2247, sec. 28, repealed and replaced by S.B. 43, sec. 14. We will refer to this provision as the EDE-JCSBC provision.

The State asserts that these provisions, which are intended to help districts absorb lost revenue from declining enrollments, ensure consideration of actual costs because districts seeking to access authority for this additional local tax levy must document need before BOTA or JCSBC.

The Board contends it is difficult to assess the financial impact of these provisions because the money available under them is potentially unlimited, subject to each district's willingness to tap into its property tax base, and, when the EDE-BOTA provision applies, BOTA's approval. The Board urges us to sever these provisions pending appropriate cost analysis.

The plaintiffs contend these provisions are not based upon cost and exacerbate funding inequities in two ways. First, the plaintiffs point to the EDE-JCSBC provision which allows issuance of bonds to construct new facilities but if permission is denied the district would not receive any state aid on the bonds. Plaintiffs contend that because wealthy districts with extraordinary declining enrollment such as Shawnee Mission receive no equalizing supplemental capital improvements state aid on their bonds, the new provision penalizes only districts with low property valuation and declining enrollment.

Second, the plaintiffs contend that these provisions exacerbate funding inequities because the extraordinary declining enrollment weight is added into the definition of a district's "adjusted enrollment" and thus adds to the base upon which the LOB is computed. The effect of this is to provide 127 percent of any revenues lost from extraordinary declining enrollment. This effect is further compounded for those districts, like Shawnee Mission, that also benefit from the cost-of-living weight, which is also included in the "adjusted enrollment."

These provisions have the potential to be extremely disequalizing because they are unlimited and have been designed to benefit a very small number of school districts.

CAPITAL OUTLAY

In support of this provision of H.B. 2247, the State relies upon an affidavit of Representative Mike O'Neal. The affidavit states the legislature was mindful that this court had noted the repeal of the capital outlay cap in its January opinion. The affidavit also states the decision to reimpose the cap at 8 mills was made after the legislature reviewed data from the Department of Education and heard from various districts. The Board does not offer any information as to whether actual costs were considered with respect to this provision.

The plaintiffs do not specifically address the extent to which actual costs were considered in imposing the new cap on capital outlay. The plaintiffs argue that, although H.B. 2247 reimposes a cap on the capital outlay authority, it still is disqualifying because it grandfathers those districts with a higher capital outlay resolution in place for up to 4 more years.

The State argues, without elaboration, that the 8 mill cap reflects the legislature's attempt to improve wealth equalization. The Board encourages the court to view this change favorably, despite the local property tax basis of this factor.

Because the provision is based on local property tax authority, the amount of revenue a district can raise is tied to property value and median family income; thus the failure to provide any equalization to those districts unable to access this funding perpetuates the inequities produced by this component.

FINANCING FORMULA AS A WHOLE

With regard to the financing formula as a whole, the parties basically restate the same arguments they made regarding the formula's components. The State claims that the increased funding provided by H.B. 2247 alleviates this court's constitutional concerns. The Board disagrees, but it considers the increased funding a good faith initial effort toward compliance and an installment on the first remedy year toward what may very well be a much larger obligation based on the evidence in this case. The plaintiffs argue the increases in funding "fall grossly short of what is actually necessary to provide a constitutionally suitable education." The State contends that overall it considered, to the extent possible, actual costs, including the A&M study. The plaintiffs respond that actual costs were not considered; rather the financing formula as amended by H.B. 2247 is merely a product of political compromise and the legislative majority's unwillingness to consider raising taxes to increase funding of schools. The Board argues H.B. 2247 does not fund actual costs and has many inequities.

We agree with the Board that although H.B. 2247 does provide a significant funding increase, it falls short of providing constitutionally adequate funding for public education. It is clear that the legislature did not consider what it costs to provide a constitutionally adequate education, nor the inequities created and worsened by H.B. 2247. At oral arguments, counsel for the State could not identify any cost basis or study to support the amount of funding provided by H.B. 2247, its constellation of weightings and other provisions, or their relationships to one another.

Particularly, we share the plaintiffs' and Board's concern that H.B. 2247's increased dependence on local property taxes, as decided by each school district, exacerbates disparities based on district wealth. We fully acknowledge that once the legislature has provided suitable funding for the state school system, there may be nothing in the constitution that prevents the legislature from allowing school districts to raise additional funds for enhancements to the constitutionally adequate education already provided. At least to the extent that funding remains constitutionally equalized, local assessments for this purpose may be permissible. Clearly, however, such assessments are not acceptable as a substitute for the state funding the legislature is obligated to provide under Article 6, §

6. That should pre-exist the local tax initiatives.

As of this time, the legislature has failed to provide suitable funding for a constitutionally adequate education. School districts have been forced to use the LOB to supplement the State's funding as they struggle to suitably finance a constitutionally adequate education, a burden which the constitution places on the State, not on local districts. The result is wealth-based disparity because the districts with lower property valuations and median incomes are unable to generate sufficient revenue. Because property values vary widely, a district's ability to raise money by the required mill levy also varies widely. The cost-of-living weighting and extraordinary declining enrollment provision also have the potential to exacerbate inequity. A higher LOB cap, cost-of-living weighting, and the extraordinary declining enrollment provisions cannot be allowed to exacerbate inequities while we wait for the legislature to perform its constitutional duty.

We conclude that, on the record before us, a continuing lack of constitutionally adequate funding together with the inequity-producing local property tax measures mean the school financing formula, as altered by H.B. 2247, still falls short of the standard set by Article 6, § 6 of the Kansas Constitution.

COST STUDY

As we prepare to consider an appropriate remedy and the mechanisms necessary to assure that future school financing will meet the requirements of the constitution, we agree with all parties that a determination of the reasonable and actual costs of providing a constitutionally adequate education is critical. H.B. 2247 provides for a Legislative Post Audit "cost analysis study."

Section 3 of the legislation reads in relevant part:

"(a) In order to assist the legislature in the gathering of information which is necessary for the legislature's consideration when meeting its constitutional duties to: (1) Provide for intellectual, educational, vocational and scientific improvement in public schools established and maintained by the state; and (2) make suitable provision for the finance of educational interests of the state, the division of post audit shall conduct a professional cost study analysis to determine the costs of delivering the kindergarten and grades one through 12 curriculum, related services and other programs mandated by state statute in accredited schools. . . .

"(b) Any study conducted pursuant to subsection (a) shall include:

(1) A determination of the services or programs required by state statute to be provided by school districts. Such review shall include high school graduation requirements, admissions requirements established by the state board of regents pursuant to K.S.A. 76-716, and amendments thereto, state scholarship requirements established by the state board of regents and courses of instruction at various grade levels required by state statute.

(2) A study of the actual costs incurred in a sample of school districts to provide reasonable estimates of the costs of providing services and programs required by state statute to be provided by school districts for regular elementary and secondary education, including instruction, administration, support staff, supplies, equipment and building costs.

(3) A study of the actual costs incurred in a sample of school districts to provide reasonable estimates

of the costs of providing services and programs required by state statute to be provided by school districts for specialized education services including, but not limited to, special education and related services, bilingual education and at-risk programs.

(4) A study of the factors which may contribute to the variations in costs incurred by school districts of various sizes and in various regions of the state when providing services or programs required by state statute to be provided by school districts. Such study shall include the administrative costs of providing such services and programs.

(5) An analysis in a sample of districts as determined by the legislative post auditor showing such things as:

(A) The percent of the estimated cost of providing services and programs required by state statute that could have been funded by the various types of state aid the districts received in the most recently completed school year, as well as the percent funded by the district's local option budget;

(B) the percent of district funding that is spent on instruction;

(C) the percent of district funding that is spent on central administration; and

(D) the percent of district funding that is spent on support services.

(6) A review of relevant studies that assess whether there is a correlation between amounts spent on education and student performance.

(7) A review to determine whether students who are counted as a basis for computing funding for specialized educational services are actually receiving those services.

(8) Any additional reviews or analyses the legislative post auditor considers relevant to the legislature's decisions regarding the cost of funding services or programs required by state statute to be provided by school districts.

....

"(d) Following the completion of such cost analysis study, the legislative post auditor shall submit a detailed report thereon to the legislature on or before the first day of the 2006 legislative session. If additional time is needed to provide the most accurate information relating to any area of requested study, the legislative post auditor shall so report to the legislature, explaining the reasons for the need for additional time and providing a reasonable time frame for completion of that aspect of the study. In that event, the legislative post auditor shall submit a report on that portion of the study which has been completed before the start of the 2006 legislative session and the balance of such report shall be submitted within the time frame established by the legislative post auditor when requesting additional time." H.B. 2247, sec. 3.

The plaintiffs and the Board contend that the H.B. 2247 study is designed merely to determine the amounts of historical expenditures under the system and that the legislature will then equate those expenditures to reasonable and actual costs of a future system we should find constitutional. This characterization is not entirely correct.

Although the language of the statute is not completely clear, it can be read to require post audit,

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among other things, to study historical costs in a sample of districts and then extrapolate from the collected data a reasonable estimate of the future cost of providing services and programs "required by state statute." Estimating future reasonable and actual costs based on historical expenditures can be acceptable if post audit ensures that its examination of historical expenditures corrects for the recognized inadequacy of those expenditures and ensures that a reliable method of extrapolation is adopted. Post audit must incorporate those components into its study, and its report to the legislature must demonstrate how the incorporation was accomplished.

It also appears that the study contemplated by H.B. 2247 is deficient because it will examine only what it costs for education "inputs" -- the cost of delivering kindergarten through grade 12 curriculum, related services, and other programs "mandated by state statute in accredited schools." It does not appear to demand consideration of the costs of "outputs" -- achievement of measurable standards of student proficiency. As the Board pointed out in its brief, nowhere in H.B. 2247 is there specific reference to K.S.A. 72-6439(a) or (c), which provided the criteria used by this court in our January 2005 opinion to evaluate whether the school financing formula provided a constitutionally adequate education. H.B. 2247 also does not mention educational standards adopted by the Board pursuant to its constitutional responsibilities under Article 6, § 2(a) or in fulfilling its statutory directives. Without consideration of outputs, any study conducted by post audit is doomed to be incomplete. Such outputs are necessary elements of a constitutionally adequate education and must be funded by the ultimate financing formula adopted by the legislature. See *Montoy II*, 278 Kan. at 773 (quoting K.S.A. 72-6439) (constitutionally suitable education is one in which "schools meet the accreditation requirements and [students are] achieving an 'improvement in performance that reflects high academic standards and is measurable.'"); see also Kan. Const., Art. 6, § 1 (legislature shall provide for intellectual, educational, vocational, and scientific *improvement*). The post audit study must incorporate the consideration of outputs and Board statutory and regulatory standards, in addition to statutorily mandated elements of kindergarten through grade 12 education. Further, post audit's report to the legislature must demonstrate how this consideration was accomplished.

The study parameters in H.B. 2247 do provide for analysis of the percentages of sample school district spending on instruction, central administration, and support services. They also specifically provide for exploration of several components of the current financing formula. We endorse these provisions with the exception that all administrative costs, not just costs of central administration, must be analyzed. All of this information should assist post audit and, eventually, the legislature and this court in evaluating the reasonableness or appropriateness of cost estimates. Suitable finance of a constitutionally adequate education does not necessarily include every item each school district or student *wants*; its focus must be on *needs* and the appropriate costs thereof.

REMEDY

In light of the legislature's unsatisfactory response to our January opinion we are again faced with the need to order remedial action. See *Montoy II*, 278 Kan. at 775 ("The legislature, by its action or lack thereof in the 2005 session, will dictate what form our remedy, if necessary, will take."). We are guided not only by our interpretation of Article 6, § 6, but also by the present realities and common sense. Time is running out for the school districts to prepare their budgets, staff their classrooms and offices, and begin the 2005-06 school year. School districts need to know what funding will be available as soon as possible.

The legislature has known for some time that increased funding of the financing formula would be necessary. In July 2002, the Kansas Department of Education prepared a computation of the cost of

implementing the recommendations in the A&M study. Calculated in 2001 dollars the total cost of the increase would have been \$725,669,901 for each school year. Additionally, the Department adjusted that number because of changes in LOB funding and applied a 2 percent inflation factor for each of the school years of 2001-02, 2002-03, and 2003-04. The resulting number was an increase in costs of approximately \$853 million. As noted, the A&M study was commissioned by the legislature, monitored by the legislature's committees, paid for by the legislature with tax dollars, and received by the legislature. Although the State claims it considered the A&M study, it in fact chose to impugn its design and ignore its recommendations. It can no longer do so.

This case is extraordinary, but the imperative remains that we decide it on the record before us. The A&M study, and the testimony supporting it, appear in the record in this case. The State cites no cost study or evidence to rebut the A&M study, instead offering conclusory affidavits from legislative leaders. Thus the A&M study is the only analysis resembling a legitimate cost study before us. Accordingly, at this point in time, we accept it as a valid basis to determine the cost of a constitutionally adequate public education in kindergarten through the 12th grade. The alternative is to await yet another study, which itself may be found legislatively or judicially unacceptable, and the school children of Kansas would be forced to further await a suitable education. We note that the present litigation was filed in 1999.

The initial attractiveness of the Board's suggestion that we accept H.B. 2247 as an interim step toward a full remedy pales in light of the compelling arguments of immediate need made by the plaintiffs and *amici curiae*. They remind us that we cannot continue to ask current Kansas students to "be patient." The time for their education is now. As the North Carolina Supreme Court eloquently stated:

"The children . . . are our state's most valuable renewable resource. If inordinate numbers of them are wrongfully being denied their constitutional right to the opportunity for a sound basic education, our state courts cannot risk further and continued damage because the perfect civil action has proved elusive. We note that the instant case commenced ten years ago. If in the end it yields a clearly demonstrated constitutional violation, ten classes of students as of the time of this opinion will have already passed through our state's school system without benefit of relief. We cannot similarly imperil even one more class unnecessarily." *Hoke Cty Bd. of Educ. v. State*, 358 N.C. 605, 616, 599 S.E.2d 365 (2004).

As set forth earlier in this opinion, the Legislative Division of Post Audit has been commissioned to conduct a comprehensive and extensive cost study to be presented to the 2005-06 legislature. With such additional information available, the legislature should be provided with the cost information necessary to make policy choices establishing a suitable system of financing of Kansas public schools.

We conclude, however, that additional funding must be made available for the 2005-06 school year to assist in meeting the school districts' immediate needs. We are mindful of the Board's argument that there are limits on the amount the system can absorb efficiently and effectively at this point in the budget process. We further conclude, after careful consideration, that at least one-third of the \$853 million amount reported to the Board in July of 2002 (A&M study's cost adjusted for inflation) shall be funded for the 2005-06 school year.

Specifically, no later than July 1, 2005, for the 2005-06 school year, the legislature shall implement a minimum increase of \$285 million above the funding level for the 2004-05 school year, which includes the \$142 million presently contemplated in H.B. 2247. In deference to the cost study analysis mandated by the legislature in H.B. 2247, the implementation beyond the 2005-06 school year will be

contingent upon the results of the study directed by H.B. 2247 and this opinion.

Further, if (1) the post audit study is not completed or timely submitted for the legislature to consider and act upon it during the 2006 session, (2) the post audit study is judicially or legislatively determined not to be a valid cost study, or (3) legislation is not enacted which is based upon actual and necessary costs of providing a suitable system of finance and which equitably distributes the funding, we will consider, among other remedies, ordering that, at a minimum, the remaining two-thirds (\$568 million) in increased funding based upon the A&M study be implemented for the 2006-07 school year.

Clearly, the legislature's obligation will not end there; the costs of education continue to change and constant monitoring and funding adjustments are necessary. H.B. 2247's provisions regarding establishment of the 2010 Commission and mandating annual increases based upon the Consumer Price Index may satisfy these demands, but the legislature may seek other means to assure that Kansas school children, now and in the future, receive a constitutionally adequate education.

In addition, on the rationale previously expressed, the new funding authorized by H.B. 2247's provisions regarding the increased LOB authority over 25 percent, the cost-of-living weighting, and both extraordinary declining enrollment provisions are stayed. The remainder of H.B. 2247, as amended by the legislature in compliance with this opinion, shall remain in effect for the 2005-06 school year.


We readily acknowledge that our present remedy is far from perfect; indeed, we acknowledge that it is merely a balancing of several factors. Among those factors are:

- (1) The ever-present need for Kansas school children to receive a constitutionally adequate education. *Montoy II*, 278 Kan. at 773.
- (2) The role of this court as defined in the Kansas Constitution. See *Berentz v. Comm'rs of Coffeyville*, 159 Kan. 58, 152 P.2d 53 (1944).
- (3) The need for the legislature to bring its school finance legislation into constitutional compliance, with acknowledgment of the unique difficulties inherent in the legislative process.
- (4) The press of time caused by the rapidly approaching school year.

Accordingly, we retain jurisdiction of this appeal. If necessary, further action will be taken by this court as is deemed advisable to ensure compliance with this opinion.

1. This total increase of \$142 million includes a \$7.35 million increase provided by 2005 H.B. 2059, which created a second enrollment count date for students who are dependents of active military personnel. The parties do not take issue with the provisions of H.B. 2059. Our discussion of the funding and provisions in H.B. 2247 collectively refers to H.B. 2247, S.B. 43, and H.B. 2059.

END

 | [Keyword](#) | [Name](#) » [SupCt](#) - [CtApp](#) | [Docket](#) | [Date](#) |

Comments to: [WebMaster](mailto:WebMaster@kscourts.org), kscases@kscourts.org.

Updated: June 03, 2005.

URL: <http://www.kscourts.org/kscases/supct/2005/20050603/92032.htm>.

June 8, 2005

To: Legislative Budget Committee

STATE GENERAL FUND RECEIPTS July through May, FY 2005

This is the second monthly report of State General Fund (SGF) receipts for FY 2005 based upon the revised estimates made by the Consensus Revenue Estimating Group on April 18, 2005.

Total receipts through May of FY 2005 were \$75.6 million, or 1.8 percent above the estimate. The component of total SGF receipts from taxes only was \$72.6 million, or 1.7 percent above the estimate.

The figures in the "Estimate" and "Actual" columns under FY 2005 in the following table include actual receipts through March, so this report focuses on a comparison of the estimated and actual receipts for April and May. The estimated receipts for these two months were \$964.0 million. Actual receipts were \$1,039.6 million.

Tax sources that exceeded the estimate by more than \$1.0 million were individual income (\$36.9 million, or 2.0 percent), corporation income (\$25.3 million, or 16.3 percent), corporation franchise (\$7.5 million, or 19.8 percent), insurance premiums (\$4.9 million, or 6.8 percent), and compensating use (\$2.9 million, or 1.3 percent). Of particular note is the amount by which actual individual and corporation income tax receipts exceeded the estimate. The actual receipts reflect stronger than anticipated growth in both sources, and were not the result of any one extraordinary tax event (*i.e.*, an unusual corporate assessment).

Taxes falling below the estimate by more than \$1.0 million were retail sales (\$2.8 million, or 0.2 percent) and motor carriers property (\$2.1 million, or 9.2 percent).

Interest earnings were \$2.6 million less than expected. Agency earnings were above the estimate by \$5.6 million and net transfers by \$0.06 million.

Total SGF receipts through May of FY 2005 were \$279.6 million, or 6.9 percent above FY 2004's for the same period. **Tax receipts only, for the same period, exceeded FY 2004's by \$285.3 million, or 7.2 percent.**

This report excludes the deposit to the SGF of \$450 million, due to the issuance of a certificate of indebtedness that was issued on July 1, 2004. This certificate will be discharged prior to the end of the fiscal year.

Senate Education Committee
6-20-05
Attachment 3

STATE GENERAL FUND RECEIPTS
July-May, FY 2005
 (dollar amounts in thousands)

	Actual		FY 2005		Percent increase relative to:	
	FY 2004	Estimate*	Actual	Difference	FY 2004	Estimate
Property Tax:						
Motor Carriers	\$ 18,943	\$ 22,500	\$ 20,419	\$ (2,081)	7.8%	(9.2)%
General Property	8,451	500	507	7	(94.0)	1.4
Motor Vehicle	1,116	1,400	1,376	(24)	23.3	(1.7)
Total	\$ 28,510	\$ 24,400	\$ 22,302	\$ (2,098)	(21.8)%	(8.6)%
Income Taxes:						
Individual	\$ 1,706,668	\$ 1,812,000	\$ 1,848,914	\$ 36,914	8.3%	2.0%
Corporation	119,089	155,000	180,328	25,328	51.4	16.3
Financial Inst.	20,298	16,800	16,720	(80)	(17.6)	(0.5)
Total	\$ 1,846,055	\$ 1,983,800	\$ 2,045,961	\$ 62,161	10.8%	3.1%
Estate Tax	\$ 45,115	\$ 48,600	\$ 49,066	\$ 466	8.8%	1.0%
Excise Taxes:						
Retail Sales	\$ 1,479,012	\$ 1,511,000	\$ 1,508,246	\$ (2,754)	2.0%	(0.2)%
Comp. Use	200,808	223,000	225,947	2,947	12.5	1.3
Cigarette	109,059	107,500	106,746	(754)	(2.1)	(0.7)
Tobacco Prod.	4,344	4,525	4,551	26	4.8	0.6
Cereal Malt Bev.	1,971	1,900	1,871	(29)	(5.1)	(1.5)
Liquor Gallonage	14,450	14,200	14,315	115	(0.9)	0.8
Liquor Enforce.	36,296	38,700	37,983	(717)	4.6	(1.9)
Liquor Drink	6,539	6,850	6,791	(59)	3.9	(0.9)
Corp. Franchise	34,460	38,000	45,518	7,518	32.1	19.8
Severance	77,633	93,000	93,819	819	20.8	0.9
Gas	60,861	67,000	68,549	1,549	12.6	2.3
Oil	16,772	26,000	25,271	(729)	50.7	(2.8)
Total	\$ 1,964,572	\$ 2,038,675	\$ 2,045,788	\$ 7,113	4.1%	0.3%
Other Taxes:						
Insurance Prem.	\$ 71,153	\$ 72,800	\$ 77,728	\$ 4,928	9.2%	6.8%
Miscellaneous	3,545	3,400	3,388	(12)	(4.4)	(0.4)
Total	\$ 74,698	\$ 76,200	\$ 81,116	\$ 4,916	8.6%	6.5%
Total Taxes	\$ 3,958,950	\$ 4,171,675	\$ 4,244,233	\$ 72,558	7.2%	1.7%
Other Revenue:						
Interest	\$ 12,307	\$ 22,500	\$ 19,897	\$ (2,603)	61.7%	(11.6)%
Transfers (net)	\$ (15,760)	\$ (4,275)	\$ (4,269)	\$ 6	(72.9)	0.1
Agency Earnings and Misc.	\$ 96,919	\$ 66,550	\$ 72,169	\$ 5,619	(25.5)	8.4
Total	\$ 93,466	\$ 84,775	\$ 87,797	\$ 3,022	(6.1)%	3.6%
TOTAL RECEIPTS	\$ 4,052,416	\$ 4,256,450	\$ 4,332,030	\$ 75,580	6.9%	1.8%

* Consensus estimate as of April 18, 2005.
 Excludes \$450 million to State General Fund due to issuance of a certificate of indebtedness.

NOTES: Details may not add to totals due to rounding.

KANSAS

DIVISION OF THE BUDGET
DUANE A. GOOSSEN, DIRECTOR

KATHLEEN SEBELIUS, GOVERNOR

June 14, 2005

To: Governor Kathleen Sebelius and Legislative Budget Committee
From: Kansas Division of the Budget and Kansas Legislative Research Department
Re: Update to SGF Memo for FY 2005 (Revised) and FY 2006 (Revised)

The Consensus Estimating Group met today to update informally the estimates for FY 2005 and FY 2006 which were made on April 18 (and subsequently adjusted for legislation enacted during the veto session). The meeting was held at the request of the Governor and legislative leadership to analyze actual receipts since mid-April prior to the start of the special legislative session.

The update increased the estimates by \$86.0 million, or 1.8 percent, in each fiscal year. SGF receipts through May were more than \$75.0 million ahead of the adjusted estimate. Of this amount, approximately \$37.0 million is attributable to increases in individual income tax receipts; \$25.0 million in corporation income taxes; and \$8.0 million in corporation franchise taxes. Agency earnings also exceeded the estimate through May by nearly \$6.0 million. Stronger than anticipated tax receipts in May have, in general, been experienced by other states and the federal government.

The review of these and other major tax sources indicated that FY 2005 receipts are likely on pace to finish about \$86.0 million ahead of the previous estimate; and FY 2006 receipts would appear to be understated by approximately \$86.0 million. Thus, the informal finding of the group is that the combined estimate for FY 2005 and FY 2006 needs to be increased by \$172.0 million.

Final FY 2005 receipts will not be known until well into July, and the Consensus Group will not formally convene until this fall to review the FY 2006 estimate. The following factors were taken into consideration in the informal revisions of the estimates, which can be found in the attached tables.

Individual Income Tax

- Average balances due through May were running nearly \$100 ahead of the previous year. (Through April, average balances due had been running only \$7 ahead of the previous year.)

- The state received approximately 10,000 more remittances through May than in the previous year.
- By contrast, the state processed approximately the same number of refunds during this filing season compared to the previous year, but paid out only \$1.0 million more in refunds.
- Processing time was apparently three days slower in 2005, effectively pushing some receipts into May that otherwise would have been deposited in April.
- Strong growth in estimated payments and withholding in April and May also contributed to some of the unanticipated growth.

Corporation Income Tax

- The amount of balances due in April and May were nearly double (\$38.0 million versus \$19.0 million) the amount received a year earlier.
- Estimated payments also showed significant growth during these two months (\$37.0 million in April versus \$24.0 million in May).

Franchise Taxes

- Based on receipts through mid-April, the group had cut the franchise tax estimate for FY 2005 from \$48.0 million to \$40.0 million. Strong collections in late April and early May had receipts well in excess of \$45.0 million by the end of May.

Agency Earnings

- Unanticipated growth in agency earnings attributable to unclaimed property caused this source to be running almost \$6.0 million ahead of the estimate through May.

Table 1
Consensus Revenue Estimates for Fiscal Years 2005 and 2006, as Updated June 14, 2005
and FY 2004 Actual Receipts
(Dollars in Thousands)

	FY 2004 (Actual)		FY 2005 (Revised)		FY 2006 (Revised)	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Property Tax:						
Motor Carrier	\$19,498	7.9 %	\$21,000	7.7 %	\$24,000	14.3 %
Motor Vehicle	1,541		1,400			
Ad Valorem	13,718		500			
Total	\$34,757		\$22,900		\$24,000	
Income Taxes:						
Individual	\$1,888,431	3.2	\$2,040,000	8.0	\$2,130,000	4.4 %
Corporation	141,173	50.3	205,000	45.2	210,000	2.4
Financial Inst.	25,435	(8.9)	22,000	(13.5)	22,000	--
Total	\$2,055,039	5.3 %	\$2,267,000	10.3 %	\$2,362,000	4.2 %
Estate Tax	\$48,064	(0.0) %	\$52,000	8.2 %	\$52,000	-- %
Excise Taxes:						
Retail Sales	\$1,612,067	9.6 %	\$1,650,000	2.4 %	\$1,700,000	3.0 %
Compensating Use	214,503	(8.2)	242,000	12.8	250,000	3.3
Cigarette	119,789	149.3	117,500	(1.9)	116,500	(0.9)
Tobacco Product	4,797	11.5	4,900	2.1	5,000	2.0
Cereal Malt Beverage	2,165	(9.0)	2,100	(3.0)	2,000	(4.8)
Liquor Gallonage	15,843	8.3	15,500	(2.2)	15,500	--
Liquor Enforcement	40,256	7.6	42,300	5.1	44,000	4.0
Liquor Drink	7,152	8.1	7,500	4.9	7,700	2.7
Corporate Franchise	36,806	99.0	46,000	25.0	46,000	--
Severance	84,641	52.0	101,200	19.6	102,200	1.0
Gas	66,054	58.1	71,700	8.5	72,700	1.4
Oil	18,587	33.8	29,500	58.7	29,500	--
Total	\$2,138,019	13.0 %	\$2,229,000	4.3 %	\$2,288,900	2.7 %
Other Taxes:						
Insurance Premium	\$106,864	25.8 %	\$102,000	(4.6) %	\$104,000	2.0 %
Miscellaneous	4,387	124.3	4,300	(2.0)	4,300	--
Total	\$111,251	28.0 %	\$106,300	(4.5) %	\$108,300	1.9 %
Total Taxes	\$4,387,130	9.8 %	\$4,677,200	6.6 %	\$4,835,200	3.4 %
Other Revenues:						
Interest	\$13,870		\$25,000		\$54,000	
Net Transfers	16,721		17,580		(15,153)	
Demand to Revenue Transfers	(62,699)		(70,593)		(73,783)	
Other Transfers	79,420		88,173		58,630	
Agency Earnings	101,005		74,000		66,152	
Total Other Revenue	\$131,596	17.7 %	\$116,580	(11.4) %	\$104,999	(9.9) %
Total Receipts	\$4,518,726	10.0 %	\$4,793,780	6.1 %	\$4,940,199	3.1 %

Table 2
State General Fund Receipts
FY 2005 Revised, as Adjusted for Legislation, and Updated June 14, 2005
Comparison of April 2005 Estimate to June 2005 Update
(Dollars in Thousands)

	FY 2005 CRE Est.	FY 2005 CRE Est.	Difference	
	Revised 4/18/05 and Adjusted for Legislation	Adjusted for Legislation and Updated 6/14/05	Amount	Pct. Chg.
Property Tax:				
Motor Carrier	\$23,000	\$21,000	(\$2,000)	(8.7) %
Motor Vehicle	1,400	1,400	--	--
Ad Valorem	500	500	--	--
Total	\$24,900	\$22,900	(\$2,000)	(8.0) %
Income Taxes:				
Individual	\$1,997,000	\$2,040,000	\$43,000	2.2 %
Corporation	170,000	205,000	35,000	20.6
Financial Inst.	22,000	22,000	--	--
Total	\$2,189,000	\$2,267,000	\$78,000	3.6 %
Estate Tax	\$52,000	\$52,000	\$ --	-- %
Excise Taxes:				
Retail Sales	\$1,650,000	\$1,650,000	\$ --	-- %
Compensating Use	242,000	242,000	--	--
Cigarette	117,500	117,500	--	--
Tobacco Product	4,900	4,900	--	--
Cereal Malt Beverage	2,100	2,100	--	--
Liquor Gallonage	15,500	15,500	--	--
Liquor Enforcement	42,300	42,300	--	--
Liquor Drink	7,500	7,500	--	--
Corporate Franchise	40,000	46,000	6,000	15.0
Severance	101,200	101,200	--	--
Gas	71,700	71,700	--	--
Oil	29,500	29,500	--	--
Total	\$2,223,000	\$2,229,000	\$6,000	0.3 %
Other Taxes:				
Insurance Premium	\$102,000	\$102,000	\$ --	-- %
Miscellaneous	4,300	4,300	--	--
Total	\$106,300	\$106,300	\$ --	-- %
Total Taxes	\$4,595,200	\$4,677,200	\$82,000	1.8 %
Other Revenues:				
Interest	\$27,000	\$25,000	(\$2,000)	(7.4) %
Net Transfers	17,580	17,580	--	--
Demand to Revenue Transfers	(70,593)	(70,593)	--	--
Other Transfers	88,173	88,173	--	--
Agency Earnings	68,000	74,000	6,000	8.8
Total Other Revenue	\$112,580	\$116,580	\$4,000	3.6 %
Total Receipts	\$4,707,780	\$4,793,780	\$86,000	1.8 %

Table 3
State General Fund Receipts
FY 2006 Revised, as Adjusted for Legislation, and Updated June 14, 2005
Comparison of April 2005 Estimate to June 2005 Update
(Dollars in Thousands)

	FY 2006 CRE Est. Revised 4/18/05 and Adjusted for Legislation	FY 2006 CRE Est. Adjusted for Legislation and Updated 6/14/05	Difference	
			Amount	Pct. Chg.
Property Tax:				
Motor Carrier	\$24,000	\$24,000	\$ --	-- %
Motor Vehicle	--	--	--	--
Ad Valorem	--	--	--	--
Total	\$24,000	\$24,000	\$ --	-- %
Income Taxes:				
Individual	\$2,085,000	\$2,130,000	\$45,000	2.2 %
Corporation	175,000	210,000	35,000	20.0
Financial Inst.	22,000	22,000	--	--
Total	\$2,282,000	\$2,362,000	\$80,000	3.5 %
Estate Tax	\$52,000	\$52,000	\$ --	-- %
Excise Taxes:				
Retail Sales	\$1,700,000	\$1,700,000	\$ --	-- %
Compensating Use	250,000	250,000	--	--
Cigarette	116,500	116,500	--	--
Tobacco Product	5,000	5,000	--	--
Cereal Malt Beverage	2,000	2,000	--	--
Liquor Gallonage	15,500	15,500	--	--
Liquor Enforcement	44,000	44,000	--	--
Liquor Drink	7,700	7,700	--	--
Corporate Franchise	40,000	46,000	6,000	15.0
Severance	102,200	102,200	--	--
Gas	72,700	72,700	--	--
Oil	29,500	29,500	--	--
Total	\$2,282,900	\$2,288,900	\$6,000	0.3 %
Other Taxes:				
Insurance Premium	\$104,000	\$104,000	\$ --	-- %
Miscellaneous	4,300	4,300	--	--
Total	\$108,300	\$108,300	\$ --	-- %
Total Taxes	\$4,749,200	\$4,835,200	\$86,000	1.8 %
Other Revenues:				
Interest	\$54,000	\$54,000	\$ --	-- %
Net Transfers	(15,153)	(15,153)	--	--
Demand to Revenue	(73,783)	(73,783)	--	--
Other Transfers	58,630	58,630	--	--
Agency Earnings	66,152	66,152	--	--
Total Other Revenue	\$104,999	\$104,999	\$ --	-- %
Total Receipts	\$4,854,199	\$4,940,199	\$86,000	1.8 %

**STATE GENERAL FUND RECEIPTS, EXPENDITURES AND BALANCES
AS PROJECTED FY 2005-FY 2008**

In Millions

**(Reflects FY 2005 and FY 2006 Expenditure Action by Legislature and April Consensus Revenue Estimates
and June Updated Consensus Revenue Estimates)**

	Actual FY 2004	Revised FY 2005	Revised FY 2006	Projected FY 2007	Projected FY 2008
Beginning Balance	\$ 122.7	\$ 327.5	\$ 396.4	\$ 335.6	\$ 168.8
Released Encumbrances	2.4	0.0	0.0	0.0	0.0
Receipts (April 2005 Consensus, Adjusted for Legislation)	4,518.9	4,707.8	4,854.2	4,868.3	4,947.6
Informal Consensus Revenue Update - June 14, 2005	0.0	86.0	86.0	89.4	93.0
Additional SGF Revenue Receipts	0.0	0.0	0.0	0.0	0.0
Adjusted Receipts	4,518.9	4,793.8	4,940.2	4,957.7	5,040.6
Total Available	\$ 4,644.0	\$ 5,121.3	\$ 5,336.6	\$ 5,293.3	\$ 5,209.4
Less Additional Expenditures for School Finance - HB 2247	-	-	140.2	195.3	272.9
Supreme Court Ordered Spending by July 1, 2005	-	-	-	-	-
Less All Other Expenditures	4,316.5	4,724.9	4,860.8	4,929.2	5,017.8
Total Expenditures	4,316.5	4,724.9	5,001.0	5,124.5	5,290.7
Ending Balance	\$ 327.5	\$ 396.4	\$ 335.6	\$ 168.8	\$ (81.3)
Ending Balance as a Percentage of Expenditures	7.6%	8.4%	6.7%	3.3%	-1.5%

- 1) FY 2005 and FY 2006 expenditures as approved by the 2005 Legislature, including \$140.2 million for school finance - HB 2247.
- 2) FY 2007 and FY 2008 base receipts assume a four percent growth; and expenditures include out-year significant obligations (*i.e.*, SRS and Aging caseloads).
- 3) Additional school finance expenditures - HB 2247; FY 2006 - \$140.2 million; FY 2007 - \$195.3 million; and FY 2008 - \$272.9 million (excludes Skills for Success, but including special education, local option budget and the CPI-U adjustments).
- 4) SGF receipts based on State General Fund Consensus Revenue Estimating Group estimate as of April, 2005, adjusted for legislation, and the June 14, 2005 informal update.

**STATE GENERAL FUND RECEIPTS, EXPENDITURES AND BALANCES
AS PROJECTED FY 2005-FY 2008
In Millions
(Reflects FY 2005 and FY 2006 Expenditure Action by Legislature and April Consensus Revenue Estimates
and June Updated Consensus Revenue Estimates, Plus Court Ordered Spending)**

	Actual FY 2004	Revised FY 2005	Revised FY 2006	Projected FY 2007	Projected FY 2008
Beginning Balance	\$ 122.7	\$ 327.5	\$ 396.4	\$ 192.5	\$ (117.4)
Released Encumbrances	2.4	0.0	0.0	0.0	0.0
Receipts (April 2005 Consensus, Adjusted for Legislation)	4,518.9	4,707.8	4,854.2	4,868.3	4,947.6
Informal Consensus Revenue Update - June 14, 2005	0.0	86.0	86.0	89.4	93.0
Additional SGF Revenue Receipts	0.0	0.0	0.0	0.0	0.0
Adjusted Receipts	4,518.9	4,793.8	4,940.2	4,957.7	5,040.6
Total Available	\$ 4,644.0	\$ 5,121.3	\$ 5,336.6	\$ 5,150.2	\$ 4,923.2
Less Additional Expenditures for School Finance - HB 2247	-	-	140.2	195.3	272.9
Less Supreme Court Ordered Spending by July 1, 2005	-	-	143.1	143.1	143.1
Less All Other Expenditures	4,316.5	4,724.9	4,860.8	4,929.2	5,017.8
Total Expenditures	4,316.5	4,724.9	5,144.1	5,267.6	5,433.8
Ending Balance	\$ 327.5	\$ 396.4	\$ 192.5	\$ (117.4)	\$ (510.6)
Ending Balance as a Percentage of Expenditures	7.6%	8.4%	3.7%	-2.2%	-9.4%

- 1) FY 2005 and FY 2006 expenditures as approved by the 2005 Legislature, including \$140.2 million for school finance and \$143.1 million as ordered by the Supreme Court.
- 2) FY 2007 and FY 2008 base receipts assume a four percent growth; and expenditures include out-year significant obligations (i.e., SRS and Aging caseloads).
- 3) Additional school finance expenditures - HB 2247; FY 2006 - \$140.2 million; FY 2007 - \$195.3 million; and FY 2008 - \$272.9 million (excludes Skills for Success, but including special education, local option budget and the CPI-U adjustments).
- 4) SGF receipts based on State General Fund Consensus Revenue Estimating Group estimate as of April, 2005, adjusted for legislation, and the June 14, 2005 informal update.

June 17, 2005

STATE GENERAL FUND OUTYEAR DEMANDS

● Out-Year Demands on State General Fund Resources:

- **KPERS pension obligation bonds** (\$0.5 billion in bonds issued in 2004)
 - FY 2007 - \$15.0 million, **an increase of \$5.0 million**
 - FY 2008 - \$26.1 million, **an increase of \$11.1 million**
 - FY 2009 through FY 2034 - \$36.1 million, an increase of \$10.0 million in FY 2009)

- **KPERS increased employer contributions** (Statutory cap for state and school employer contribution increases from 0.2 percent annually to 0.4 percent in FY 2006; 0.5 percent in FY 2007; and 0.6 percent in FY 2008 and subsequent year, plus normal growth in the covered payroll):
 - FY 2007 - **an increase of \$31.0 million**
 - FY 2008 - **an increase of \$29.0 million**

- **KDOT Sales Tax Transfer** - Department of Transportation (Comprehensive Transportation Plan) State General Fund (Sales Tax) direct deposit to the State Highway Fund. The transfer amount is 0.25 percent in FY 2006; 0.38 percent in FY 2007; and 0.65 percent in FY 2008 thereafter:
 - FY 2007 - \$150.9 million, **an increase of \$51.5 million**
 - FY 2008 - \$267.1 million, **an increase of \$115.5 million**

- **KDOT Bond Payment** - Additional bonding authority granted by the 2004 Legislature to ensure the funding stream for the Comprehensive Transportation Plan:
 - FY 2007 - \$8.0 million
 - FY 2008 - \$11.0 million

- **KDOT Loan Repayment** - A repayment to the State Highway Fund for a diversion of State General Fund resources from the old demand transfer (\$94.6 million) and for operational support of the Kansas Highway Patrol (\$31.0 million); the loan is to be repaid over a four-year period:
 - FY 2007 - \$32.5 million
 - FY 2008 - \$30.9 million
 - FY 2009 - \$31.2 million
 - FY 2010 - \$30.9 million

- **Regents Research Initiative** - Bond payments for Regents research facilities:
 - FY 2006 - \$4.9 million
 - FY 2007 - \$10.0 million
 - FY 2008 - \$10.0 million

- **Annualize FY 2006 State Employee Salary Increase** (funding for a 2.5 percent salary increase was only financed for six months):
 - FY 2007 - \$11.9 million

- **Department of Education** - Additional funding for School Finance - HB 2247. Special Education was raised to 88 percent in FY 2007 and to 91 percent in FY 2008. The Local Option Budget was raised to 88 percent in FY 2007 and to 91 percent in FY 2008. An inflation factor also begins in FY 2008, which is the Consumer Price Index-Urban.
 - FY 2007 - \$71.1 million
 - FY 2008 - \$77.6 million

- **Summary of Identified Out-Year Demands:**
 - **FY 2007 - \$208.1 million**
 - **FY 2008 - \$223.5 million**

- **Other Selected Potential Demands on the State Budget:**
 - SRS and Aging caseload increases - \$50 million estimated
 - Funding for K-12 education (base state aid per pupil, special education, and capital improvement aid)
 - Higher education - Funding for the Higher Education Reform Act
 - State employee health insurance
 - State employee salary increases

**Legislative Post Audit
Issues Relating to the Cost Study Analysis
Required Under HB 2247**

HB 2247 requires Legislative Post Audit to “conduct a professional cost study analysis to determine the costs of delivering the kindergarten and grades one through 12 curriculum, related services and other programs mandated by state statute in accredited schools.”

This language can be read as incorporating two distinctly different (and incompatible) interpretations of the costs to be included in the cost study:

Scenario 1. Only the cost of those resources needed to fund **what’s mandated by State statute** in schools that are accredited by the Board of Education (all schools currently are accredited), with additional costs added for special needs students.

An input-based (resource-oriented) approach that involves:

- *building one or more models to help estimate the resources needed to provide these curricula, services, and programs, and costing them out*
- *estimating the resources needed to educate special needs students*

NOTE: An input-based approach is much narrower than the outcomes-based approach. It doesn’t relate funding to outcome levels adopted by the Board. Because Kansas laws and regulations don’t specify the resource levels that schools and districts should have, under this approach Legislative Post Audit will make a significant number of judgments about what resource levels are considered to be “adequate” in such areas as class size, support staff, administrative costs, computer and software needs, etc. Such judgments may be based on evaluation studies, averages for similar-sized districts, industry “bench-marks,” and the like.

Scenario 2. The cost of those resources **needed to achieve certain outcomes** adopted by the Board of Education in its school accreditation standards, which schools are required to meet to be accredited.

An outcomes-based approach that involves building one or more models to estimate what it would cost for schools to meet performance outcomes adopted by the Board .

NOTE: Using an outcomes-based approach, it would be methodologically unsound to limit the cost study only to those curricula, related services, and other programs mandated by State statute, because other non-mandated programs, services, and resources (such as alternative high schools, extracurricular activities, after-school tutoring, nurses, etc.) may have contributed to students’ achievement of these outcomes.

Researchers generally use one of two methods when trying to estimate the cost of achieving performance outcomes:

- **successful schools method**—in general, involves determining how much schools that have met specific outcome criteria have spent (generally does not attempt to identify “inefficient” spending).
- **cost function analysis**—in general, involves statistical modeling that uses existing data to determine the relationship between district spending and student outcomes, and estimates the cost of achieving certain outcomes in districts with varied characteristics, serving varied student populations (generally attempts to identify and exclude relatively inefficient spending).

There’s no agreement within the research community as to which outcomes-based approach is best. Each has strengths and weaknesses, can be (and has been) criticized, and may produce what some perceive as winners and losers. There’s no way to know in advance what the results would be.

FYI: Under Board of Education accreditation standards that were adopted January 1, 2005 , relevant performance criteria relate to students’ performance on assessment tests, participation rate on those tests, and attendance and graduation rates. Schools either have to meet a target set by the Board or have to demonstrate improvement. Their accreditation status is affected only if they don’t meet these requirements for two years in a row.

*Senate Education Committee
6-20-05
Attachment 4*

Legislative Post Audit Recommendation:

Based on discussions in conference committee hearings, we understood that HB 2247 had been expanded by the conference committee to include the Board of Education's QPA regulations and the achievement of the outcome measures adopted by the Board (Scenario 2). However, the Supreme Court apparently did not consider that the language in HB 2247 required an estimation of the cost to meet certain educational outcomes. Legislators also may have very different interpretations of this language as well. If there is a serious difference of opinion among legislators or between the Legislature and the Court on this subject, I believe Legislative Post Audit will be put in an untenable position if we have to choose between the two approaches.

1. We would ask the Legislature to clarify whether adding the words "in accredited schools" to new section 3(a) of HB 2247 expanded the scope of the cost study to include not only requirements mandated by State statute, but also the Board of Education's regulations for accredited schools (which brings in schools' achievement of QPA performance criteria). Based on that clarification, the Legislature should specify whether the cost study analysis should be based on:
 - a. the resources necessary to meet the requirements mandated by State statute (Scenario 1)
 - b. the cost of meeting targeted outcomes (Scenario 2)
 - c. both scenarios (would involve separate cost studies, which likely would produce different results)

In the absence of legislative clarification in these areas, we think the law can be read as requiring either scenario. To meet what we consider to be the conflicting provisions in the law, we would need to perform two separate cost analyses: both input-based and outcomes-based. To complete these studies on time, we likely would need to perform more limited reviews in some of the other areas called for in HB 2247, such as determining whether special needs students who are counted as a basis for computing funding actually receive those services.

2. ^x New recommendation: We would also ask the Legislature to clarify which Board standards we are to use as a basis of the cost study analysis. New standards go into effect July 1st that were adopted by the Board and published in the Kansas Administrative Regulations before the passage of HB 2247.

Requirements for a Suitable Education

<p style="text-align: center;">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 style="text-align: center;">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 style="text-align: center;">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 style="text-align: center;">State Statute 72-1117 State Law - high school graduation</p> <ul style="list-style-type: none"> • Kansas History and Government
<p style="text-align: center;">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 style="text-align: center;">State Statute 72-1103 Required by Legislature Required courses of instruction; graduation requirements</p> <ul style="list-style-type: none"> • Civil Government (elementary) • US. History (elementary) • Patriotism (elementary) • Duties of a Citizen (elementary) • Government and Institutions of the United States (secondary) • Constitution of the United States (secondary) 	<p style="text-align: center;">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 	
<p style="text-align: center;">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 	<p style="text-align: center;">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 style="text-align: center;">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 Technical Education 	

Additional programs and services included in the legislature's definition of a suitable education given for the Augenblick & 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



Division of Fiscal and Administrative Services

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June 20, 2005

TO: Senate Education Committee
FROM: Dale M. Dennis, Deputy
Commissioner of Education
SUBJECT: Potential USD Budget Schedule

Listed below are two potential schedules that might be used by school districts when preparing their 2005-06 budgets. One schedule would apply to districts with daily newspapers and the other for districts with weekly newspapers.

USD'S WITH DAILY NEWSPAPERS

- June 22 Beginning of special legislative session
- June 30 Adjournment of special legislative session
- July 1-13 KSDE budget preparation—Computing state aid ratios for local option budget and bond and interest, develop budget forms, develop software for computing budget, update budget profile and budget at a glance, printing of budget and accompanying worksheets, etc. (8 working days)
- July 14-21 USD budget workshops (5 working days)
- July 22-Aug. 10 Development of school district budget by local boards
- Aug. 10 Local board approval of USD budget
- Aug. 12 Publication of USD budget
- Aug. 23 USD budget public hearing
- Aug. 25 Submit USD budget to county clerk

*Senate Education Committee
6-20-05
Attachment 5*

USD'S WITH WEEKLY NEWSPAPERS

- | | |
|----------------|--|
| June 22 | Beginning of special legislative session |
| June 30 | Adjournment of special legislative session |
| July 1-13 | KSDE budget preparation—Computing state aid ratios for local option budget and bond and interest, develop budget forms, develop software for computing budget, update budget profile and budget at a glance, printing of budget and accompanying worksheets, etc. (8 working days) |
| July 14-21 | USD budget workshops (5 working days) |
| July 22-Aug. 4 | Development of school district budget by local boards |
| Aug. 5 | Local board approval of USD budget |
| Aug. 11 | Publication of USD budget |
| Aug. 23 | USD budget public hearing |
| Aug. 25 | Submit USD budget to county clerk |



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June 9, 2005

FROM : Dale M. Dennis, Deputy
Commissioner of Education

ANTHONY HENSLEY
SENATE MINORITY LEADER

SUBJECT: School Finance—Proposed Plan

Attached is a computer printout (L0565) based upon the following factors.

- Eliminate correlation weighting, lower low enrollment weighting, and raise the base state aid per pupil (BSAPP) to \$4,107. This change will result in no changes in expenditures for school districts.
- Increase at-risk weighting from .10 to .25.
- Increase bilingual education weighting from .20 to .45.
- Increase special education funding to 94 percent of excess cost in 2005-06.
- Add an additional \$163 to BSAPP.
- Reduces federal impact aid deduction in computing local effort from 75 percent to 70 percent.
- Place a cap of eight mills on the capital outlay mill rate and equalize on the same ratios as bond and interest state aid.

*Senate Education Committee
6-20-05
Attachment 6*

STATE COST -- 2005-06

(Estimates based upon 2004-05 data)

Increase at-risk weighting from .10 to .25	\$ 86,400,000	
Increase bilingual weighting from .20 to .45	13,500,000	
Increase special education from 81.7% to 94% of excess cost	46,100,000	
Increase BSAPP by \$163	89,600,000	
Deduct 70 percent of federal impact aid in computing school district local effort rather than 75 percent	800,000	<i>no change</i>
Equalize the local option budget to 25%	15,000,000	*
Capital Outlay	18,000,000	<i>new</i>
Increase in military enrollment (HB 2059)	7,356,000	* <i>same</i>
Four-year-old at-risk	804,000	* <i>same</i>
Miscellaneous adjustments (enrollment, assessed valuation, etc.)	7,668,000	* <i>same</i>
TOTAL	\$ 285,228,000	—
Amount previously appropriated	\$ 141,028,000	
Net amount	\$ 144,200,000	

*This appropriation cannot be allocated and are not reflected in this computer printout.

COLUMN EXPLANATION
(Estimates based upon 2004-05 data)

- Column
- 1 -- September 20, 2004, FTE enrollment
 - 2 -- 2004-05 Eliminate correlation weighting, lower low enrollment weighting, and raise BSAPP to \$4,107 plus \$163 on the BSAPP
 - 3 -- 2004-05 Increase at-risk funding from .10 to .25
 - 4 -- 2004-05 Increase bilingual education funding from .20 to .45
 - 5 -- 2004-05 Reduces impact aid deduction from 75 percent to 70 percent
 - 6 -- 2004-05 Estimated increase in special education state aid at 94 percent of excess cost (\$4,125 per teacher)
 - 7 -- Total (Column 2 + 3 + 4 +5 +6)
 - 8 -- Amount per pupil (Column 7 ÷ 1)
 - 9 -- State capital outlay aid

6-4

P: 1

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
COUNTY NAME	#	FTE ENROLL	\$163 BASE	25% AT RISK	45% BILINGUAL	IMPACT AID	\$4125 SPED EDUC	TOTAL	PER PUPIL	CAP. OUTLAY ST AID
DISTRICT NAME	#	9/20/04	BPP							

ALLEN	001									
MARMATON VALLEY	D0256	373.5	99,023	71,736	0	0	50,696	221,455	593	0
IOLA	D0257	1,439.6	283,490	363,377	0	0	189,049	835,916	581	0
HUMBOLDT	D0258	524.2	130,367	111,020	0	0	70,744	312,131	595	0
ANDERSON	002									
GARNETT	D0365	1,081.5	240,181	217,343	0	0	109,808	567,332	525	49,434
CREST	D0479	236.0	72,454	46,970	0	0	31,680	151,104	640	0
ATCHISON	003									
ATCHISON CO COM	D0377	741.0	183,457	130,662	0	0	101,599	415,718	561	0
ATCHISON PUBLIC	D0409	1,565.1	294,557	443,226	0	0	200,929	938,712	600	68,373
BARBER	004									
BARBER COUNTY N	D0254	587.0	149,650	80,276	0	0	74,910	304,836	519	13,806
SOUTH BARBER	D0255	264.5	76,121	49,532	0	0	33,990	159,643	604	840
BARTON	005									
CLAFLIN	D0354	295.5	82,022	35,441	0	0	34,856	152,319	515	16,530
ELLINWOOD PUBLI	D0355	513.4	127,107	84,546	0	0	53,543	265,196	517	0
GREAT BEND	D0428	3,040.3	545,626	874,496	199,409	0	229,020	1,848,551	608	152,509
HOISINGTON	D0431	612.9	154,736	126,392	0	0	66,206	347,334	567	0
BOURBON	006									
FORT SCOTT	D0234	1,960.0	357,736	513,681	2,989	0	153,326	1,027,732	524	24,821
UNIONTOWN	D0235	430.0	122,641	102,480	0	0	42,570	267,691	623	0
BROWN	007									
HIAWATHA	D0415	891.8	216,366	170,373	0	0	152,213	538,952	604	44,732
SOUTH BROWN COU	D0430	657.6	162,674	159,698	19,215	5,355	109,890	456,832	695	0
BUTLER	008									
BLUESTEM	D0205	718.0	176,774	93,086	0	0	79,448	349,308	487	36,582
REMYNGTON-WHITE	D0206	523.7	135,942	58,926	6,832	0	62,453	264,153	504	20,329
CIRCLE	D0375	1,494.8	291,852	159,698	0	0	136,579	588,129	393	0
ANDOVER	D0385	3,643.2	630,484	162,260	2,135	0	294,525	1,089,404	299	303,547
ROSE HILL PUBLI	D0394	1,739.5	315,487	131,943	0	0	157,864	605,294	348	83,491
DOUGLASS PUBLIC	D0396	827.8	194,752	109,739	0	0	93,514	398,005	481	39,567
AUGUSTA	D0402	2,116.7	369,244	301,889	0	0	189,090	860,223	406	106,824
EL DORADO	D0490	2,116.5	372,455	437,675	1,708	0	210,499	1,022,337	483	133,285
FLINTHILLS	D0492	311.2	86,325	32,025	0	0	37,496	155,846	501	13,974
CHASE	009									
CHASE COUNTY	D0284	453.0	120,131	76,433	0	0	50,944	247,508	546	0

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
COUNTY NAME	#	FTE ENROLL	\$163 BASE	25% AT RISK	45% BILINGUAL	IMPACT AID	\$4125 SPED EDUC	TOTAL	PER PUPIL	CAP. OUTLAY ST AID
DISTRICT NAME	#	9/20/04	BPP							

CHAUTAUQUA	010									
CEDAR VALE	D0285	164.0	56,088	46,970	0	0	19,553	122,611	748	0
CHAUTAUQUA COUN	D0286	425.0	112,552	98,210	0	0	45,705	256,467	603	21,813
CHEROKEE	011									
RIVERTON	D0404	818.6	193,367	182,756	0	0	73,673	449,796	549	40,970
COLUMBUS	D0493	1,209.0	268,657	314,699	0	0	116,738	700,094	579	129,677
JALENA	D0499	754.5	174,948	264,740	0	0	67,815	507,503	673	6,676
BAXTER SPRINGS	D0508	833.2	188,265	193,431	1,708	0	75,735	459,139	551	0
CHEYENNE	012									
CHEYLIN	D0103	158.5	54,181	35,868	0	0	17,119	107,168	676	0
ST FRANCIS COMM	D0297	326.0	91,948	52,094	0	0	26,400	170,442	523	1,079
CLARK	013									
MINNEOLA	D0219	266.1	72,649	53,375	0	0	29,700	155,724	585	5,134
ASHLAND	D0220	216.4	68,509	52,094	0	0	29,494	150,097	694	0
CLAY	014									
CLAY CENTER	D0379	1,371.3	281,729	196,847	0	295	136,084	614,955	448	0
CLOUD	015									
CONCORDIA	D0333	1,056.3	236,774	236,558	0	0	139,343	612,675	580	55,170
SOUTHERN CLOUD	D0334	233.5	67,238	52,521	0	0	27,803	147,562	632	2,413
COFFEY	016									
LEBO-WAVERLY	D0243	566.9	139,349	84,546	0	0	59,813	283,708	500	0
BURLINGTON	D0244	845.5	192,307	137,921	0	0	120,574	450,802	533	0
BEROY-GRIDLEY	D0245	258.0	77,458	44,835	0	0	33,248	155,541	603	5,082
COMANCHE	017									
COMANCHE COUNTY	D0300	308.5	85,722	47,397	0	0	35,145	168,264	545	0
COWLEY	018									
CENTRAL	D0462	346.1	92,095	54,656	0	0	35,846	182,597	528	0
JDALL	D0463	364.9	94,149	56,364	0	0	38,569	189,082	518	0
WINFIELD	D0465	2,469.8	450,695	483,791	23,058	0	282,893	1,240,437	502	105,463
ARKANSAS CITY	D0470	2,814.4	517,199	854,427	70,028	0	300,424	1,742,078	619	46,026
DEXTER	D0471	225.8	65,982	46,970	0	0	21,656	134,608	596	0
CRAWFORD	019									
NORTHEAST	D0246	577.0	143,505	186,599	0	0	48,428	378,532	656	0
CHEROKEE	D0247	789.5	191,427	161,406	0	0	76,601	429,434	544	0
HIRARD	D0248	1,037.5	231,476	187,880	0	0	92,070	511,426	493	52,050
FRONTENAC PUBLI	D0249	742.0	167,059	113,582	0	0	63,278	343,919	464	0
PITTSBURG	D0250	2,474.8	477,166	754,509	61,061	0	214,253	1,506,989	609	102,811

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
COUNTY NAME	#	FTE ENROLL	\$163 BASE	25% AT RISK	45% BILINGUAL	IMPACT AID	\$4125 SPED EDUC	TOTAL	PER PUPIL	CAP. OUTLAY ST AID
DISTRICT NAME	#	9/20/04	BPP							

DECATUR	020									
OBERLIN	D0294	432.5	113,106	70,028	0	0	41,168	224,302	519	11,964
PRAIRIE HEIGHTS	D0295	30.5	21,320	8,967	0	0	8,415	38,702	1,269	0
DICKINSON	021									
SOLOMON	D0393	403.4	105,298	61,488	0	0	28,463	195,249	484	21,551
ABILENE	D0435	1,408.7	273,693	237,839	0	0	98,670	610,202	433	71,733
CHAPMAN	D0473	955.9	228,624	136,640	0	689	70,043	435,996	456	36,025
RURAL VISTA	D0481	426.8	112,144	66,185	0	452	29,329	208,110	488	10,661
HERINGTON	D0487	506.9	122,788	94,794	0	0	35,228	252,810	499	0
DONIPHAN	022									
WATHENA	D0406	374.5	94,866	48,251	0	0	40,590	183,707	491	0
HIGHLAND	D0425	250.0	74,198	29,036	0	0	36,300	139,534	558	0
TROY PUBLIC SCH	D0429	372.0	97,295	63,623	0	0	41,209	202,127	543	0
MIDWAY SCHOOLS	D0433	202.0	65,966	29,463	0	0	33,000	128,429	636	0
ELWOOD	D0486	289.5	86,537	92,232	0	0	35,186	213,955	739	0
DOUGLAS	023									
BALDWIN CITY	D0348	1,305.6	272,748	90,951	0	0	127,628	491,327	376	66,447
EUDORA	D0491	1,234.7	265,087	131,516	0	0	108,694	505,297	409	65,890
LAWRENCE	D0497	9,742.2	1,689,756	1,373,232	204,960	0	1,227,311	4,495,259	461	0
EDWARDS	024									
KINSLEY-OFFERLE	D0347	319.6	86,863	88,389	18,788	0	44,839	238,879	747	0
LEWIS	D0502	139.5	47,189	36,722	0	0	18,769	102,680	736	0
ELK	025									
WEST ELK	D0282	424.8	121,468	119,133	0	0	74,333	314,934	741	21,080
ELK VALLEY	D0283	201.0	62,022	67,893	0	0	42,364	172,279	857	0
ELLIS	026									
ELLIS	D0388	374.2	95,534	61,061	0	0	40,343	196,938	526	12,476
VICTORIA	D0432	265.3	74,361	15,372	0	0	30,690	120,423	454	7,308
HAYS	D0489	2,906.2	539,449	442,799	8,113	0	362,010	1,352,371	465	177,291
ELLSWORTH	027									
ELLSWORTH	D0327	590.0	153,725	62,342	0	0	43,684	259,751	440	30,630
LORRAINE	D0328	426.0	120,180	91,805	0	0	32,505	244,490	574	0
FINNEY	028									
HOLCOMB	D0363	849.7	194,182	129,381	53,375	0	66,371	443,309	522	0
GARDEN CITY	D0457	6,953.7	1,296,355	2,232,783	1,038,891	0	671,179	5,239,208	753	410,133
FORD	029									
SPEARVILLE	D0381	341.0	86,537	26,901	0	0	37,125	150,563	442	17,305
DODGE CITY	D0443	5,653.8	1,100,853	2,182,824	1,927,905	0	599,074	5,810,656	1,028	287,062
BUCKLIN	D0459	254.0	74,784	52,521	6,832	0	31,845	165,982	653	2,849

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
COUNTY NAME	#	FTE ENROLL	\$163 BASE BPP	25% AT RISK	45% BILINGUAL	IMPACT AID	\$4125 SPED EDUC	TOTAL	PER PUPIL	CAP. OUTLAY ST AID
DISTRICT NAME	#	9/20/04								

FRANKLIN	030									
WEST FRANKLIN	D0287	872.3	212,585	149,450	0	320	123,090	485,445	557	0
CENTRAL HEIGHTS	D0288	615.6	158,387	92,232	0	0	60,225	310,844	505	0
WELLSVILLE	D0289	798.6	184,272	72,590	0	0	89,224	346,086	433	49,139
OTTAWA	D0290	2,339.7	417,329	435,540	5,978	0	229,350	1,088,197	465	125,073
GEARY	031									
JUNCTION CITY	D0475	6,062.7	1,064,357	1,414,224	186,172	453,980	715,028	3,833,761	632	177,157
GOVE	032									
BRINNELL PUBLIC	D0291	120.0	45,118	12,383	0	0	18,645	76,146	635	1,118
WHEATLAND	D0292	183.5	59,740	38,003	0	0	36,465	134,208	731	2,849
QUINTER PUBLIC	D0293	331.5	91,313	44,835	0	0	61,215	197,363	595	17,441
GRAHAM	033									
HILL CITY	D0281	407.1	107,596	54,656	0	0	56,760	219,012	538	10,366
GRANT	034									
OLYSSSES	D0214	1,691.1	322,055	454,328	110,166	0	124,616	1,011,165	598	0
GRAY	035									
SIMARRON-ENSIGN	D0102	647.2	160,946	124,257	56,791	0	72,105	414,099	640	28,275
MONTEZUMA	D0371	242.1	70,188	46,116	40,992	0	20,089	177,385	733	5,254
COPELAND	D0476	115.5	44,744	29,463	28,182	0	12,045	114,434	991	0
WINGALLS	D0477	244.0	73,578	54,656	20,496	0	29,989	178,719	732	5,678
GREELEY	036									
GREELEY COUNTY	D0200	269.5	79,707	57,218	28,609	0	24,503	190,037	705	0
GREENWOOD	037									
MADISON-VIRGIL	D0386	242.5	73,806	51,240	0	0	30,030	155,076	639	5,933
EUREKA	D0389	676.0	167,890	145,607	1,281	0	93,349	408,127	604	33,361
HAMILTON	D0390	108.5	41,549	25,620	0	0	21,574	88,743	818	1,386
HAMILTON	038									
SYRACUSE	D0494	468.0	124,239	126,392	85,827	0	38,569	375,027	801	0
HARPER	039									
ANTHONY-HARPER	D0361	909.3	218,322	213,500	0	0	110,633	542,455	597	60,754
ATTICA	D0511	128.5	43,798	23,058	0	0	16,005	82,861	645	0
HARVEY	040									
BURRTON	D0369	254.7	71,590	69,174	0	0	19,924	160,688	631	11,366
NEWTON	D0373	3,461.2	608,153	765,611	123,403	0	358,793	1,855,960	536	178,533
LEDGWICK PUBLIC	D0439	520.5	124,467	40,992	0	0	39,683	205,142	394	23,291
HALSTEAD	D0440	687.9	169,047	96,075	0	0	69,176	334,298	486	34,272
HESTER	D0460	766.5	177,491	69,174	3,843	0	80,066	330,574	431	0

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		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
COUNTY NAME	#	FTE ENROLL	\$163 BASE	25% AT RISK	45% BILINGUAL	IMPACT AID	\$4125 SPED EDUC	TOTAL	PER PUPIL	CAP. OUTLAY ST AID
DISTRICT NAME	#	9/20/04	BPP							

HASKELL	041									
SUBLETTE	D0374	476.9	121,321	135,786	66,185	0	35,351	358,643	752	0
SATANTA	D0507	389.5	105,673	88,389	106,323	0	33,578	333,963	857	0
HODGEMAN 042										
JETMORE	D0227	297.0	79,365	40,992	0	0	34,196	154,553	520	11,819
HANSTON	D0228	91.0	37,050	17,507	0	0	14,396	68,953	758	0
JACKSON 043										
NORTH JACKSON	D0335	421.0	113,660	55,083	0	0	34,526	203,269	483	16,213
HOLTON	D0336	1,110.0	238,991	138,348	0	0	114,056	491,395	443	17,097
ROYAL VALLEY	D0337	924.5	216,399	162,260	0	13,307	87,698	479,664	519	41,309
JEFFERSON 044										
VALLEY FALLS	D0338	430.4	108,558	42,273	0	0	37,620	188,451	438	0
JEFFERSON COUNT	D0339	490.4	126,439	46,116	0	0	54,244	226,799	462	24,631
JEFFERSON WEST	D0340	950.0	212,699	82,838	0	1,430	95,576	392,543	413	48,427
OSKALOOSA PUBLI	D0341	614.1	159,430	107,604	0	3,517	80,190	350,741	571	22,775
MCLOUTH	D0342	559.1	139,463	66,612	0	0	63,195	269,270	482	27,980
PERRY PUBLIC SC	D0343	965.0	224,011	117,425	1,708	0	108,776	451,920	468	43,545
JEWELL 045										
WHITE ROCK	D0104	122.5	47,156	16,226	0	51	13,283	76,716	626	0
MANKATO	D0278	215.2	65,428	36,722	0	129	8,951	111,230	517	10,521
JEWELL	D0279	168.0	58,599	33,306	0	0	16,211	108,116	644	2,528
JOHNSON 046										
BLUE VALLEY	D0229	18,409.6	3,521,354	277,550	38,857	0	1,618,114	5,455,875	296	0
SPRING HILL	D0230	1,606.8	292,552	93,513	0	0	164,464	550,529	343	70,774
GARDNER-EDGERTO	D0231	3,406.3	599,367	308,721	1,708	0	325,504	1,235,300	363	203,250
DESOTO	D0232	4,553.1	865,286	269,010	89,670	0	387,379	1,611,345	354	256,429
OLATHE	D0233	22,418.0	4,451,546	1,492,365	223,748	0	2,133,780	8,301,439	370	354,721
SHAWNEE MISSION	D0512	27,874.9	4,853,195	2,143,113	308,294	0	2,382,023	9,686,625	348	0
KEARNY 047										
LAKIN	D0215	649.5	161,582	116,144	47,824	0	54,203	379,753	585	0
DEERFIELD	D0216	336.1	90,938	117,852	110,593	0	26,524	345,907	1,029	0
KINGMAN 048										
KINGMAN-NORWICH	D0331	1,103.3	248,021	179,340	0	0	141,611	568,972	516	13,641
CUNNINGHAM	D0332	229.0	72,747	38,430	0	0	31,309	142,486	622	0
KIOWA 049										
GREENSBURG	D0422	298.7	78,126	49,532	0	0	34,733	162,391	544	881
MULLINVILLE	D0424	131.4	49,145	37,149	0	0	12,664	98,958	753	0
HAVILAND	D0474	166.9	54,198	27,755	0	0	19,553	101,506	608	0

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
COUNTY NAME	FTE	\$163	25%	45%	IMPACT	\$4125			CAP.	
DISTRICT NAME	ENROLL	BASE	AT RISK	BILINGUAL	AID	SPED EDUC	TOTAL	PER PUPIL	OUTLAY	
	9/20/04	BPP							ST AID	

LABETTE	050									
PARSONS	D0503	1,484.9	284,777	435,540	0	0	156,956	877,273	591	74,499
OSWEGO	D0504	494.0	123,766	120,414	0	0	42,776	286,956	581	13,910
CHETOPA	D0505	293.2	76,251	117,852	0	0	38,610	232,713	794	12,610
LABETTE COUNTY	D0506	1,641.7	320,898	304,451	0	0	154,564	779,913	475	77,605
LANE	051									
HEALY PUBLIC SC	D0468	117.5	39,788	22,631	4,697	0	20,584	87,700	746	3,505
DIGHTON	D0482	241.3	70,123	52,094	0	0	29,370	151,587	628	0
LEAVENWORTH	052									
FT LEAVENWORTH	D0207	1,643.5	313,905	39,711	0	276,982	118,965	749,563	456	3,540
EASTON	D0449	691.2	169,862	48,251	0	888	60,596	279,597	405	48,456
LEAVENWORTH	D0453	3,926.6	700,802	994,056	31,171	5,389	405,199	2,136,617	544	361,075
BASEHOR-LINWOOD	D0458	2,047.1	359,888	71,736	0	0	117,604	549,228	268	109,541
TONGANOXIE	D0464	1,572.7	292,944	122,976	0	0	107,539	523,459	333	78,765
LANSING	D0469	2,097.0	356,791	60,207	427	1,120	117,975	536,520	256	108,678
LINCOLN	053									
LINCOLN	D0298	358.3	97,164	71,309	427	0	47,561	216,461	604	11,436
SYLVAN GROVE	D0299	162.0	53,660	35,441	0	0	6,889	95,990	593	0
LINN	054									
PLEASANTON	D0344	399.5	101,794	89,243	0	0	35,970	227,007	568	19,082
JAYHAWK	D0346	563.2	150,139	116,571	0	0	61,999	328,709	584	29,276
PRAIRIE VIEW	D0362	1,003.1	230,971	140,483	1,281	0	107,539	480,274	479	0
LOGAN	055									
OAKLEY	D0274	410.6	110,335	90,524	0	0	76,230	277,089	675	4,975
TRIPLAINS	D0275	83.9	32,013	17,507	0	0	11,385	60,905	726	0
LYON	056									
NORTH LYON COUN	D0251	592.5	158,583	90,951	0	0	63,649	313,183	529	31,111
SOUTHERN LYON C	D0252	573.9	148,020	71,309	0	0	60,060	279,389	487	14,296
EMPORIA	D0253	4,593.7	904,634	1,474,004	780,556	0	404,044	3,563,238	776	240,812
MARION	057									
CENTRE	D0397	256.5	78,305	41,846	0	0	39,518	159,669	622	4,211
PEABODY-BURNS	D0398	414.5	109,161	74,298	0	0	65,753	249,212	601	0
MARION-FLORENCE	D0408	641.3	156,953	106,323	0	0	96,938	360,214	562	0
DURHAM-HILLSBOR	D0410	666.2	159,642	76,433	0	0	99,784	335,859	504	32,758
BOESSEL	D0411	282.5	77,637	19,215	0	0	43,725	140,577	498	14,802
MARSHALL	058									
MARYSVILLE	D0364	760.2	186,765	98,637	0	0	97,845	383,247	504	20,710
VERMILLION	D0380	545.5	142,201	64,904	0	0	42,281	249,386	457	0
AXT	D0488	309.1	85,722	40,992	0	0	27,060	153,774	497	12,333
VIEW HEIGHTS	D0498	380.5	106,635	67,466	0	0	54,698	228,799	601	17,477

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PAGE 7		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
COUNTY NAME	#	FTE ENROLL	\$163 BASE	25% AT RISK	45% BILINGUAL	IMPACT AID	\$4125 SPED EDUC	TOTAL	PER PUPIL	CAP. OUTLAY ST AID
DISTRICT NAME	#	9/20/04	BPP							

MCPHERSON	059									
SMOKY VALLEY	D0400	950.1	213,644	96,929	0	0	98,340	408,913	430	43,887
MCPHERSON	D0418	2,396.3	415,210	277,977	1,708	0	254,843	949,738	396	76,951
CANTON-GALVA	D0419	396.2	106,879	45,689	0	0	45,788	198,356	501	5,351
MOUNDRIDGE	D0423	414.5	105,168	27,755	0	0	44,385	177,308	428	0
INMAN	D0448	440.5	112,878	35,868	0	0	46,860	195,606	444	0
MEADE	060									
FOWLER	D0225	163.5	52,812	49,959	8,113	0	20,543	131,427	804	0
MEADE	D0226	472.6	123,799	62,769	4,697	0	52,800	244,065	516	0
MIAMI	061									
OSAWATOMIE	D0367	1,146.0	243,897	292,922	0	0	108,240	645,059	563	0
PAOLA	D0368	2,013.4	369,162	240,401	0	0	245,933	855,496	425	93,434
LOUISBURG	D0416	1,414.7	279,480	71,736	0	0	157,493	508,709	360	19,374
MITCHELL	062									
WACONDA	D0272	338.7	102,951	65,331	0	0	30,608	198,890	587	12,904
BELOIT	D0273	756.3	174,948	89,670	1,281	0	127,958	393,857	521	30,517
MONTGOMERY	063									
CANEY VALLEY	D0436	825.9	204,337	149,877	0	0	75,859	430,073	521	0
COFFEYVILLE	D0445	1,860.0	382,007	614,453	0	0	198,825	1,195,285	643	44,823
INDEPENDENCE	D0446	1,922.8	348,494	484,218	0	0	176,179	1,008,891	525	72,722
CHERRYVALE	D0447	597.6	143,342	150,731	0	0	59,070	353,143	591	0
MORRIS	064									
MORRIS COUNTY	D0417	860.2	211,427	163,541	0	0	117,068	492,036	572	41,602
MORTON	065									
ROLLA	D0217	205.5	71,019	61,061	32,452	0	20,336	184,868	900	0
ELKHART	D0218	675.7	157,588	104,615	82,411	0	47,314	391,928	580	0
NEMAHA	066									
SABETHA	D0441	921.9	209,765	114,863	0	0	78,705	403,333	438	47,447
NEMAHA VALLEY S	D0442	498.9	124,744	40,992	0	0	47,231	212,967	427	0
B & B	D0451	227.0	70,824	20,069	0	0	17,696	108,589	478	0
NEOSHO	067									
ERIE-ST PAUL	D0101	1,070.4	238,062	203,252	0	0	135,795	577,109	539	54,557
CHANUTE PUBLIC	D0413	1,793.2	322,381	397,964	5,551	0	242,055	967,951	540	88,221
NESS	068									
WESTERN PLAINS	D0106	189.5	61,533	27,755	0	0	24,626	113,914	601	0
NES TRE LA GO	D0301	28.0	11,769	7,259	0	0	7,755	26,783	957	0
NESS CITY	D0303	259.0	71,948	24,339	0	0	31,103	127,390	492	0

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
COUNTY NAME	#	FTE ENROLL	\$163 BASE BPP	25% AT RISK	45% BILINGUAL	IMPACT AID	\$4125 SPED EDUC	TOTAL	PER PUPIL	CAP. OUTLAY ST AID
DISTRICT NAME	#	9/20/04	BPP	AT RISK	BILINGUAL	AID	SPED EDUC	TOTAL	PER PUPIL	ST AID

NORTON	069									
NORTON COMMUNIT	D0211	649.4	157,670	95,648	0	71	95,164	348,553	537	0
NORTHERN VALLEY	D0212	196.5	61,581	48,678	0	0	23,636	133,895	681	8,103
WEST SOLOMON VA	D0213	63.0	25,656	14,091	0	0	9,941	49,688	789	0
OSAGE	070									
OSAGE CITY	D0420	728.6	168,819	130,662	0	0	93,926	393,407	540	37,726
LYNDON	D0421	436.0	113,106	53,802	0	0	56,678	223,586	513	11,868
SANTA FE TRAIL	D0434	1,262.0	265,462	203,679	0	0	156,008	625,149	495	63,041
BURLINGAME	D0454	337.0	90,351	44,835	0	0	44,096	179,282	532	0
MARAIS DES CYGN	D0456	263.0	76,463	76,433	0	0	33,619	186,515	709	12,061
OSBORNE	071									
OSBORNE COUNTY	D0392	386.6	104,271	76,433	0	0	55,729	236,433	612	19,725
OTTAWA	072									
NORTH OTTAWA CO	D0239	539.8	140,751	68,747	0	0	42,694	252,192	467	11,360
TWIN VALLEY	D0240	631.0	153,204	70,028	0	0	46,118	269,350	427	0
PAWNEE	073									
FT LARNED	D0495	927.0	208,738	175,497	0	0	134,186	518,421	559	1,045
PAWNEE HEIGHTS	D0496	177.6	60,995	26,901	0	0	28,751	116,647	657	189
PHILLIPS	074									
EASTERN HEIGHTS	D0324	152.0	52,290	32,025	0	0	20,831	105,146	692	5,591
PHILLIPSBURG	D0325	607.0	149,471	99,491	0	0	87,203	336,165	554	31,228
LOGAN	D0326	184.0	59,903	42,273	0	0	26,936	129,112	702	2,961
POTTAWATOMIE	075									
WAMEGO	D0320	1,280.4	263,946	148,169	427	0	161,865	574,407	449	70,087
KAW VALLEY	D0321	1,067.5	235,535	147,315	0	0	164,876	547,726	513	0
DNAGA-HAVENSVIL	D0322	368.0	97,800	47,397	0	0	29,948	175,145	476	17,135
ROCK CREEK	D0323	726.1	177,230	92,232	0	0	82,913	352,375	485	0
PRATT	076									
PRATT	D0382	1,127.8	238,143	212,219	0	0	143,963	594,325	527	61,900
SKYLINE SCHOOLS	D0438	418.3	112,470	55,083	1,281	0	43,601	212,435	508	0
RAWLINS	077									
RAWLINS COUNTY	D0105	346.5	100,620	58,499	0	0	32,546	191,665	553	17,350
RENO	078									
HUTCHINSON PUBL	D0308	4,607.0	810,387	1,277,157	9,394	0	422,153	2,519,091	547	225,675
NICKERSON	D0309	1,094.3	244,207	233,996	3,843	0	122,224	604,270	552	21,118
FAIRFIELD	D0310	377.6	104,043	104,615	0	0	41,663	250,321	663	0
PRETTY PRAIRIE	D0311	298.4	82,429	21,777	0	0	32,753	136,959	459	11,794
HAY PUBLIC SC	D0312	1,063.7	238,013	153,293	0	0	122,348	513,654	483	0
BOYD	D0313	2,148.4	386,832	267,302	5,551	0	235,043	894,728	416	96,918

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
COUNTY NAME	#	FTE ENROLL	\$163 BASE	25% AT RISK	45% BILINGUAL	IMPACT AID	\$4125 SPED EDUC	TOTAL	PER PUPIL	CAP. OUTLAY ST AID
DISTRICT NAME	#	9/20/04	BPP							

REPUBLIC	079									
PIKE VALLEY	D0426	261.7	75,453	53,802	0	0	32,670	161,925	619	0
BELLEVILLE	D0427	458.5	120,343	80,703	0	0	59,235	260,281	568	0
HILLCREST RURAL	D0455	118.0	43,407	28,182	0	0	15,593	87,182	739	0
RICE	080									
STERLING	D0376	504.3	124,662	88,389	0	0	70,785	283,836	563	12,825
CHASE	D0401	148.5	52,828	49,532	0	0	26,235	128,595	866	0
LYONS	D0405	839.1	192,438	280,112	57,218	0	123,255	653,023	778	22,029
LITTLE RIVER	D0444	281.7	78,077	32,879	0	0	41,951	152,907	543	0
RILEY	081									
RILEY COUNTY	D0378	642.5	158,892	71,309	0	914	57,833	288,948	450	0
MANHATTAN	D0383	4,946.3	902,417	705,404	81,557	2,066	588,555	2,279,999	461	98,259
BLUE VALLEY	D0384	244.5	74,328	23,058	0	0	28,463	125,849	515	0
ROOKS	082									
PALCO	D0269	142.5	50,546	28,182	0	0	25,616	104,344	732	0
PLAINVILLE	D0270	370.8	95,648	63,623	0	0	52,553	211,824	571	11,495
STOCKTON	D0271	354.0	93,986	67,893	0	0	51,398	213,277	602	9,631
RUSH	083									
LACROSSE	D0395	304.8	89,846	59,780	0	0	37,703	187,329	615	8,409
OTIS-BISON	D0403	218.0	69,960	35,441	0	0	28,628	134,029	615	0
RUSSELL	084									
PARADISE	D0399	148.0	50,123	35,441	0	0	21,203	106,767	721	0
RUSSELL COUNTY	D0407	994.0	220,099	193,431	0	0	108,446	521,976	525	40,796
SALINE	085									
SALINA	D0305	7,122.3	1,270,764	1,675,121	111,447	0	729,465	3,786,797	532	304,409
SOUTHEAST OF SA	D0306	686.0	171,134	61,061	0	0	46,984	279,179	407	0
ELL-SALINE	D0307	449.8	117,490	44,408	0	0	31,309	193,207	430	17,889
SCOTT	086									
SCOTT COUNTY	D0466	879.9	213,612	177,632	94,367	0	70,331	555,942	632	0
SEDGWICK	087									
WICHITA	D0259	45,249.3	8,673,295	16,811,417	3,121,370	0	4,034,003	32,640,085	721	3,463,417
DERBY	D0260	6,396.8	1,124,358	972,279	32,025	23,379	600,146	2,752,187	430	317,286
HAYSVILLE	D0261	4,373.5	785,872	727,181	44,835	0	437,209	1,995,097	456	200,898
VALLEY CENTER P	D0262	2,377.0	421,045	254,492	0	0	188,306	863,843	363	122,025
MULVANE	D0263	1,872.5	330,059	194,712	0	0	137,569	662,340	354	0
CLEARWATER	D0264	1,243.8	255,698	96,075	0	0	100,733	452,506	364	58,926
GODDARD	D0265	4,094.7	733,272	259,616	0	0	306,529	1,299,417	317	206,692
MAIZE	D0266	5,740.9	1,074,252	221,186	7,259	0	461,505	1,764,202	307	294,307
RENWICK	D0267	1,932.8	351,803	111,020	0	0	156,049	618,872	320	105,670
CHENEY	D0268	746.2	174,443	65,331	0	0	58,121	297,895	399	38,156

6-13

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
COUNTY NAME	#	FTE ENROLL	\$163 BASE	25% AT RISK	45% BILINGUAL	IMPACT AID	\$4125 SPED EDUC	TOTAL	PER PUPIL	CAP. OUTLAY ST AID
DISTRICT NAME	#	9/20/04	BPP							

SEWARD	088									
LIBERAL	D0480	4,173.4	776,141	1,613,633	885,171	0	237,848	3,512,793	842	118,458
KISMET-PLAINS	D0483	667.0	188,884	222,894	198,982	0	81,469	692,229	1,038	4,646
SHAWNEE	089									
SEAMAN	D0345	3,318.0	585,512	329,217	0	0	363,866	1,278,595	385	142,640
SILVER LAKE	D0372	729.0	169,504	32,879	0	0	80,479	282,862	388	20,016
AUBURN WASHBURN	D0437	5,006.6	894,544	503,006	11,102	0	536,250	1,944,902	388	43,885
SHAWNEE HEIGHTS	D0450	3,355.7	607,485	344,589	9,394	0	296,010	1,257,478	375	247,789
COPEKA PUBLIC S	D0501	12,966.0	2,342,310	4,670,099	138,775	0	1,636,718	8,787,902	678	1,218,610
SHERIDAN	090									
HOXIE COMMUNITY	D0412	316.5	87,661	30,744	0	0	54,698	173,103	547	905
SHERMAN	091									
WOODLAND	D0352	950.4	221,647	201,971	59,780	0	99,743	583,141	614	35,732
SMITH	092									
SMITH CENTER	D0237	455.0	121,239	84,546	0	0	67,114	272,899	600	4,403
WEST SMITH COUN	D0238	184.0	59,528	35,441	0	0	27,101	122,070	663	0
STAFFORD	093									
STAFFORD	D0349	313.2	82,886	94,367	0	0	34,073	211,326	675	14,668
ST JOHN-HUDSON	D0350	402.9	109,895	94,794	854	0	47,644	253,187	628	7,873
WACKSVILLE	D0351	288.4	80,995	73,017	8,967	0	33,743	196,722	682	0
STANTON	094									
STANTON COUNTY	D0452	465.0	128,183	125,538	67,466	0	40,384	361,571	778	0
STEVENS	095									
MOSCOW PUBLIC S	D0209	235.6	72,307	81,984	70,028	0	21,368	245,687	1,043	0
HUGOTON PUBLIC	D0210	1,023.4	224,810	268,583	79,422	0	74,539	647,354	633	0
SUMNER	096									
WELLINGTON	D0353	1,650.7	328,804	378,749	0	0	211,200	918,753	557	33,379
WONWAY SPRINGS	D0356	568.2	139,740	68,747	0	0	44,344	252,831	445	0
BELLE PLAINE	D0357	770.0	188,167	152,012	0	0	112,654	452,833	588	33,808
OXFORD	D0358	403.5	102,690	61,488	0	0	54,285	218,463	541	0
MARGONIA PUBLIC	D0359	212.3	66,113	54,656	0	0	33,330	154,099	726	7,851
MALDWELL	D0360	300.0	84,075	68,747	0	0	41,539	194,361	648	0
SOUTH HAVEN	D0509	224.0	66,390	25,620	0	0	32,959	124,969	558	0
THOMAS	097									
BREWSTER	D0314	128.8	47,058	16,653	0	0	26,318	90,029	699	0
MOLBY PUBLIC SC	D0315	1,025.4	226,048	155,855	1,281	0	103,373	486,557	475	0
MOLDEN PLAINS	D0316	190.8	60,978	58,926	427	0	37,043	157,374	825	8,288

6-14

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
COUNTY NAME	FTE	\$163	25%	45%	IMPACT	\$4125	TOTAL	PER PUPIL	CAP.	
DISTRICT NAME	ENROLL	BASE	AT RISK	BILINGUAL	AID	SPED EDUC			OUTLAY	
	9/20/04	BPP							ST AID	
TREGO	098									
WAKEENEY	D0208	382.0	98,941	49,959	0	45,499	194,399	509	0	
WABAUNSEE	099									
MILL CREEK VALL	D0329	461.5	124,874	49,959	0	58,328	233,161	505	10,819	
MISSION VALLEY	D0330	495.5	133,595	61,061	0	61,215	255,871	516	12,830	
WALLACE	100									
WALLACE COUNTY	D0241	223.8	68,607	43,554	0	27,101	139,262	622	0	
WESKAN	D0242	131.0	44,695	25,193	0	16,789	86,677	662	818	
WASHINGTON	101									
NORTH CENTRAL	D0221	113.5	42,543	16,653	0	15,056	74,252	654	0	
WASHINGTON SCHO	D0222	353.5	90,481	43,127	0	36,176	169,784	480	0	
BARNES	D0223	383.6	103,913	61,061	0	39,559	204,533	533	10,793	
CLIFTON-CLYDE	D0224	311.0	86,993	51,240	0	39,683	177,916	572	8,943	
WICHITA	102									
LEOTI	D0467	484.0	126,178	108,458	72,590	0	37,373	344,599	712	0
WILSON	103									
ALTOONA-MIDWAY	D0387	231.0	74,393	57,645	0	33,248	165,286	716	0	
NEODESHA	D0461	729.6	175,714	149,877	0	80,520	406,111	557	26,450	
FREDONIA	D0484	741.8	179,300	185,318	0	79,571	444,189	599	35,655	
WOODSON	104									
WOODSON	D0366	498.5	133,823	116,571	0	67,279	317,673	637	0	
WYANDOTTE	105									
TURNER-KANSAS C	D0202	3,650.8	646,377	894,138	121,695	0	367,331	2,029,541	556	226,255
PIPER-KANSAS CI	D0203	1,346.0	268,070	33,306	0	98,505	399,881	297	66,291	
BONNER SPRINGS	D0204	2,179.3	383,164	392,840	35,014	0	162,731	973,749	447	199,228
KANSAS CITY	D0500	19,144.5	3,590,303	8,115,989	1,882,216	0	1,503,521	15,092,029	788	609,189
STATE TOTALS		441,895.6	89,501,933	86,379,538	13,502,167	790,334	43,863,069	234,037,041	170,641	16,058,669

SCHOOL FINANCE PROPOSAL
Special Legislative Session
June, 2005

1. Distribute \$32 per FTE student	\$14.6M
2. Reinstate Correlation Weighting	\$75M
3. Increase At-Risk funds	\$26M
4. Increase Special Education funding to 90% of excess costs	\$16M
5. Re-adopt LOB increase to 27% and equalize to 75 th percentile	\$10.4M
6. Re-adopt Cost of Living weighting and equalize to 75 th percentile	\$1 M
7. Re-adopt Extraordinary Declining Enrollment	<u>\$ - 0 -</u>
Total	\$143.0M

Sen. Vratil

Senate Education Committee
6-20-05
Attachment 7

Money to the Classroom: A School Finance Proposal by
Senators D. Schmidt, Schodorf, Umbarger, Brungardt, V. Schmidt, and Apple

Summary of Proposal: This proposal would provide an additional \$110.5 million in state aid for schools and require that most of the increase be spent for classroom instruction and to reduce the achievement gap. It also would provide \$40.0 million in property tax relief so that local option budget mill levies can be reduced. The proposal would equalize school district capital outlay levies, create the At-Risk Council to address the needs of the most vulnerable students, and amend provisions in current law authorizing the hiring of a Legislative Counsel so that the Legislative Branch would have increased capacity to respond to legal issues, including issues relating to Article 6 of the *Kansas Constitution*. It would require school districts to implement site-based budgeting by school year 2006-07 and expand the scope of the Legislative Division of Post Audit cost study to take into account student outcomes.

Major features of the proposal are the following:

- Base State Aid Per Pupil (BSAPP)—Increase by \$65 from \$4,222 to \$4,287—\$35.6 million
- At-Risk Weighting—Increase from 0.145 to 0.20—\$32.0 million
- Special Education—Increase from 81.7 percent in FY 2005 to 90 percent in fiscal years 2006 and 2007 and to 91 percent in FY 2008 and thereafter—\$15.8 million
- Capital Outlay Program—Equalize capital outlay program up to the 8 mill limit, based on the formula for Capital Improvements State Aid Program—\$18.0 million
- KPERS-School—Fund payroll growth due to the BSAPP increase to \$4,287—\$2.5 million
- Local Option Budget—Fund the increase due to the higher BSAPP—\$6.6 million
- Property Tax Relief—For school year 2005-06, increase supplemental general state aid to the 84th percentile in order to reduce levies for local option budgets; in future years, set the equalization percentile by appropriation, with the floor at the 75th percentile —\$40.0 million

TOTAL: \$150.5 million

Note: Amounts of increase are in addition to appropriations made by the 2005 Legislature.

Additional Policies

- Increased funding attributable to the \$65 increase in BSAPP must be spent for instructional purposes and to implement site-based budgeting; the increase for instruction must not supplant the prior year's funding for instruction on a per-pupil basis.
- School districts would be required to develop plans to implement site-based budgeting, with full implementation scheduled for school year 2006-07; implementation costs are to be funded from the increase in BSAPP.

- No money from a school district's general fund could be spent for attorney fees or other costs in support of litigation against the State of Kansas or any state officer, official, agent, or agency.
- Current law would be amended to provide for filling the office of "Legislative Counsel," who shall be an attorney in private practice employed by the Legislative Coordinating Council (LCC) pursuant to a contract between the LCC and the attorney. The Legislative Counsel shall represent the Legislature in matters relating to Article 6 of the *Kansas Constitution* and such other matters as directed by the LCC.
- The scope of the Legislative Division of Post Audit cost study would be expanded to conform to the Court's directive that the study take into account student outcomes.
- It shall be the public policy of the State of Kansas that at least 65 percent of money provided by the state to school districts shall be spent in the classroom or for instructional purposes.
- There is created the "At-Risk Council," a six-member body which will do the following:
 - Identify those conditions or circumstances that contribute to making a student at-risk of not succeeding in school;
 - Develop and recommend public school programs and services which meet the needs of at-risk students and help close the achievement gap;
 - Develop and recommend tools to assess and evaluate the effectiveness of approved at-risk programs; and
 - Recommend funding alternatives for approved at-risk programs.

The Council shall make a report on its activities to the Governor and to the 2010 Commission by the start of the 2006 Legislative Session. The Council shall make a final report, including its recommendations, to the Governor and the 2010 Commission by the start of the 2007 Session. The Council shall terminate June 30, 2007.

The Council shall consist of the following members:

- The chair, who shall be appointed by the Governor from a list of four individuals, of whom two have been nominated by the President of the Senate and two have been nominated by the Speaker of the House; and
- five members who have expertise in serving at-risk students, one each appointed by the President, the Speaker, the Senate Minority Leader, the House Minority Leader, and the Commissioner of Education, who may appoint himself or herself.

No current member of the Legislature shall be a member of the Council. The Council shall be attached to the LCC for budgetary purposes and shall be subject to the LCC's approval. Members attending authorized meetings shall be paid for travel and subsistence.



Division of Fiscal and Administrative Services

785-296-3871
785-296-0459 (fax)

120 SE 10th Avenue • Topeka, KS 66612-1182 • (785) 296-6338 (TTY) • www.ksde.org

June 16, 2005

FROM : Dale M. Dennis, Deputy
Commissioner of Education

SUBJECT: School Finance—Proposed Plan

Attached is a computer printout (L0576) based upon the following factors.

- Eliminate correlation weighting, lower low enrollment weighting, and raise the base state aid per pupil (BSAPP) to \$4,107. This change will result in no changes in expenditures for school districts.
- Increase at-risk weighting from .10 to .20.
- Increase bilingual education weighting from .20 to .395
- Increase special education funding to 90 percent of excess cost in 2005-06.
- Add an additional \$180 to BSAPP ($\$4,107 + \$180 = \$4,287$).
- Reduces federal impact aid deduction in computing local effort from 75 percent to 70 percent.
- Place a cap of eight mills on the capital outlay mill rate and equalize on the same ratios as bond and interest state aid.

*Senators P. Schmidt, Schodorf, Umbarger,
Brungardt, V. Schmidt, and Apple*

*Senate Education Committee
6-20-05
Attachment 9*

STATE COST -- 2005-06

(Estimates based upon 2004-05 data)

Increase at-risk weighting from .10 to .20	\$ 58,000,000	
Increase bilingual weighting from .20 to .395	11,000,000	
Increase special education from 81.7 to 90 percent of excess cost	33,500,000	
Increase BSAPP by \$180 (\$4,107 + \$180 = \$4,287)	98,850,000	
Deduct 70 percent of federal impact aid in computing school district local effort rather than 75 percent	800,000	
Equalize the local option budget to 25 percent	13,000,000	*
Capital Outlay	18,000,000	
Increase in military enrollment (HB 2059)	7,356,000	*
Four-year-old at-risk	804,000	*
KPERS	2,500,000	
Miscellaneous adjustments (enrollment, assessed valuation, etc.)	7,668,000	*
Property tax reduction in local option budget	40,000,000	
TOTAL	\$ 291,478,000	
Amount previously appropriated	\$ 141,028,000	
Net amount	\$ 150,450,000	

*This appropriation cannot be allocated and are not reflected in this computer printout.

COLUMN EXPLANATION
(Estimates based upon 2004-05 data)

- Column
- 1 -- September 20, 2004, FTE enrollment
 - 2 -- 2004-05 Eliminate correlation weighting, lower low enrollment weighting, and raise BSAPP to \$4,107 plus \$180 on the BSAPP
 - 3 -- 2004-05 Increase at-risk funding from .10 to .20
 - 4 -- 2004-05 Increase bilingual education funding from .20 to .395
 - 5 -- 2004-05 Reduces impact aid deduction from 75 percent to 70 percent
 - 6 -- 2004-05 Estimated increase in special education state aid at 90 percent of excess cost (\$2,995 per teacher)
 - 7 -- Total (Column 2 + 3 + 4 +5 +6)
 - 8 -- Amount per pupil (Column 7 ÷ 1)
 - 9 -- State capital outlay aid
 - 10 -- Increase in local option budget state aid (property tax relief)
(Increase equalization from 75 percent to approximately 84 percent)
 - 11 -- Estimated millage equivalency of Column 10

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
COUNTY NAME	#	FTE ENROLL	\$180 BASE BPP	20% AT RISK	39.5% BILINGUAL	IMPACT AID	\$2995 SPED EDUC	TOTAL	PER PUPIL	CAP. OUTLAY ST AID	LOB INC @ 84%	MILL RATE
DISTRICT NAME	#	9/20/04	BPP									

ALLEN	001											
ARMATON VALLEY	D0256	373.5	109,350	48,014	0	0	36,809	194,173	520	0	19,728	1.39
OLA	D0257	1,439.6	313,056	243,073	0	0	137,261	693,390	482	0	109,088	2.70
UMBOLDT	D0258	524.2	143,964	74,165	0	0	51,364	269,493	514	0	45,778	2.28
ANDERSON	002											
ARNETT	D0365	1,081.5	265,230	145,329	0	0	79,727	490,286	453	49,434	117,240	1.99
REST	D0479	236.0	80,010	31,295	0	0	23,002	134,307	569	0	16,473	1.12
ATCHISON	003											
ATCHISON CO COM	D0377	741.0	202,590	87,455	0	0	73,767	363,812	491	0	55,814	1.51
ATCHISON PUBLIC	D0409	1,565.1	325,278	296,660	0	0	145,886	767,824	491	68,373	167,000	2.32
BARBER	004											
BARBER COUNTY N	D0254	587.0	165,258	53,588	0	0	54,389	273,235	465	13,806	60,400	1.40
SOUTH BARBER	D0255	264.5	84,060	33,010	0	0	24,679	141,749	536	840	14,300	0.67
BARTON	005											
LAFLIN	D0354	295.5	90,576	23,579	0	0	25,308	139,463	472	16,530	25,147	1.81
WELLSWOOD PUBLI	D0355	513.4	140,364	56,588	0	0	38,875	235,827	459	0	34,989	1.77
WEAVER BEND	D0428	3,040.3	602,532	585,176	156,476	0	166,282	1,510,466	497	152,509	261,481	2.44
WISCONSIN	D0431	612.9	170,874	84,454	0	0	48,070	303,398	495	0	76,405	2.84
BOURBON	006											
PORT SCOTT	D0234	1,960.0	395,046	343,817	2,572	0	111,324	852,759	435	24,821	131,987	2.04
WINTERTOWN	D0235	430.0	135,432	68,592	0	0	30,908	234,932	546	0	25,118	1.92
BROWN	007											
IAWATHA	D0415	891.8	238,932	114,034	0	0	110,516	463,482	520	44,732	107,776	2.19
SOUTH BROWN COU	D0430	657.6	179,640	106,746	15,005	5,355	79,787	386,533	588	0	64,880	3.36
BUTLER	008											
WHEATSTEM	D0205	718.0	195,210	62,162	0	0	57,684	315,056	439	36,582	62,890	2.47
EMINGTON-WHITE	D0206	523.7	150,120	39,440	5,573	0	45,344	240,477	459	20,329	87,200	2.91
WHEELER	D0375	1,494.8	322,290	106,746	0	0	99,164	528,200	353	0	80,052	0.71
WINDOVER	D0385	3,643.2	696,240	108,461	1,715	0	213,843	1,020,259	280	303,547	368,180	2.37
WYOMING HILL PUBLI	D0394	1,739.5	348,390	88,312	0	0	114,619	551,321	317	83,491	107,889	2.37
WYOMING PUBLIC	D0396	827.8	215,064	73,308	0	0	67,897	356,269	430	39,567	50,388	2.44
WYOMING	D0402	2,116.7	407,754	201,918	0	0	137,291	746,963	353	106,824	151,764	2.32
WYOMING	D0490	2,116.5	411,300	292,802	1,286	0	152,835	858,223	405	133,285	215,284	2.39
LINTHILLS	D0492	311.2	95,328	21,435	0	0	27,225	143,988	463	13,974	30,806	2.02
CHASE	009											
CHASE COUNTY	D0284	453.0	132,660	51,015	0	0	36,988	220,663	487	0	0	0.00

GE

9-5

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
COUNTY NAME	#	FTE ENROLL 9/20/04	\$180 BASE BPP	20% AT RISK	39.5% BILINGUAL	IMPACT AID	\$2995 SPED EDUC	TOTAL	PER PUPIL	CAP. OUTLAY ST AID	LOB INC @ 84%	MILL RATE
STRICT NAME	#											

CHAUTAUQUA	010											
DAR VALE	D0285	164.0	61,938	31,295	0	0	14,196	107,429	655	0	4,694	0.60
AUTAUQUA COUN	D0286	425.0	124,290	65,591	0	0	33,185	223,066	525	21,813	15,433	1.06
CHEROKEE	011											
VERTON	D0404	818.6	213,534	122,180	0	0	53,491	389,205	475	40,970	63,242	2.45
LUMBUS	D0493	1,209.0	296,676	210,492	0	0	84,759	591,927	490	129,677	162,061	2.79
LENA	D0499	754.5	193,194	177,053	0	0	49,238	419,485	556	6,676	39,306	3.14
XTER SPRINGS	D0508	833.2	207,900	129,467	1,286	0	54,988	393,641	472	0	66,048	3.05
CHEYENNE	012											
EYLIN	D0103	158.5	59,832	24,007	0	0	12,429	96,268	607	0	0	0.00
FRANCIS COMM	D0297	326.0	101,538	34,725	0	0	19,168	155,431	477	1,079	26,820	0.99
CLARK	013											
NNEOLA	D0219	266.1	80,226	35,582	0	0	21,564	137,372	516	5,134	58,224	3.17
H LAND	D0220	216.4	75,654	34,725	0	0	21,414	131,793	609	0	0	0.00
CLAY	014											
AY CENTER	D0379	1,371.3	311,112	131,611	0	295	98,805	541,823	395	0	134,970	2.49
CLOUD	015											
NCORDIA	D0333	1,056.3	261,468	158,190	0	0	101,171	520,829	493	55,170	104,139	2.40
UTHERN CLOUD	D0334	233.5	74,250	35,153	0	0	20,186	129,589	555	2,413	35,880	2.23
COFFEY	016											
BO-WAVERLY	D0243	566.9	153,882	56,588	0	0	43,428	253,898	448	0	69,105	2.91
RLINGTON	D0244	845.5	212,364	92,171	0	0	87,544	392,079	464	0	0	0.00
ROY-GRIDLEY	D0245	258.0	85,536	30,009	0	0	24,140	139,685	541	5,082	37,680	2.00
COMANCHE	017											
MANCHE COUNTY	D0300	308.5	94,662	31,724	0	0	25,517	151,903	492	0	0	0.00
COWLEY	018											
NTRAL	D0462	346.1	101,700	36,440	0	0	26,027	164,167	474	0	31,415	2.45
ALL	D0463	364.9	103,968	37,726	0	0	28,003	169,697	465	0	27,010	2.05
NFIELD	D0465	2,469.8	497,700	323,669	18,005	0	205,397	1,044,771	423	105,463	231,527	2.64
KANSAS CITY	D0470	2,814.4	571,140	571,886	54,874	0	218,126	1,416,026	503	46,026	204,165	2.81
KTER	D0471	225.8	72,864	31,295	0	0	15,724	119,883	531	0	3,403	0.57
CRAWFORD	019											
RTHEAST	D0246	577.0	158,472	124,752	0	0	35,161	318,385	552	0	35,280	2.52
ROKKEE	D0247	789.5	211,392	108,032	0	0	55,617	375,041	475	0	60,157	2.32
RARD	D0248	1,037.5	255,618	125,609	0	0	66,848	448,075	432	52,050	79,104	2.43
NTENAC PUBLI	D0249	742.0	184,482	75,880	0	0	45,943	306,305	413	0	21,472	1.13
TSBURG	D0250	2,474.8	526,932	505,009	47,586	0	155,560	1,235,087	499	102,811	341,307	2.65

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
COUNTY NAME	#	FTE ENROLL	\$180 BASE	20% AT RISK	39.5% BILINGUAL	IMPACT AID	\$2995 SPED EDUC	TOTAL	PER PUPIL	CAP. OUTLAY ST AID	LOB INC @ 84%	MILL RATE
DISTRICT NAME	#	9/20/04	BPP									

DECATUR	020											
BERLIN	D0294	432.5	124,902	46,728	0	0	29,890	201,520	466	11,964	72,465	2.66
PRAIRIE HEIGHTS	D0295	30.5	23,544	6,002	0	0	6,110	35,656	1,169	0	0	0.00
DICKINSON	021											
SOLOMON	D0393	403.4	116,280	41,155	0	0	20,666	178,101	441	21,551	24,450	1.39
ABILENE	D0435	1,408.7	302,238	159,048	0	0	71,640	532,926	378	71,733	142,433	2.62
CHAPMAN	D0473	955.9	252,468	91,313	0	689	50,855	395,325	414	36,025	122,960	2.55
MURAL VISTA	D0481	426.8	123,840	44,156	0	452	21,294	189,742	445	10,661	29,704	1.56
BERINGTON	D0487	506.9	135,594	63,448	0	0	25,577	224,619	443	0	46,723	3.18
DONIPHAN	022											
MATHENA	D0406	374.5	104,760	32,153	0	0	29,471	166,384	444	0	15,694	1.15
HIGHLAND	D0425	250.0	81,936	19,292	0	0	26,356	127,584	510	0	17,201	1.44
KROY PUBLIC SCH	D0429	372.0	107,442	42,441	0	0	29,920	179,803	483	0	27,124	2.33
MIDWAY SCHOOLS	D0433	202.0	72,846	19,720	0	0	23,960	116,526	577	0	0	0.00
ELWOOD	D0486	289.5	95,562	61,733	0	0	25,547	182,842	632	0	13,613	1.07
DOUGLAS	023											
WALDWIN CITY	D0348	1,305.6	301,194	60,875	0	0	92,665	454,734	348	66,447	162,955	2.72
MUDORA	D0491	1,234.7	292,734	87,884	0	0	78,918	459,536	372	65,890	126,278	2.75
LAWRENCE	D0497	9,742.2	1,865,988	919,133	160,334	0	891,102	3,836,557	394	0	0	0.00
EDWARDS	024											
WINSLEY-OFFERLE	D0347	319.6	95,922	59,161	14,576	0	32,556	202,215	633	0	48,690	2.30
LEWIS	D0502	139.5	52,110	24,436	0	0	13,627	90,173	646	0	0	0.00
ELK	025											
WEST ELK	D0282	424.8	134,136	79,738	0	0	53,970	267,844	631	21,080	40,111	1.88
ELK VALLEY	D0283	201.0	68,490	45,442	0	0	30,759	144,691	720	0	3,852	0.43
ELLIS	026											
ELLIS	D0388	374.2	105,498	40,727	0	0	29,291	175,516	469	12,476	57,250	2.55
VICTORIA	D0432	265.3	82,116	10,289	0	0	22,283	114,688	432	7,308	62,092	3.38
AYS	D0489	2,906.2	595,710	296,232	6,431	0	262,841	1,161,214	400	177,291	460,072	2.48
ELLSWORTH	027											
ELLSWORTH	D0327	590.0	169,758	41,584	0	0	31,717	243,059	412	30,630	71,033	2.59
MORRAINE	D0328	426.0	132,714	61,304	0	0	23,601	217,619	511	0	0	0.00
FINNEY	028											
OLCOMB	D0363	849.7	214,434	86,597	41,584	0	48,190	390,805	460	0	0	0.00
ARDEN CITY	D0457	6,953.7	1,431,558	1,494,448	813,673	0	487,316	4,226,995	608	410,133	600,932	2.04
FORD	029											
PEARVILLE	D0381	341.0	95,562	18,005	0	0	26,955	140,522	412	17,305	13,590	1.26
EDGE CITY	D0443	5,653.8	1,215,666	1,461,010	1,509,881	0	434,964	4,621,521	817	287,062	463,928	2.62
UCKLIN	D0459	254.0	82,584	35,153	5,573	0	23,121	146,431	577	2,849	31,427	1.76

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
COUNTY NAME	#	FTE ENROLL	\$180 BASE	20% AT RISK	39.5% BILINGUAL	IMPACT AID	\$2995 SPED EDUC	TOTAL	PER PUPIL	CAP. OUTLAY ST AID	LOB INC @ 84%	MILL RATE
STRICT NAME	#	9/20/04	BPP									

FRANKLIN	030											
ST FRANKLIN	D0287	872.3	234,756	99,887	0	320	89,371	424,334	486	0	88,830	2.67
NTRAL HEIGHTS	D0288	615.6	174,906	61,733	0	0	43,727	280,366	455	0	14,145	0.70
LLSVILLE	D0289	798.6	203,490	48,443	0	0	64,782	316,715	397	49,139	108,206	3.07
TAWA	D0290	2,339.7	460,854	291,516	4,716	0	166,522	923,608	395	125,073	210,273	2.33
GEARY	031											
NCTION CITY	D0475	6,062.7	1,175,364	946,570	145,758	453,980	519,153	3,240,825	535	177,157	271,982	2.38
GOVE	032											
INNELL PUBLIC	D0291	120.0	49,824	8,145	0	0	13,537	71,506	596	1,118	4,758	0.50
EATLAND	D0292	183.5	65,970	25,293	0	0	26,476	117,739	642	2,849	15,022	1.24
INTER PUBLIC	D0293	331.5	100,836	30,009	0	0	44,446	175,291	529	17,441	51,509	3.63
GRAHAM	033											
LL CITY	D0281	407.1	118,818	36,440	0	0	41,211	196,469	483	10,366	43,680	1.51
GRANT	034											
YSSES	D0214	1,691.1	355,644	303,948	86,169	0	90,479	836,240	494	0	0	0.00
GRAY	035											
MARRON-ENSIGN	D0102	647.2	177,732	83,168	44,585	0	52,353	357,838	553	28,275	41,905	1.30
NTEZUMA	D0371	242.1	77,508	30,866	32,153	0	14,586	155,113	641	5,254	52,165	3.51
PELAND	D0476	115.5	49,410	19,720	22,292	0	8,745	100,167	867	0	0	0.00
BALLS	D0477	244.0	81,252	36,440	15,862	0	21,774	155,328	637	5,678	0	0.00
GREELEY	036											
EELEY COUNTY	D0200	269.5	88,020	38,154	22,292	0	17,790	166,256	617	0	0	0.00
GREENWOOD	037											
ISON-VIRGIL	D0386	242.5	81,504	34,296	0	0	21,804	137,604	567	5,933	25,456	2.04
REKA	D0389	676.0	185,400	97,315	857	0	67,777	351,349	520	33,361	78,564	2.63
MILTON	D0390	108.5	45,882	17,148	0	0	15,664	78,694	725	1,386	8,057	1.07
HAMILTON	038											
RACUSE	D0494	468.0	137,196	84,454	67,306	0	28,003	316,959	677	0	0	0.00
HARPER	039											
THONY-HARPER	D0361	909.3	241,092	142,757	0	0	80,326	464,175	510	60,754	116,044	2.83
ICA	D0511	128.5	48,366	15,433	0	0	11,621	75,420	587	0	9,325	0.90
HARVEY	040											
RTON	D0369	254.7	79,056	46,300	0	0	14,466	139,822	549	11,366	46,389	3.58
VTON	D0373	3,461.2	671,580	512,297	96,886	0	260,505	1,541,268	445	178,533	272,800	2.24
GWICK PUBLIC	D0439	520.5	137,448	27,437	0	0	28,812	193,697	372	23,291	14,036	1.13
STEAD	D0440	687.9	186,678	64,305	0	0	50,226	301,209	438	34,272	62,319	2.10
ST	D0460	766.5	196,002	46,300	3,001	0	58,133	303,436	396	0	94,239	2.79

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
COUNTY NAME	#	FTE ENROLL	\$180 BASE	20% AT RISK	39.5% BILINGUAL	IMPACT AID	\$2995 SPED EDUC	TOTAL	PER PUPIL	CAP. OUTLAY ST AID	LOB INC @ 84%	MILL RATE
DISTRICT NAME	#	9/20/04	BPP									

HASKELL	041											
SUBLETTE	D0374	476.9	133,974	90,884	51,873	0	25,667	302,398	634	0	0	0.00
SATANTA	D0507	389.5	116,694	59,161	83,168	0	24,379	283,402	728	0	0	0.00
HODGEMAN	042											
JETMORE	D0227	297.0	87,642	27,437	0	0	24,829	139,908	471	11,819	35,537	2.35
HANSTON	D0228	91.0	40,914	11,575	0	0	10,453	62,942	692	0	0	0.00
JACKSON	043											
NORTH JACKSON	D0335	421.0	125,514	36,868	0	0	25,068	187,450	445	16,213	24,563	1.86
HOLTON	D0336	1,110.0	263,916	92,599	0	0	82,812	439,327	396	17,097	95,249	2.90
ROYAL VALLEY	D0337	924.5	238,968	108,461	0	13,307	63,674	424,410	459	41,309	64,587	3.05
JEFFERSON	044											
VALLEY FALLS	D0338	430.4	119,880	28,294	0	0	27,314	175,488	408	0	31,337	2.45
JEFFERSON COUNT	D0339	490.4	139,626	30,866	0	0	39,384	209,876	428	24,631	38,738	2.45
JEFFERSON WEST	D0340	950.0	234,882	55,302	0	1,430	69,394	361,008	380	48,427	90,460	2.97
OSKALOOSA PUBLI	D0341	614.1	176,058	72,022	0	3,517	58,223	309,820	505	22,775	62,031	2.78
WACHTON	D0342	559.1	154,008	44,585	0	0	45,883	244,476	437	27,980	50,026	2.09
MARY PUBLIC SC	D0343	965.0	247,374	78,452	1,715	0	78,978	406,519	421	43,545	136,007	2.74
JEWELL	045											
WHITE ROCK	D0104	122.5	52,074	10,718	0	51	9,644	72,487	592	0	0	0.00
WANKATO	D0278	215.2	72,252	24,436	0	129	6,499	103,316	480	10,521	23,787	2.53
JEWELL	D0279	168.0	64,710	22,292	0	0	11,770	98,772	588	2,528	36,060	3.42
JOHNSON	046											
BLUE VALLEY	D0229	18,409.6	3,888,612	185,627	30,438	0	1,174,849	5,279,526	287	0	0	0.00
SPRING HILL	D0230	1,606.8	323,064	62,590	0	0	119,411	505,065	314	70,774	206,650	2.45
HARDNER-EDGERTO	D0231	3,406.3	661,878	206,633	1,286	0	236,335	1,106,132	325	203,250	486,516	2.50
MESOTO	D0232	4,553.1	955,530	180,054	70,307	0	281,260	1,487,151	327	256,429	731,542	2.51
PLATHE	D0233	22,418.0	4,915,818	998,871	174,910	0	1,549,254	7,638,853	341	354,721	3,875,543	2.62
HAWNEE MISSION	D0512	27,874.9	5,359,356	1,434,430	241,358	0	1,729,493	8,764,637	314	0	0	0.00
KEARNY	047											
WAKIN	D0215	649.5	178,434	77,595	37,726	0	39,354	333,109	513	0	0	0.00
DEERFIELD	D0216	336.1	100,422	78,881	86,597	0	19,258	285,158	848	0	0	0.00
KINGMAN	048											
KINGMAN-NORWICH	D0331	1,103.3	273,888	120,036	0	0	102,818	496,742	450	13,641	130,647	2.20
WUNNINGHAM	D0332	229.0	80,334	25,722	0	0	22,732	128,788	562	0	0	0.00
KIOWA	049											
GREENSBURG	D0422	298.7	86,274	33,010	0	0	25,218	144,502	484	881	30,083	1.35
MULLINVILLE	D0424	131.4	54,270	24,865	0	0	9,195	88,330	672	0	0	0.00
MAVILAND	D0474	166.9	59,850	18,434	0	0	14,196	92,480	554	0	0	0.00



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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
COUNTY NAME	#	FTE ENROLL	\$180 BASE	20% AT RISK	39.5% BILINGUAL	IMPACT AID	\$2995 SPED EDUC	TOTAL	PER PUPIL	CAP. OUTLAY ST AID	LOB INC @ 84%	MILL RATE
DISTRICT NAME	#	9/20/04	BPP									

LABETTE	050											
BARNSONS	D0503	1,484.9	314,478	291,516	0	0	113,960	719,954	485	74,499	122,143	2.55
BEWEGO	D0504	494.0	136,674	80,596	0	0	31,058	248,328	503	13,910	37,934	3.23
BETOPA	D0505	293.2	84,204	78,881	0	0	28,033	191,118	652	12,610	25,668	3.78
LABETTE COUNTY	D0506	1,641.7	354,366	203,633	0	0	112,223	670,222	408	77,605	112,531	2.66
LANE	051											
BEALY PUBLIC SC	D0468	117.5	43,938	15,005	3,858	0	14,945	77,746	662	3,505	31,393	4.90
BLIGHTON	D0482	241.3	77,436	34,725	0	0	21,324	133,485	553	0	0	0.00
LEAVENWORTH	052											
LEAVENWORTH	D0207	1,643.5	346,644	26,579	0	276,982	86,376	736,581	448	3,540	3,211	2.41
MASTON	D0449	691.2	187,578	32,153	0	888	43,997	264,616	383	48,456	62,650	2.25
LEAVENWORTH	D0453	3,926.6	773,892	665,342	24,436	5,389	294,199	1,763,258	449	361,075	402,691	2.40
CHASEHOR-LINWOOD	D0458	2,047.1	397,422	48,014	0	0	85,387	530,823	259	109,541	205,002	2.23
LANGANOXIE	D0464	1,572.7	323,496	82,310	0	0	78,080	483,886	308	78,765	157,105	2.30
WANSING	D0469	2,097.0	394,002	40,298	429	1,120	85,657	521,506	249	108,678	183,056	2.27
LINCOLN	053											
LINCOLN	D0298	358.3	107,298	47,586	429	0	34,532	189,845	530	11,436	55,489	2.51
WYLVAN GROVE	D0299	162.0	59,256	23,579	0	0	5,002	87,837	542	0	1,273	0.10
LINN	054											
WEASANTON	D0344	399.5	112,410	59,589	0	0	26,116	198,115	496	19,082	22,790	2.08
WYHAWK	D0346	563.2	165,798	78,023	0	0	45,015	288,836	513	29,276	72,092	2.75
FAIRIE VIEW	D0362	1,003.1	255,060	93,885	1,286	0	78,080	428,311	427	0	0	0.00
LOGAN	055											
WAKLEY	D0274	410.6	121,842	60,447	0	0	55,348	237,637	579	4,975	39,478	1.26
WAMPLAINS	D0275	83.9	35,352	11,575	0	0	8,266	55,193	658	0	0	0.00
LYON	056											
NORTH LYON COUN	D0251	592.5	175,122	60,875	0	0	46,213	282,210	476	31,111	60,550	2.17
SOUTHERN LYON C	D0252	573.9	163,458	47,586	0	0	43,607	254,651	444	14,296	34,714	1.26
WIPORIA	D0253	4,593.7	998,982	986,439	611,326	0	293,360	2,890,107	629	240,812	399,461	2.58
MARION	057											
WENTRE	D0397	256.5	86,472	27,866	0	0	28,692	143,030	558	4,211	45,151	2.57
WABODY-BURNS	D0398	414.5	120,546	49,729	0	0	47,740	218,015	526	0	27,929	1.48
WARION-FLORENCE	D0408	641.3	173,322	71,164	0	0	70,383	314,869	491	0	61,612	2.33
WARRHAM-HILLSBOR	D0410	666.2	176,292	51,015	0	0	72,449	299,756	450	32,758	98,423	3.35
WESSEL	D0411	282.5	85,734	12,861	0	0	31,747	130,342	461	14,802	35,403	3.13
MARSHALL	058											
WRYSVILLE	D0364	760.2	206,244	66,020	0	0	71,041	343,305	452	20,710	121,700	2.53
WARMILTON	D0380	545.5	157,032	43,299	0	0	30,699	231,030	424	0	53,105	2.29
WATEL	D0488	309.1	94,662	27,437	0	0	19,647	141,746	459	12,333	46,033	2.82
WELLS RIGHTS	D0498	380.5	117,756	45,014	0	0	39,714	202,484	532	17,477	53,652	3.41

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
COUNTY NAME	#	FTE ENROLL	\$180 BASE	20% AT RISK	39.5% BILINGUAL	IMPACT AID	\$2995 SPED EDUC	TOTAL	PER PUPIL	CAP. OUTLAY ST AID	LOB INC @ 84%	MILL RATE
DISTRICT NAME	#	9/20/04	BPP									

MCPHERSON	059											
SMOKY VALLEY	D0400	950.1	235,926	64,734	0	0	71,401	372,061	392	43,887	138,155	3.02
MCPHERSON	D0418	2,396.3	458,514	186,056	1,286	0	185,031	830,887	347	76,951	346,789	2.30
CANTON-GALVA	D0419	396.2	118,026	30,438	0	0	33,245	181,709	459	5,351	62,159	2.90
MOUNDRIDGE	D0423	414.5	116,136	18,434	0	0	32,226	166,796	402	0	0	0.00
INMAN	D0448	440.5	124,650	24,007	0	0	34,023	182,680	415	0	50,450	2.21
MEADE	060											
FOWLER	D0225	163.5	58,320	33,439	6,431	0	14,915	113,105	692	0	0	0.00
MEADE	D0226	472.6	136,710	42,013	3,858	0	38,336	220,917	467	0	0	0.00
MIAMI	061											
OSAWATOMIE	D0367	1,146.0	269,334	195,916	0	0	78,589	543,839	475	0	103,050	2.52
PAOLA	D0368	2,013.4	407,664	160,763	0	0	178,562	746,989	371	93,434	248,460	2.33
LOUISBURG	D0416	1,414.7	308,628	48,014	0	0	114,349	470,991	333	19,374	213,243	2.18
MITCHELL	062											
VACONDA	D0272	338.7	113,688	43,727	0	0	22,223	179,638	530	12,904	56,750	2.62
BELOIT	D0273	756.3	193,194	60,018	857	0	92,905	346,974	459	30,517	127,992	3.34
MONTGOMERY	063											
CANEY VALLEY	D0436	825.9	225,648	100,316	0	0	55,078	381,042	461	0	48,479	2.08
COFFEYVILLE	D0445	1,860.0	421,848	411,123	0	0	144,359	977,330	525	44,823	228,017	2.84
INDEPENDENCE	D0446	1,922.8	384,840	324,097	0	0	127,916	836,853	435	72,722	188,020	2.45
CHERRYVALE	D0447	597.6	158,292	100,745	0	0	42,888	301,925	505	0	34,476	2.32
MORRIS	064											
MORRIS COUNTY	D0417	860.2	233,478	109,319	0	0	84,998	427,795	497	41,602	81,091	1.79
MORTON	065											
ROLLA	D0217	205.5	78,426	40,727	25,722	0	14,765	159,640	777	0	0	0.00
ELKHART	D0218	675.7	174,024	69,878	64,734	0	34,353	342,989	508	0	0	0.00
NEMAHA	066											
SABETHA	D0441	921.9	231,642	76,737	0	0	57,145	365,524	396	47,447	109,861	2.96
NEMAHA VALLEY S	D0442	498.9	137,754	27,437	0	0	34,293	199,484	400	0	42,011	1.73
3 & B	D0451	227.0	78,210	13,290	0	0	12,849	104,349	460	0	11,742	1.44
NEOSHO	067											
ERIE-ST PAUL	D0101	1,070.4	262,890	135,898	0	0	98,595	497,383	465	54,557	111,060	2.94
CHANUTE PUBLIC	D0413	1,793.2	356,004	266,223	4,287	0	175,747	802,261	447	88,221	131,536	2.56
NESS	068											
WESTERN PLAINS	D0106	189.5	67,950	18,434	0	0	17,880	104,264	550	0	0	0.00
JES TRE LA GO	D0301	28.0	12,996	4,716	0	0	5,631	23,343	834	0	0	0.00
JESS CITY	D0303	259.0	79,452	16,291	0	0	22,582	118,325	457	0	13,475	0.64

AGE

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
COUNTY NAME	#	FTE ENROLL	\$180 BASE BPP	20% AT RISK	39.5% BILINGUAL	IMPACT AID	\$2995 SPED EDUC	TOTAL	PER PUPIL	CAP. OUTLAY ST AID	LOB INC @ 84%	MILL RATE
DISTRICT NAME	#	9/20/04										

NORTON	069											
NORTON COMMUNIT	D0211	649.4	174,114	63,876	0	71	69,095	307,156	473	0	51,574	2.33
NORTHERN VALLEY	D0212	196.5	68,004	32,581	0	0	17,161	117,746	599	8,103	27,975	2.76
EAST SOLOMON VA	D0213	63.0	28,332	9,431	0	0	7,218	44,981	714	0	0	0.00
OSAGE 070												
SAGE CITY	D0420	728.6	186,426	87,455	0	0	68,196	342,077	469	37,726	6,460	0.26
WINDON	D0421	436.0	124,902	36,011	0	0	41,151	202,064	463	11,868	24,333	1.32
MOUNTA FE TRAIL	D0434	1,262.0	293,148	136,327	0	0	113,271	542,746	430	63,041	110,424	2.80
WURLINGAME	D0454	337.0	99,774	30,009	0	0	32,017	161,800	480	0	19,220	1.78
WARRAIS DES CYGN	D0456	263.0	84,438	51,015	0	0	24,409	159,862	608	12,061	27,940	1.94
OSBORNE 071												
OSBORNE COUNTY	D0392	386.6	115,146	51,015	0	0	40,462	206,623	534	19,725	32,212	1.82
OTTAWA 072												
NORTH OTTAWA CO	D0239	539.8	155,430	45,871	0	0	30,998	232,299	430	11,360	60,298	2.09
WIN VALLEY	D0240	631.0	169,182	46,728	0	0	33,484	249,394	395	0	67,766	2.86
PAWNEE 073												
PAWNEE	D0495	927.0	230,508	117,464	0	0	97,427	445,399	480	1,045	131,145	3.26
PAWNEE HEIGHTS	D0496	177.6	67,356	18,005	0	0	20,875	106,236	598	189	29,268	2.63
PHILLIPS 074												
EASTERN HEIGHTS	D0324	152.0	57,744	21,435	0	0	15,125	94,304	620	5,591	15,435	1.98
MILLIPSBURG	D0325	607.0	165,060	66,449	0	0	63,314	294,823	486	31,228	80,990	3.31
MORGAN	D0326	184.0	66,150	28,294	0	0	19,557	114,001	620	2,961	17,640	1.54
POTTAWATOMIE 075												
MEGO	D0320	1,280.4	291,474	99,030	429	0	117,524	508,457	397	70,087	114,152	2.21
NEW VALLEY	D0321	1,067.5	260,100	98,601	0	0	119,710	478,411	448	0	0	0.00
WAGA-HAVENSVIL	D0322	368.0	108,000	31,724	0	0	21,744	161,468	439	17,135	36,691	2.22
WICK CREEK	D0323	726.1	195,714	61,733	0	0	60,200	317,647	437	0	43,680	1.80
PRATT 076												
PRATT	D0382	1,127.8	262,980	141,900	0	0	104,526	509,406	452	61,900	147,866	2.60
PRATT COUNTY SCHOOLS	D0438	418.3	124,200	36,868	857	0	31,657	193,582	463	0	41,644	2.11
RAWLINS 077												
RAWLINS COUNTY	D0105	346.5	111,114	39,012	0	0	23,631	173,757	501	17,350	77,736	3.22
RENO 078												
WATKINSON PUBL	D0308	4,607.0	894,906	854,828	7,288	0	306,508	2,063,530	448	225,675	440,731	2.31
WATKINSON	D0309	1,094.3	269,676	156,476	3,001	0	88,742	517,895	473	21,118	162,433	2.75
WATKINSON	D0310	377.6	114,894	69,878	0	0	30,250	215,022	569	0	0	0.00
WATKINSON PAIRIE	D0311	298.4	91,026	14,576	0	0	23,780	129,382	434	11,794	40,498	2.76
WATKINSON IC SC	D0312	1,063.7	262,836	102,459	0	0	88,832	454,127	427	0	140,978	2.81
WATKINSON	D0313	2,148.4	427,176	178,768	4,287	0	170,655	780,886	363	96,918	271,811	2.46

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
COUNTY NAME	#	FTE ENROLL	\$180 BASE	20% AT RISK	39.5% BILINGUAL	IMPACT AID	\$2995 SPED EDUC	TOTAL	PER PUPIL	CAP. OUTLAY ST AID	LOB INC @ 84%	MILL RATE
DISTRICT NAME	#	9/20/04	BPP									

REPUBLIC	079											
PIKE VALLEY	D0426	261.7	83,322	36,011	0	0	23,720	143,053	547	0	27,490	2.19
BELLEVILLE	D0427	458.5	132,894	54,016	0	0	43,008	229,918	501	0	80,620	3.10
HILLCREST RURAL	D0455	118.0	47,934	18,863	0	0	11,321	78,118	662	0	4,670	0.49
RICE	080											
STERLING	D0376	504.3	137,664	59,161	0	0	51,394	248,219	492	12,825	66,259	2.79
CHASE	D0401	148.5	58,338	33,010	0	0	19,048	110,396	743	0	0	0.00
LYONS	D0405	839.1	212,508	187,342	44,585	0	89,491	533,926	636	22,029	96,032	2.99
LITTLE RIVER	D0444	281.7	86,220	21,864	0	0	30,459	138,543	492	0	0	0.00
RILEY	081											
RILEY COUNTY	D0378	642.5	175,464	47,586	0	914	41,990	265,954	414	0	66,068	2.98
MANHATTAN	D0383	4,946.3	996,534	471,999	63,876	2,066	427,327	1,961,802	397	98,259	827,440	2.35
BLUE VALLEY	D0384	244.5	82,080	15,433	0	0	20,666	118,179	483	0	34,406	2.66
ROOKS	082											
PALCO	D0269	142.5	55,818	18,863	0	0	18,599	93,280	655	0	0	0.00
PLAINVILLE	D0270	370.8	105,624	42,441	0	0	38,156	186,221	502	11,495	74,696	3.02
STOCKTON	D0271	354.0	103,788	45,442	0	0	37,318	186,548	527	9,631	36,045	2.02
RUSH	083											
LACROSSE	D0395	304.8	99,216	39,869	0	0	27,374	166,459	546	8,409	54,765	2.56
OTIS-BISON	D0403	218.0	77,256	23,579	0	0	20,785	121,620	558	0	17,518	1.07
RUSSELL	084											
PARADISE	D0399	148.0	55,350	23,579	0	0	15,394	94,323	637	0	0	0.00
RUSSELL COUNTY	D0407	994.0	243,054	129,467	0	0	78,739	451,260	454	40,796	130,869	2.43
SALINE	085											
SALINA	D0305	7,122.3	1,403,298	1,121,051	87,455	0	529,636	3,141,440	441	304,409	904,255	2.48
SOUTHEAST OF SA	D0306	686.0	188,982	40,727	0	0	34,113	263,822	385	0	0	0.00
ELL-SALINE	D0307	449.8	129,744	29,580	0	0	22,732	182,056	405	17,889	43,338	2.68
SCOTT	086											
SCOTT COUNTY	D0466	879.9	235,890	118,750	73,736	0	51,065	479,441	545	0	58,471	0.89
SEDGWICK	087											
VICHITA	D0259	45,249.3	9,577,872	11,252,089	2,444,447	0	2,928,930	26,203,338	579	3,463,417	5,993,201	2.66
DERBY	D0260	6,396.8	1,241,622	650,767	25,293	23,379	435,743	2,376,804	372	317,286	657,639	2.40
HAYSVILLE	D0261	4,373.5	867,834	486,575	35,153	0	317,440	1,707,002	390	200,898	272,479	2.49
VALLEY CENTER P	D0262	2,377.0	464,958	170,194	0	0	136,722	771,874	325	122,025	191,484	2.31
MULVANE	D0263	1,872.5	364,482	130,325	0	0	99,883	594,690	318	0	110,121	2.20
CLEARWATER	D0264	1,243.8	282,366	64,305	0	0	73,138	419,809	338	58,926	157,767	2.78
BODDARD	D0265	4,094.7	809,748	173,624	0	0	222,558	1,205,930	295	206,692	380,761	2.43
MAIZE	D0266	5,740.9	1,186,290	147,902	6,002	0	335,081	1,675,275	292	294,307	556,196	2.47
RENWICK	D0267	1,932.8	388,494	74,165	0	0	113,301	575,960	298	105,670	179,890	2.31
CHENEY	D0268	746.2	192,636	43,727	0	0	42,200	278,563	373	38,156	69,078	2.93

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
COUNTY NAME	#	FTE ENROLL	\$180 BASE	20% AT RISK	39.5% BILINGUAL	IMPACT AID	\$2995 SPED EDUC	TOTAL	PER PUPIL	CAP. OUTLAY ST AID	LOB INC @ 84%	MILL RATE
DISTRICT NAME	#	9/20/04	BPP									
SEWARD	088											
LIBERAL	D0480	4,173.4	857,088	1,079,895	693,208	0	172,692	2,802,883	672	118,458	267,260	1.75
OSMET-PLAINS	D0483	667.0	208,584	149,188	156,047	0	59,151	572,970	859	4,646	15,308	0.26
SHAWNEE	089											
RAMAN	D0345	3,318.0	646,578	220,352	0	0	264,189	1,131,119	341	142,640	468,134	2.46
SILVER LAKE	D0372	729.0	187,182	21,864	0	0	58,432	267,478	367	20,016	73,811	3.02
WASHBURN	D0437	5,006.6	987,840	336,530	8,574	0	389,350	1,722,294	344	43,885	441,486	1.20
SHAWNEE HEIGHTS	D0450	3,355.7	670,842	230,641	7,288	0	214,921	1,123,692	335	247,789	380,600	2.46
PEKA PUBLIC S	D0501	12,966.0	2,586,600	3,125,652	108,461	0	1,188,356	7,009,069	541	1,218,610	1,475,697	2.42
SHERIDAN	090											
OXIE COMMUNITY	D0412	316.5	96,804	20,578	0	0	39,714	157,096	496	905	20,000	0.84
SHERMAN	091											
ODLAND	D0352	950.4	244,764	135,041	46,728	0	72,419	498,952	525	35,732	114,400	2.11
SMITH	092											
WIRTH CENTER	D0237	455.0	133,884	56,588	0	0	48,729	239,201	526	4,403	66,728	2.57
EAST SMITH COUN	D0238	184.0	65,736	23,579	0	0	19,677	108,992	592	0	14,112	1.65
STAFFORD	093											
STAFFORD	D0349	313.2	91,530	63,019	0	0	24,739	179,288	572	14,668	42,734	2.88
JOHN-HUDSON	D0350	402.9	121,356	63,448	429	0	34,592	219,825	546	7,873	50,497	2.29
CKSVILLE	D0351	288.4	89,442	48,872	7,288	0	24,499	170,101	590	0	0	0.00
STANTON	094											
STANTON COUNTY	D0452	465.0	141,552	84,025	52,730	0	29,321	307,628	662	0	0	0.00
STEVENS	095											
OSCOW PUBLIC S	D0209	235.6	79,848	54,874	54,874	0	15,514	205,110	871	0	0	0.00
OGTON PUBLIC	D0210	1,023.4	248,256	179,625	62,162	0	54,120	544,163	532	0	0	0.00
SUMNER	096											
ELLINGTON	D0353	1,650.7	363,096	253,362	0	0	153,344	769,802	466	33,379	150,674	2.68
ONWAY SPRINGS	D0356	568.2	154,314	45,871	0	0	32,196	232,381	409	0	42,332	2.51
LE PLAIN	D0357	770.0	207,792	101,602	0	0	81,793	391,187	508	33,808	53,916	3.11
ORD	D0358	403.5	113,400	41,155	0	0	39,414	193,969	481	0	39,294	2.97
OGONIA PUBLIC	D0359	212.3	73,008	36,440	0	0	24,200	133,648	630	7,851	7,786	0.77
LDWELL	D0360	300.0	92,844	45,871	0	0	30,160	168,875	563	0	60,283	4.17
OUTH HAVEN	D0509	224.0	73,314	17,148	0	0	23,930	114,392	511	0	12,358	1.27
THOMAS	097											
EWSTER	D0314	128.8	51,966	11,146	0	0	19,108	82,220	638	0	0	0.00
ELBY PUBLIC SC	D0315	1,025.4	249,624	104,174	1,286	0	75,055	430,139	419	0	156,850	2.90
LDEN PLAINS	D0316	190.8	67,338	39,440	429	0	26,895	134,102	703	8,288	9,126	0.96

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
COUNTY NAME	#	FTE ENROLL	\$180 BASE	20% AT RISK	39.5% BILINGUAL	IMPACT AID	\$2995 SPED EDUC	TOTAL	PER PUPIL	CAP. OUTLAY ST AID	LOB INC @ 84%	MILL RATE
DISTRICT NAME	#	9/20/04	BPP									

TREGO	098											
WAKEENEY	D0208	382.0	109,260	33,439	0	0	33,035	175,734	460	0	8,889	0.30
WABAUNSEE	099											
MILL CREEK VALL	D0329	461.5	137,898	33,439	0	0	42,349	213,686	463	10,819	79,000	2.62
MISSION VALLEY	D0330	495.5	147,528	40,727	0	0	44,446	232,701	470	12,830	43,921	1.54
WALLACE	100											
WALLACE COUNTY	D0241	223.8	75,762	29,152	0	0	19,677	124,591	557	0	0	0.00
WESKAN	D0242	131.0	49,356	16,719	0	0	12,190	78,265	597	818	8,261	1.00
WASHINGTON	101											
NORTH CENTRAL	D0221	113.5	46,980	11,146	0	0	10,932	69,058	608	0	0	0.00
WASHINGTON SCHO	D0222	353.5	99,918	28,723	0	0	26,266	154,907	438	0	43,240	3.36
BARNES	D0223	383.6	114,750	40,727	0	0	28,722	184,199	480	10,793	82,770	3.45
CLIFTON-CLYDE	D0224	311.0	96,066	34,296	0	0	28,812	159,174	512	8,943	35,640	1.91
WICHITA	102											
LEOTI	D0467	484.0	139,338	72,450	57,017	0	27,135	295,940	611	0	27,510	0.81
WILSON	103											
ALTOONA-MIDWAY	D0387	231.0	82,152	38,583	0	0	24,140	144,875	627	0	26,324	1.77
NEODESHA	D0461	729.6	194,040	100,316	0	0	58,462	352,818	484	26,450	62,307	2.79
FREDONIA	D0484	741.8	198,000	123,894	0	0	57,774	379,668	512	35,655	85,625	2.59
WOODSON	104											
WOODSON	D0366	498.5	147,780	78,023	0	0	48,848	274,651	551	0	52,193	2.20
WYANDOTTE	105											
FURNER-KANSAS C	D0202	3,650.8	713,790	598,465	95,171	0	266,705	1,674,131	459	226,255	335,339	2.51
PIPER-KANSAS CI	D0203	1,346.0	296,028	22,292	0	0	71,521	389,841	290	66,291	185,127	2.22
SONNER SPRINGS	D0204	2,179.3	423,126	262,793	27,437	0	118,153	831,509	382	199,228	260,426	2.37
KANSAS CITY	D0500	19,144.5	3,964,752	5,432,058	1,473,871	0	1,091,648	11,962,329	625	609,189	1,835,651	2.55

STATE TOTALS		441,895.6	98,836,470	57,793,494	10,576,033	790,334	31,847,217	199,843,548	150,210	16,058,669	40,141,265	562.30

SUPPLEMENTAL NOTE ON SENATE BILL NO. 246

As Amended by Senate Committee on
Education

Brief*

SB 246 would enact a three-year plan which involves amendments to the School District Finance and Quality Performance Act and other school funding legislation. The bill would provide for funding special education excess costs at a statutorily prescribed level, increase Base State Aid Per Pupil (BSAPP), increase the bilingual and at-risk pupil weightings, increase the maximum allowable local option budget (LOB), lower the correlation weighting threshold, and renew the 20-mill school district property tax levy. These components are discussed below:

- **Special Education.** The bill would put into the statute both the current method used to determine special education excess costs and 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.
- **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 \$150 over the allotment rate of \$3,863 which has been in effect since FY 2004. BSAPP would increase by another \$125 for each of the next two years.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Senate Education Committee
6-20-05
Attachment 10

- **Bilingual Education Weighting.** SB 246 would increase the bilingual education weighting from 0.2 to 0.3 for school year 2005-06 and to 0.4 for school year 2006-07, and thereafter.
- **At-Risk Weighting.** The weighting 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.
- **Correlation Weighting Threshold.** Under SB 246, the correlation weighting threshold, which currently is at 1,725 students, would be lowered to 1,700.
- **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.

Background

SB 246 is one of three bills introduced as a school finance package by the Senate Republican Leadership. The bills – SB 244 (creating the "2010 Commission"), SB 245 (creating the School District Audit Team Within the Legislative Division of Post Audit), and SB 246 – were introduced as companion bills, but are independent of each other.

The Senate Education Committee made two amendments to the bill, as introduced. First, the version as introduced would have deleted the vocational education weighting, but the Senate Committee bill restores vocational education to its current weighting of 0.5. Second, the Senate Committee lowered the correlation weighting threshold from 1,725 students to 1,700.

SB 246 contains no revenue producing measures except for the renewal of the 20-mill school district property tax levy. Because it is unconstitutional to have a permanent statewide levy that is not

authorized by the *Kansas Constitution*, it is necessary for the Legislature to renew the school district levy in the statutes every two years.

The Division of the Budget has not yet prepared a fiscal note on the impact of the bill, as amended. However, information provided by the State Department of Education indicates that the first-year cost (FY 2006) of the proposal would be \$165,726,000, as shown below:

- \$87,200,000—cost necessary to increase BSAPP by \$150 in school year 2005-06, from the allotment rate of \$3,863 to \$4,013.
- \$5,000,000—additional state aid needed for LOBs as the result of the increase in BSAPP.
- \$11,126,000—additional funding necessary to lower the correlation weighting threshold from 1,725 to 1,700.
- \$29,100,000—cost to fund the increase in the at-risk weighting from 0.10 to 0.15.
- \$5,600,000—cost to fund the increase in the bilingual education weighting from 0.2 to 0.3.
- \$17,700,000—additional funding necessary to increase funding for special education excess costs from 81.7 percent to 85 percent.
- \$10,000,000—additional state aid needed for the increase in the LOB maximum budget authority from 25 percent to 27 percent.

TOTAL: \$165,726,000

The State Department of Education has prepared a three-year estimate of the cost to fully implement SB 246. That information is shown in Table 1 below. The amounts shown are increases over the prior year and would be funded from the State General Fund. Table 2 shows the cumulative fiscal impact on the State General Fund in school year 2007-08 – the year SB 246 would be fully implemented – over the Governor's FY 2006 recommendation. The cumulative increase would be from the State General Fund.

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TABLE 1
SB 246 Increases Over Prior Years

Program	2004-05 Current Law	2005-2006 Est. Incr.		2006-2007 Est. Incr.		2007-2008 Est. Incr.		Total Incr. Over Prior Years
BSAPP	\$3,863	\$150 (\$4,013)	\$87,200,000	\$125 (\$4,138)	\$72,700,000	\$125 (\$4,263)	\$72,700,000	\$232,600,000
At-Risk Weighting	0.10	0.15	29,100,000	0.20	29,100,000	0.25	29,100,000	87,300,000
Bilingual Weighting	0.20	0.30	5,600,000	0.40	5,600,000	0.40	--	11,200,000
Increased LOB State Aid Due to Incr. BSAPP	--	--	5,000,000	--	6,200,000	--	6,200,000	17,400,000
Increased LOB Maximum Authorization	25.0%	27.0%	10,000,000	29.0%	10,000,000	30.0%	5,000,000	25,000,000
Special Educ. Excess Cost Fund. Level	81.7%	85.0%	17,700,000	88.0%	24,000,000	92.0%	29,000,000	70,700,000
Correlation Weighting Threshold	1,725	1,700	11,126,000	--	--	--	--	11,126,000
Est. Additional Cost Per Year			<u>\$165,726,000</u>		<u>\$147,600,000</u>		<u>\$142,000,000</u>	<u>\$455,326,000</u>

TABLE 2

**Cumulative Increase for Spending
in School Year 2007-08
Over Governor's Recommendation for FY 2006**

<u>Program</u>	<u>Cumulative Total</u>
Base State Aid Per Pupil	\$ 479,700,000
At-Risk Weighting	174,600,000
Bilingual Weighting	28,000,000
Increased LOB State Aid Due to Increased BSAPP	33,600,000
Increased LOB Maximum Authorization	55,000,000
Special Education Excess Costs Funding Level	130,100,000
Correlation Weighting Threshold	33,378,000
Three-Year Cumulative Total	<u>\$ 934,378,000</u>

SCHOOL FINANCE FUNDING OPTIONS

Base State Aid Per Pupil (BSAPP)—Increased from \$3,890 to \$4,222 by 2005 Legislature

- Increase by \$50 to \$4,272—\$28,000,000
- Increase by \$100 to \$4,322—\$56,000,000
- Increase by \$200 to \$4,422—\$112,000,000

At-Risk Weighting—Increased from 0.1 to 0.145 by 2005 Legislature

- Cost to increase weighting by 1 percent—\$5,400,000

Bilingual Education Weighting—Increased from 0.2 to 0.395 by 2005 Legislature

- Cost to increase weighting by 1 percent—\$510,000

Special Education—Excess cost increased by 2005 Legislature from 81.7 percent to 85 percent in FY 2006; to 88 percent in FY 2007; and to 91 percent in FY 2008 and thereafter

- Increase by 1 percent—\$3,160,940
- Increase by 5 percent—\$15,804,700
- Increase by 10 percent—\$31,609,400

Transportation—No change made by 2005 Legislature

- Decrease transportation mileage limit from 2.5 to 2.0 miles—\$8,500,000

Capital Outlay Program—Mill levy limit of 8 mills imposed by 2005 Legislature

- Equalize capital outlay program up to limit of 8 mills, based on formula for Capital Improvements State Aid Program—\$18,000,000

KPERS-School--Corresponding increases to BSAPP increases

- BSAPP increased by \$50—\$1,873,200
- BSAPP increased by \$100—\$3,746,400
- BSAPP increased by \$200—\$7,492,800

Other programs that would increase as the result of increases in BSAPP

- Supplemental General State Aid (Local Option Budgets)
- Juvenile Detention Facilities Program

Other Information

FY 2006 Number of FTE students—445,000

FY 2006 Number of weighted FTE students—559,863