

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:35 p.m. on March 6, 2006, in Room 123-S of the Capitol.

Committee members absent:

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

Conferees appearing before the committee: Senator Steve Morris
Dale Dennis, Deputy Commissioner, State Department of
Education
Mark Tallman, Kansas Association of School Boards
Bill Reardon, Kansas City, Kansas, Public Schools
Diane Gjerstad, Wichita Public Schools

Discussion of Senate School Finance Plan

Senator Steve Morris discussed the Senate school finance bill which was scheduled to be introduced in the Senate later in the day. He explained that, from the beginning of the 2006 Legislative Session, Senate leadership met several times with House leadership and the Governor to define the general parameters for school finance. The final consensus was that \$150.0 million a year over three years was appropriate. Ultimately, the new money was comparable to the Governor's plan – \$130.0 million the first year, \$150.0 million the second year, and \$150.0 million the third year. He commented that, although the Senate plan did not address all the recommendations of the Legislative Post Audit cost study or the Augenblick and Myers study, it came close. He went on to say that a small bi-partisan working group was set up to develop the suggestions included in the bill. He noted that the bill included suggested amounts for at-risk, high at-risk, and special education, and it included a new concept for equalizing part of the local option budget (LOB). He explained, "Currently, we equalize 81 percent of the LOB statewide. We've taken a small portion of the LOB (two and one-half percent the first year, two and one-half percent the second year, and one percent the third year) and equalized that to 100 percent. That takes, I think in this bill, something like \$38.0 million. It will leverage us additional state money that's already in the state system that we've never been given credit for. If you look at the total package – the new money plus the leverage money – it should be fairly close to what the Post Audit study called for."

With regard to the financial outlook for the out years, Senator Morris commented, "As most of you know, this year we can handle what we have to put in the first year per ending balances. Next year, it gets a lot tighter. The third year out, it becomes problematic without any revenue. Right now, we're sitting at \$77.0 million above what the estimate was in November. That will certainly help in '08, and I would anticipate that number will increase when we get the estimate in April. So, when you look at the '08 profile by the time we finish (final adjournment), it would be where it is now as far as current year ending balances. But it should be at least something we could live with if we have to. But then, '09, that is the year that we will probably have to have more revenue from some place, whether it's gaming, taxes, or – it would be nice, I'm not counting on this – enough increase in the economy to take care of it, but that would be pushing the envelope, and we certainly can't count on that. We don't have any choice. We have to do this. It's a court mandate. The court has jurisdiction."

Senator Morris responded to a question regarding the proposed equalization of the LOB to 100 percent. Committee discussion followed at which time Senator Vratil commented, "I think it's really on a pretty firm legal ground because, when you look at it as being analogous to the 20 mill levy, the 20 mill levy is mandated by the state. The tax levy necessary to generate that first two and one-half percent of the local option budget will be mandated by the state. Every school district will have to levy that amount. So the only other component to it is the state supplemental aid. So, really, if you think of it in terms of the 20 mills in an analogous situation, it's on firm legal ground."

CONTINUATION SHEET

MINUTES OF THE Senate Education Committee at 1:35 p.m. on March 6, 2006, in Room 123-S of the Capitol.

Theresa Kiernan, Revisor of Statutes Office, distributed copies of the draft of the school finance bill scheduled to be introduced in the Senate. She responded to questions as she explained the provisions in New Section 1 for high at-risk weighting, New Section 2 which requires every school district to adopt a mandatory student performance improvement budget, Section 3 which amends the special education excess cost provisions, Section 4 which amends the definition section in the school finance law regarding weighting, Section 5 which amends the statute concerning base state aid per pupil, Section 6 which amends a provision on low-enrollment weighting to conform the threshold change in the correlation weighting, Section 7 which amends the current determination of at-risk pupil weighting, Section 8 which amends the statute concerning school facilities weighting, Section 9 which addresses suggested changes regarding the LOB, and Section 12 which changes the threshold for correlation weighting.

For the Committee's information, Dale Dennis, Deputy Commissioner, Kansas Department of Education, distributed a handout concerning the LOB provisions in the Senate school finance plan, pointing out that the LOB percentages in current law were outlined at the top of the page. He went on to explain the proposed changes in LOB equalization aid as shown in the handout. (Attachment 1)

Mark Tallman, Kansas Association of School Boards (KASB), commented that KASB supports the Kansas Supreme Court's finding that state funding for public education remains at least \$568 million below the requirements for suitable funding. He noted that the three proposed education plans approached that amount, but none of them achieved it. He expressed concern that each of the plans would be phased-in over a three year period which meant that the level of funding would immediately begin to fall behind inflation and other costs. He discussed KASB's support for a significantly higher base budget per pupil that would incorporate most of the current LOB funding. He went on to discuss KASB's strong support for increased funding for full-day kindergarten, at-risk students, bilingual and special education, educator salaries and benefits, and professional development. In conclusion, he reasoned that state spending on education is not a "cost" but rather is truly an investment in the future of the state and its people. (Attachment 2) In support of his argument that state spending on education is an investment that pays the state back, Mr. Tallman distributed copies of a press release which stated that, according to the Alliance for Excellent Education, high school dropouts cost the United States billions in lost wages and taxes. He called attention to an attached table which itemized the lost lifetime earnings (\$260,000 per dropout) for non-graduates in each state. (Attachment 3)

Bill Reardon, representing Kansas City, Kansas, Public Schools (USD 500), noted that classroom achievement of at-risk children in USD 500 had improved over the past several years, but the gains were insufficient and not sustainable at current funding levels. Emphasizing that USD 500 educates over 800 homeless students, he urged the Committee to support increased funding for at-risk students, including the recommendation for a new urban at-risk weight. (Attachment 4)

Diane Gjerstad, representing Wichita Public Schools, testified in support of the Legislative Post Audit recommendation for a new urban poverty weighting. As she discussed the diverse student family profiles in the Wichita public schools, she commented that she was amazed at the number of students who live on their own. She went on to outline the specific risk factors for Sedgwick County students, which included the availability of illegal drugs and firearms. She emphasized that Sedgwick County accounts for 25 percent of the total youth in the JJA population, and the rate of adult incarcerations in the county is higher than the national average. She pointed out that few communities embody the mix of so many complex issues as Wichita (poverty, language, crime). She contended that Wichita needs smaller class sizes, adequate student support, technology, and more teacher collaboration time. She noted that Wichita put together its own cost of a suitable education a year ago, and the Legislative Post Audit's cost analysis study confirmed their suitable cost projection. She urged the Committee to adopt the Post Audit's recommendations both for at risk and urban at risk weightings. (Attachment 5)

Theresa Kiernan, Revisor of Statutes Office, distributed copies of a revised comparison of the three school finance plans currently under consideration which she discussed at a previous meeting. (Attachment 6)

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

The next meeting is scheduled for March 7, 2006.

**SENATE EDUCATION COMMITTEE
GUEST LIST**

DATE: March 6, 2006

NAME	REPRESENTING
RUSSELL MILLS	GACHES BRADEN
W. Richards	TOPEKA NAACP
Patrick Woods	Gov's Office
BILL REARDON	USD 500
Mark Tallman	KASIS
Jim Edwards	KASB
Mike Reecht	Guests KC Chamber
Dodie Wellshear	KEC
KEN DANIEL	Ks SMALL BIZ.COM
Bob Vancrum	Blue Valley 229
Stuart Little	Shawnee Mission 512
TERRY FORSYTH	KNEA
Diane Gjerstad	Wichita Public Schools
SCOTT FRANK	LPA
Sheila Fraker	KACCT
MIKE PETERSEN	SENATE
STEVE KEARNEY	KACTE
Jennifer Lyon	Pinegar, Smith, + Associates
Bill Brady	SFFF

**SENATE EDUCATION COMMITTEE
GUEST LIST**

DATE: 3-6-2006

NAME	REPRESENTING
Mike Huttles	USA
TERRY HOWREN	KFB
Debbie Meador	KLA
Derek Hein	Hein Law Firm
Andrew Hill	KOA

LOCAL OPTION BUDGET PROVISIONS OF SENATE BILL

	2006-07	2007-08	2008-09
Current Law	29%	30%	30%

PROVISIONS OF SENATE BILL

Regular LOB*	26.5%	25.0%	24.0%
Amount subject to protest petition (This must be spent on non-mandatory programs.)**	2.5%	5.0%	6.0%
Mandatory student performance improvement budget. This is a separate fund.***	2.5%	5.0%	6.0%

*Equalized to 81.2 percent

**This portion on the LOB is not equalized and funded through the local property tax.

***Equalized to 81.2 percent. In addition, the equalization aid from 81.2 percent to 100 percent is added to the mandatory student performance improvement budget above percentage required to be transferred. These funds are required to be transferred to and spent from the general fund.

Dale Dennis

Senate Education Committee
3-6-06
Attachment 1

KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS

1420 SW Arrowhead Road • Topeka, Kansas 66604-4024
785-273-3600

Testimony on School Finance Proposals
before the
Senate Education Committee

by

Mark Tallman, Assistant Executive Director/Advocacy
Kansas Association of School Boards

March 6, 2006

Madam Chair, Members of the Committee:

Thank you for the opportunity to testify on proposals to address school finance.

The Kansas Association of School Boards Delegate Assembly adopted a resolution on school finance issues prior to the 2006 Legislative session and the release of the Legislative Post Audit study. In our remarks today, we will focus on the school finance plan offered by Senate leaders last Thursday, as we understand it before seeing the final printed version of the bill. We will also compare that proposal to the plan offered by Senator Schodorf as well as the House leadership proposal as introduced (**HB 2986**).

Total Funding Increase. KASB supports the Supreme Court's finding that state funding for public education remains at least \$568 million below the constitutional requirements for suitable funding, based on the only cost studies then available to the court. We believe the new studies confirm that overall target.

All three plans approach that amount; none achieve it. The Senate plan, with a three-year total of \$480 million in additional funding, provides the lowest total increase; Senator Schodorf's plan at \$525 million is the highest. **HB 2986**, as introduced, proposed approximately \$500 million.

However, because each of these plans is phased in over three years, this level of funding will immediately begin to fall behind both inflation and other costs. It generally requires a base increase of at least \$100 to equal the typical increase in the consumer price index. The Senate plan provides increases of \$50, \$50 and \$70, which means the value of the base budget would already have fallen in real terms by the end of the plan. **HB 2986** would fall behind even further, with base budget increases of \$50 in FY 2007, \$49 in FY 2008 and \$35 in FY 2009. Only Sen. Schodorf's proposed increases of \$70, \$100 and \$100 are likely to come close to future cost increases.

*Senate Education Committee
3-6-06
Attachment 2*

Base and Local Option Budgets. KASB supports a significantly higher base budget per pupil that would incorporate most of the current LOB funding. Districts are now using about 95 percent of LOB authority.

The Senate plan would, in effect, require a mandatory Local Option Budget of 2.5 percent in FY 2007, rising to 6 percent in FY 2009. As we understand the bill, it would also provide “additional LOB equalization aid” for the mandatory transfer, based on 100 percent equalization. However – as we understand it – this aid would be additional funding to districts. It would not actually equalize tax rates or be linked to district needs. As a result, we certainly question whether it would be accepted by the Supreme Court.

We understand the committee will also be asked to consider expanded local funding authority beyond the 30 percent LOB maximum provided by current law, so we want to make KASB’s position very clear. First, we strongly support the ability of districts to enhance their budgets to some degree. Second, we believe this should be used for enhancements after the state has fully funded a suitable level of education. We do not believe any of the proposals presented in the Legislature fully fund a suitable education. Third, we believe that ANY local enhancement must be equalized so that all districts can access this additional funding with comparable local effort. (This also seems to be the clear position of the Supreme Court.) Fourth, we believe that school boards should be able to access local budget enhancement without being subject to protest petition or election.

Full-Day Kindergarten. KASB endorses state funding of all-day kindergarten, at an estimated cost of \$77 million. As noted in previous hearings, this proposal has been endorsed by the State Board of Education.

Only Sen. Schodorf’s proposal contains full-day kindergarten. It appears that all-day kindergarten could be funded in the Senate leadership plan by shifting dollars provided for enhanced LOB equalization aid.

At-Risk Funding. KASB supports increasing the at-risk weighting to at least 0.25, and broadening the weighting to include factors in addition to student poverty.

The Senate leadership plan increases at-risk funding from 0.193 to 0.368 over three years, plus a new weighting for “high at-risk” that would apply to the five highest districts in free meal percentages. **HB 2986** increases the at-risk weight to 0.484 and creates a high density at-risk weighting of 0.242 that would apply to six districts. Sen. Schodorf’s proposal would increase the factor to 0.30 and provide five additional points to districts between 44.9 and 49.9 percent free lunch eligible students, and nine additional points for districts with 50 percent or more free lunch students.

Any of these proposals would be consistent with KASB’s position on the level of at-risk funding in the formula. However, none change the definition used to determine the amount for districts. We suggest that the increased level of funding in all of these plans should allow the definition to be broadened to include other factors.

Bilingual and Special Education. KASB supports full funding of these programs. Bilingual education costs are not defined by formula. We hope the additional at-risk funding would cover the additional costs of bilingual education.

The Senate leadership plan, which increases special education funding from 89.3 percent currently to 98 percent in the third year, comes the closest to KASB’s position. Both **HB 2986** and Sen. Schodorf’s plan fund special education at only 92 percent in all three years.

Educator Salaries and Benefits. KASB supports a base budget that will provide more competitive salaries and state assistance in providing health insurance. As noted, the base increase in both the Senate and House leadership plans will continue to lag behind even the consumer price index.

Professional Development. KASB supports full funding of the state professional development program at a cost of \$8 million. This program, endorsed by the State Board, is a critical way to help ensure education dollars are spent effectively. We believe that if the Legislature is considering proposals in the \$500 million range, the Legislature can find \$8 million per year for this initiative.

KASB further believes that no district should receive reduced per pupil funding and all districts should receive increased funding. Each of the three proposals under discussion provides increased funding for all districts through the base, at-risk funding and special education. All districts would also benefit from all-day kindergarten if they choose to offer it. However, the base funding increase in each of these plans is insufficient to meet the needs of children in many districts who do not benefit from the new targeted weightings.

Conclusion

The real school finance issue before the Legislature is this: are public officials and the people of Kansas willing to pay for both the educational requirements and outcomes they say they want for all children?

The Legislature has now spent well over \$1 million to have first an independent contractor, then its own audit staff, attempt to determine what a “suitable” education costs. In both cases, the answer was clear: much more than the state is currently spending. There is a simple, logical reason for this: the Legislature, the State Board of Education and parents and patrons are asking much more from their public schools.

The Supreme Court ruling is also very simple and logical: funding is not constitutionally “suitable” if it is not adequate to meet the state’s own standards, and if thousands of students are failing to meet those standards.

But the Post Audit study also had good news for the state: empirical evidence that in Kansas, increased funding on public education DOES produce increased academic results, such as better test scores and graduation rates. We know that higher academic achievement leads to a better standard of living for both individuals and society. Therefore, state spending on education is not a “cost,” it is truly an investment. We disagree with those who say the state cannot afford to spend \$500 million – or more – on education. On the contrary, nothing is more important to the future of our state and its people.

Thank you for your consideration.

**HIGH SCHOOL DROPOUTS COST THE U.S.
BILLIONS IN LOST WAGES AND TAXES,
ACCORDING TO ALLIANCE FOR EXCELLENT EDUCATION**

Washington, DC - More than 1.2 million students didn't graduate from U.S. high schools in 2004, costing the nation more than \$325 billion in lost wages, taxes, and productivity over their lifetimes, reports the Alliance for Excellent Education. (A chart showing the losses over a lifetime to each state and the District of Columbia can be found below this press release).

"This is a very conservative estimate," said Alliance president and former governor of West Virginia Bob Wise. "There's so much that it doesn't include - like the much higher earnings that would be realized if some of the kids not only got their high school diploma but also went on to college. Nor does it take into account the losses related to dropouts from previous or future years."

Students who don't graduate earn less than their classmates who get at least a high school diploma, and considerably less than those with a college degree. Said Wise: "These losses in earnings are bad for the individual, obviously, but they also have a tremendously negative impact on the nation's economy."

Although states regularly report higher graduation rates, reliable research has shown that nationally, only about two-thirds of the students who enter 9th grade will graduate with a regular diploma four or five years later.

The Alliance's analysis is based on a recent report by Princeton University researcher Cecilia Rouse, which noted that "those who do not complete high school are less likely to be employed and have significantly lower annual earnings than those with at least a high school degree, (and) they also contribute significantly less to tax revenues." Rouse estimates that the lifetime difference in income between a high school graduate and a dropout is about \$260,000. To calculate the figures for each state, the Alliance multiplied the number of students reported by the Urban Institute as not having graduated on time in 2004 (the last year for which figures are available) by \$260,000.

The Alliance for Excellent Education is a Washington-based policy, research, and advocacy organization that works to make every child a graduate, prepared for postsecondary education and success in life. It is funded by the Leeds Family, the Bill & Melinda Gates Foundation, Carnegie Corporation of New York, the Daniels Fund, and the New York Community Trust, as well as by concerned individuals.

*Senate Education Committee
3-6-06
Attachment 3*

Lost Earnings for Dropouts

State	9th Grade (2000-01) All Students (#)	Graduation Rate (%)	Non-Graduates	Lost Lifetime Earnings (\$260,000 per dropout)*
AL	60,245	61.4	23,255	\$6,046,300,000
AK	11,348	64.2	4,063	\$1,056,380,000
AZ	70,124	67.3	22,931	\$5,962,060,000
AR	36,055	70.5	10,636	\$2,765,360,000
CA	476,142	68.9	148,080	\$38,500,800,000
CO	61,097	69.0	18,940	\$4,924,400,000
CT	40,423	77.0	9,297	\$2,417,220,000
DE	10,366	64.3	3,701	\$962,260,000
DC	4,207	65.2	1,464	\$380,640,000
FL	238,161	53.0	111,936	\$29,103,360,000
GA	126,793	55.5	56,423	\$14,669,980,000
HI	15,915	66.0	5,411	\$1,406,860,000
ID	19,471	79.6	3,972	\$1,032,720,000
IL	163,806	75.0	40,952	\$10,647,520,000
IN	79,825	72.4	22,032	\$5,728,320,000
IA	40,660	78.2	8,864	\$2,304,640,000
KS	38,780	74.1	10,044	\$2,611,440,000
KY	54,187	65.3	18,803	\$4,888,780,000
LA	53,879	64.5	19,127	\$4,973,020,000
ME	17,134	72.1	4,780	\$1,242,800,000
MD	71,705	75.3	17,711	\$4,604,860,000
MA	59,213	71.0	17,172	\$4,464,720,000
MI	142,663	74.0	37,092	\$9,643,920,000
MN	70,236	78.9	14,820	\$3,853,200,000
MS	39,386	58.0	16,542	\$4,300,920,000
MO	75,173	72.9	20,372	\$5,296,720,000
MT	13,321	77.1	3,051	\$793,260,000
NE	24,122	77.3	5,476	\$1,423,760,000
NV	29,972	54.7	13,577	\$3,530,020,000
NH	17,578	73.9	4,588	\$1,192,880,000
NJ	95,228	86.3	13,046	\$3,391,960,000
NM	28,944	61.2	11,230	\$2,919,800,000
NY	245,311	61.4	94,690	\$24,619,400,000

NC	111,745	63.5	40,787	\$10,604,620,000
ND	9,204	79.5	1,887	\$490,620,000
OH	159,724	70.7	46,799	\$12,167,740,000
OK	49,667	69.8	14,999	\$3,899,740,000
OR	44,574	73.6	11,768	\$3,059,680,000
PA	153,523	75.5	37,613	\$9,779,380,000
RI	12,557	73.5	3,328	\$865,280,000
SC	63,776	50.7	31,442	\$8,174,920,000
SD	10,920	79.4	2,250	\$585,000,000
TN	73,141	57.5	31,085	\$8,082,100,000
TX	355,019	65.0	124,257	\$32,306,820,000
UT	35,538	78.3	7,712	\$2,005,120,000
VT	8,594	77.9	1,899	\$493,740,000
VA	98,062	73.8	25,692	\$6,679,920,000
WA	87,238	62.6	32,627	\$8,483,020,000
WV	23,592	70.7	6,912	\$1,797,120,000
WI	77,683	78.2	16,935	\$4,403,100,000
WY	7,711	72.4	2,218	\$553,280,000
Nation	3,913,738	68.0	1,252,396	\$325,622,960,000

Source: Projections of 2003-04 High School Graduates: Supplemental Analyses based on findings from *Who Graduates? Who Doesn't? A Statistical Portrait of Public High School Graduation* (Table 1) Washington, D.C.: The Urban Institute, 2004. Available at <http://www.urban.org/url.cfm?ID=411019>.



Kansas City, Kansas Public Schools

Unified School District No. 500

Testimony by USD 500 Before the Senate Education Committee February 2006

The Kansas City School District has demonstrated over the past several years that At-Risk children can achieve in the classroom and the improved scores for Kansas City students on State assessments reinforce that fact. And while District 500 has received national recognition for these achievements, the District has consistently maintained that these gains are insufficient and also not sustainable at current funding levels. These initial gains were funded with foundation dollars (which are no longer available) and by diverting dollars from textbook purchases, school bus replacements, delayed maintenance, and other such transfers.

District 500 has been painfully aware for years that substantially smaller class size, specialized training for teachers of At-Risk students, direct involvement with the students' families, and attention to the physical, emotional and medical needs of these students all contribute to dramatically increased costs to educate At-Risk children.

Recognition of these realities in the Post Audit Report was a validation of the views expressed for over a decade by the Kansas City Board of Education, its teachers, and administrators.

We are also encouraged by the Audit recognition of the additional challenges large urban districts face with generational poverty, gang activity, violent crime and homelessness. (We educate over 800 homeless students in District 500!)

We implore the House Select Committee to endorse the provisions in the Post Audit Report regarding funding increases for At-Risk students including the recommendation of a new urban At-Risk weight.

Implementation of the Post Audit Report will result in thousands of Kansas kids who are currently at risk to be left behind, who will instead realize their individual potential. Disadvantaged children utilizing a quality education to lift themselves and their families from the cycle of poverty is a laudable goal that ultimately will benefit all Kansans. We hope the members of this Committee will not base their response to the Audit's recommendations regarding At-Risk funding on the numbers of these students who attend schools in your respective legislative districts, but rather on the fact that the State is currently not adequately meeting the educational needs of large numbers of Kansas children.

Bill Reardon, Lobbyist USD 500



**Senate Education Committee
Urban Poverty Issues
Senator Schodorf, chair**

Diane Gjerstad
Wichita Public Schools
March 6, 2006

Madame Chair, members of the Committee:

Legislative Post Audit recommended significant enhancements in at risk funding and also a new urban poverty weighting. The recommendations have raised questions about urban poverty. Some issues to consider:

Wichita Public Schools – a majority minority district. The student family profile:

20,807 Caucasian students	10,221 Hispanic students	10,361 African American students
50% live with both parents	61% live with both parents	22% live with both parents
.004 foster	.001 foster	1% foster
49% 'other' arrangements	39% 'other' arrangements	76% 'other' arrangements

Homeless students: throughout the year 400 K-12 students will be served and 300 aged 0 – 5
Students living in foster care: about 400

Community risk factors:

- Sedgwick County students reported that the availability of illegal drugs has increased.
- Sedgwick County students report it is become somewhat easier to obtain a firearm.
- The rate of out of home foster placements is higher than the state.
- The divorce rate in Sedgwick County has been consistently higher than either the state or U.S.
- Since Sedgwick County incarcerates substantially more of its juvenile population than the rest of the state, children have a greater risk of having friends who engage in problem behavior.
- The arrest rate for young juveniles for vandalism, drug related and property crimes is increasing in Sedgwick County while decreasing in the state.
- Sedgwick County accounts for 25% of the total youth in JJA population; the next highest is 12%.
- In 2005, 4166 youth were arrested in Sedgwick County. The next closest juvenile intake was 50% less. JJA has about a 20% recidivism rate.
- Sedgwick County incarcerates adults at a higher rate than the national average:
 - **A child of a parent in jail or prison is eight times more likely to interact with JJA.**

Wichita Public Schools classrooms represent a complex range of challenges. The children represent diverse backgrounds. While poverty can be found across the state, few communities embody the mix of so many complex issues as Wichita – poverty, language, crime. The issues kids face at home or in their neighborhoods are brought into our schools each day. There is no barrier between the streets and schools, a reason why counselors, SROs and social workers are needed. Wichita has 64% students living in poverty, over 5500 bi-lingual students and 8500 special education students. Wichita needs smaller class sizes, adequate student support (nurses, counselors, and social workers), technology and more teacher collaboration time.

A year ago Wichita put together its own cost of a suitable education. The number one issue identified across grade levels was class sizes (just to get to the state average): K-2 15:1, 3-5 18:1, middle and high 22:1. It would take about 800 instructors for Wichita to get to the state average class size (not an extraordinary goal, given the challenges Wichita teachers face). Our suitable cost projection was \$137m in January 2005. Wichita received \$39m in new money and LOB from the 2006 session. Post Audit's models confirm our own numbers: between \$98m to \$133m is needed. We know the target. Wichita has the plan. The funding is in your hands. I would encourage the committee to adopt Post Audit's recommendations for at risk and urban at risk weightings.

*Senate Education Committee
3-6-06
Attachment 5*

**Comparisons of Student Proficiency in Urban and Rural Districts with
High Levels of Free-Lunch Students**

Barb Hinton, Legislative Post Auditor
January 11, 2006

Rural (non-suburban) school districts: 25, with 38%-62% free-lunch students
Urban, inner-city school districts: 4, with 38%-64% free lunch students

Districts with high poverty	Reading			Math		
	Elementary	Middle	High	Elementary	Middle	High
Urban, inner-city districts (4)	68%	61%	29%	81%	22%	23%
Rural (non- suburban) districts (25)	86%	86%	85%	96%	57%	75%

TO: Senate Committee on Education
 FROM: Theresa Kiernan and Carolyn Rampey
 RE: 2006 School Finance Bills
 DATE: March 2, 2006

	Current Law	Senate Bill No. 5rs 2248 KSDE Computer Printout SF6052	Senate Bill No. 501 Introduced at the Request of Senator Barnett KSDE Computer Printout SF6004	House Bill No. 2986 By Select Comm. on School Finance KSDE Computer Printout SF6046
BSAPP	\$4,257	\$4307 in school year 2006-2007; \$4357 in school year 2007-2008; \$4,427 in school year 2008-2009 and thereafter. Fiscal impact: 2006-2007-\$28,400,000 2007-2008-\$28,800,000 2008-2009--\$40,550,000	\$4,297 in school year 2006-2007; \$4,376 in school year 2007-2008; \$4,497 in school year 2008-2009; \$4618 in school year 2009-2010 and thereafter. Fiscal impact: 2006-2007-\$22,700,000 2007-2008-\$45,000,000 2008-2009--\$68,600,000 2009-2010-\$68,600,000	\$4,307 in school year 2006-2007; \$4,356 in school year 2007-2008; \$4,391 in school year 2008-2009 and thereafter. Fiscal impact: 2006-2007-\$28,450,000 2007-2008-\$28,800,000 2008-2009--\$20,000,000
At-risk Weighting	.193	.268 in school year 2006-2007; .318 in school year 2007-2008; .368 in school year 2008-2009 and thereafter. Fiscal Impact: 2006-2007-\$43,500,000 2007-2008-\$28,850,000 2008-2009--\$29,000,000	.225 in school year 2006-2007; .267 in school year 2007-2008; .307 in school year 2008- 2009; .347 in school year 2009-2010 and thereafter. Fiscal impact: 2006-2007-\$18,300,000 2007-2008-\$24,000,000 2008-2009--\$23,400,000 2009-2010-\$23,400,000	.270 in school year 2006-2007; .370 in school year 2007-2008; .484 in school year 2008-2009 and thereafter. Fiscal impact: 2006-2007-\$46,500,000 2007-2008-\$60,000,000 2008-2009--\$68,400,000

Senate Education Committee
 3-6-06
 Attachment 6

High Enrollment of At-risk Pupils or Density At-risk Pupil Weighting	None	Creates the high enrollment of at-risk pupil weighting of .045; applies to the five districts having the highest enrollment of at-risk pupils. Fiscal Impact: 2006-2007--\$10,000,000 2007-2008--\$200,000 2008-2009--\$200,000	None	Creates the density at-risk pupil weighting of .100 in school year 2006-2007; .155 in school year 2007-2008; .242 in school year 2008-2009 and thereafter; applies to districts with an enrollment of at least 35.1% of pupil eligible for free or reduced price meals with an enrollment density of 212.1 pupils per square mile. Fiscal impact: 2006-2007--\$22,245,000 2007-2008--\$12,600,000 2008-2009--\$19,500,000
Bilingual Weighting	.395	No change.	.482 in school year 2007-2008 and thereafter. Fiscal impact: 2007-2008--NA 2008-2009--NA 2009-2010--NA	No change.
Correlation Weighting/High Enrollment Weighting Threshold	1,662	1,637 in school year 2008-2009 and thereafter. Fiscal impact: 2006-2007--NA 2007-2008--NA 2008-2009--\$11,750,000	No change.	Changes the name of correlation weighting to High enrollment weighting; the threshold 1,632 in school year 2006-2007; 1,602 in school year 2007-2008; 1,572 in school year 2008-2009 and thereafter. Fiscal impact: 2006-2007--\$14,200,000 2007-2008--\$14,200,000 2008-2009--\$14,240,000
Low Enrollment Weighting	Below 1,662	Conforming amendments to change in correlation weighting threshold.	No change.	Conforming amendments to change in correlation weighting threshold.
School Facilities	In order to qualify for the weighting districts must have adopted an LOB which equals the state prescribed percentage or if the election at which bonds were approved for issuance was held prior to July 1, 2005, the district must have adopted an LOB of at least 25%.	Any district would qualify for the weighting if the district has adopted an LOB of at least 25%.	No change.	No change.

6-2

Ancillary Facilities Weighting	In order to qualify for the weighting districts must have adopted an LOB which equals the state prescribed percentage.	Conforming amendment to the change in school facilities weighting; any district would qualify for the weighting if it qualifies for the school facilities weighting.	No change.	No change.
Special Education (Excess Cost)	89.3% in school year 2005-2006; 92% in school year 2006-2007 and thereafter. Fiscal impact: 2006-2007-\$30,300,000 2007-2008-\$25,500,000 2008-2009-\$25,500,000	92% in accordance with current law; 95% in school year 2007-2008; 98% in school year 2008-2009 and thereafter. Fiscal impact (Includes increase attributable to current law): 2006-2007-\$30,300,000 2007-2008-\$36,750,000 2008-2009-\$37,000,000	No change. Fiscal impact (Includes increase attributable to current law): 2006-2007-\$30,300,000 2007-2008-\$25,500,000 2008-2009-\$25,500,000	No change. Fiscal impact (Includes increase attributable to current law): 2006-2007-\$30,300,000 2007-2008-\$25,500,000 2008-2009-\$25,500,000
LOB/LOB State Aid	State prescribed percentage is 29% for school year 2006-2007 and 30% for school year 2007-2008 and thereafter. Fiscal Impact: 2006-2007-\$20,000,000 2007-2008-\$10,000,000 2008-2009-\$10,000,000	State prescribed percentage is lowered to 26.5% for school 2006-2007, to 25% for school year 2007-2008 and 24% for school year 2008-2009 and thereafter. Allows districts to adopt an LOB which exceeds the state prescribed percentage by 2.5% in school year 2006-2007, by 5% in school year 2007-2008 and by 6% in school year 2008-2009; not equalized; must be expended on non-mandated programs.	No change. Fiscal impact (Includes increase attributable to current law): 2006-2007-\$20,000,000 2007-2008-\$10,000,000 2008-2009-\$10,000,000	No change; adds a statement that supplemental general state aid is deemed to be foundational-level funding. Fiscal impact (Includes increase attributable to current law): 2006-2007-\$20,000,000 2007-2008-\$10,000,000 2008-2009-\$10,000,000

6-3

Mandatory Student Improvement Performance Budget	None	Requires school districts to adopt a MSIPB of 2.5% in school year 2006-2007, 5% in school year 2007-2008 and by 6% in school year 2008-2009; equalized to the 100 percentile; all amounts attributable to these provisions are required to be transferred to the general fund of the district; must be used on programs mandated by state law or programs and services that improve student performance. Fiscal impact: 2006-2007-\$38,200,000 2007-2008-\$40,400,000 2008-2009-\$16,500,000	None	None
Foundational-level Moneys	None	None	None	For the purposes of determining the total amount of state moneys paid to school districts, moneys provided to districts under the programs listed to be foundational-level moneys as well as any other money appropriated by the state for distribution to school districts.
Accreditation and Curriculum Requirements/ Reallocation of Resources	None	None	None	Districts which fail to meet accreditation requirements or standards or fail to provide curriculum required by law, would have to reallocate the resources of the district to remedy such deficiencies identified by the state board of education.
ESOL Grants	None	None	None	Establishes a grant procedure under which school districts which reimburse teachers for the direct costs of attaining full-endorsement as an ESOL teacher may apply for grants to cover the cost of such reimbursements. Fiscal impact: 2006-2007-\$500,000 2007-2008-\$500,000 2008-2009--\$500,000

6-4

Flexibility and Accountability in Spending	None	None	None	All moneys received for at-risk, preschool-aged at-risk, bilingual and vocational education programs would no longer be required to be spent for such purposes; e.g. districts could spend at-risk moneys for bilingual education; all expenses directly attributable to the program would be required to be paid from the program weighted fund; new reporting requirements are established for the four programs.
Vocational Education	Requires courses or programs to be authorized or approved under article 44 of chapter 72; applies to courses offered at any of the grade-levels 9 through 12.	No change.	No change.	Only those expenses directly attributable to vocational education courses offered at grade-levels 10, 11 or 12 for which the course content is the same as the course-content of courses offered at an area vo-tech, technical college or other postsecondary educational institution shall be paid from the vocational education fund.
Needs-assessment	None	None	None	Requires each district to conduct a needs-assessment of each attendance center in the district; budget of the district must be based upon such needs-assessments.
School District Budget Forms	Budget forms provided to districts by the division of accounts and reports are designed in a manner recommended by KSDE which must consider the best practices and standards established by the governmental finance officers association and the association of school business officials.	No change.		Department of education would make recommendations for the budget forms based on budget reporting standards established by the legislative division of post audit.

5-9

School District Budgets	Budgets are adopted on the basis determined by the board of education of the district.	No change.	No change.	School district budgets would be based upon the needs-assessment of the attendance centers in the district.
Capital Outlay State Aid Fund	2005 Special Session SB 3 created the capital outlay state aid fund in the state treasury and provided for transfers of state aid from state general fund; SB 3 also included an appropriation of money for the state aid.	No change.	No change.	Clears up the confusion created by SB3 by making capital outlay state aid payments subject to appropriation rather than being treated as a revenue transfer; it is also a better method for tracking and budgeting purposes.
Normal LOB Growth Due to Increased BSAPP or Weightings	29% maximum LOB authority in school year 2006-2007; 30% in school year 2007-2008 and thereafter.	Fiscal impact: 2006-2007-\$30,100,000 2007-2008-\$15,000,000 2008-2009-\$15,000,000	Fiscal Impact: 2006-2007-\$4,000,000 2007-2008-\$6,000,000 2008-2009--\$8,000,000 2009-2010-\$8,000,000	Fiscal impact: 2006-2007-\$32,800,000 2007-2008-\$23,100,000 2008-2009--\$12,000,000
Total Amount of State Aid		Fiscal impact: 2006-2007-\$180,400,000 2007-2008-\$150,000,000 2008-2009--\$150,000,000 3-Year Total-\$480,000,000	Fiscal impact: 2006-2007-\$100,300,000 2007-2008-\$110,500,000 2008-2009-\$135,500,000 2009-2010-\$135,500,000 4-Year Total-\$481,800,000	Fiscal impact: 2006-2007-\$174,995,000 2007-2008-\$164,700,000 2008-2009-\$160,140,000 3-Year Total-\$499,835,000
Total of Mandatory LOB Transfer to U.S.D. NO. General Funds	None	Fiscal impact: 2006-2007-\$70,700,000 2007-2008-\$72,000,000 2008-2009-\$37,000,000	NA	NA
Total Increase to U.S.D. NO. General Funds		Fiscal impact: 2006-2007-\$251,100,000 2007-2008-\$222,000,000 2008-2009-\$187,000,000 3-Year Total-\$660,100,000	Fiscal impact: 2006-2007-\$100,300,000 2007-2008-\$110,500,000 2008-2009-\$135,500,000 2009-2010-\$135,500,000 4-Year Total-\$481,800,000	Fiscal impact: 2006-2007-\$174,995,000 2007-2008-\$164,700,000 2008-2009-\$160,140,000 3-Year Total-\$499,835,000

6-6

Appropriation in the Bill		No	Yes	No
---------------------------	--	----	-----	----

2-7

Note: Under current law, state aid special education and local option budgets will increase by the amounts shown below. These amounts are included in the fiscal impact in formation shown above in order to show how much additional money would be needed each year prior year. Information in this table pertains only to proposals to amend the school finance act and does not include estimated increases on other state aid programs, namely KPERS-school.

Special Education:

2006-2007-\$30,300,000

2007-2008-\$25,500,000

2008-2009-\$25,500,000

LOB State aid:

2006-2007-\$20,000,000

2007-2008-\$10,000,000

2008-2009-\$10,000,000