

MINUTES OF THE SELECT COMMITTEE ON SCHOOL FINANCE

The meeting was called to order by Chairman Kathe Decker at 9:00 A.M. on February 8, 2006 in Room 313-S of the Capitol.

All members were present except:
Valdenia Winn - excused

Committee staff present:
Carolyn Rampey, Kansas Legislative Research
Art Griggs, Revisor of Statutes Office
Theresa Kiernan, Revisor os Statutes Office
Ann Deitcher, Committee Secretary

Conferees appearing before the committee:
Barb Hinton, Legis. Div. Of Post Audit
Gerry Henderson, United School Administrators
Mark Desetti, KNEA
Diane Gjerstad, Wichita Public Schools

The Chair introduced Barb Hinton who offered additional information related to the impact of problems with the transportation formula identified in the K-12 education cost study. (Attachment 1).

Gerry Henderson offered testimony regarding the cost study on transportation weighting. (Attachment 2).

Offering the views of the KNEA was Mark Desetti. (Attachment 3).

Wichita Public Schools was represented by Diane Gjerstad. (Attachment 4).

Written only testimony was offered from Val DeFever of Schools for Quality Education, (Attachment 5) and Terry Holdren of Kansas Farm Bureau, (Attachment 6).

A motion was made by Representative Phelps and seconded by Representative O'Neal to approve the minutes of the Select Committee meetings of January 31, February 1 and 2. The motion passed on a voice vote.

The meeting was adjourned at 10:30. The next meeting of the Select Committee is scheduled for Tuesday, February 14, 2006.



MEMORANDUM

Legislative Division of Post Audit

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TO: Members, House Select Committee on School Finance
FROM: Barbara J. Hinton, Legislative Post Auditor
DATE: February 7, 2006
SUBJECT: Additional information related to the impact of problems with the transportation formula identified in the K-12 education cost study

Our analysis of the current transportation formula showed that it systematically over-allocates total transportation costs to students who live at least 2.5 miles from school—the ones the State is helping pay for. (The formula assumes it's 2X as expensive for students transported at least 2.5 miles, but in practice the formula always allocated more than 2X, and can allocate as much as 14X the cost to these students.) When that over-allocation is corrected, the estimated amount of State transportation funding is reduced for every district.

During presentations of our cost study results, legislators and others raised two primary questions regarding the current formula and rural districts:

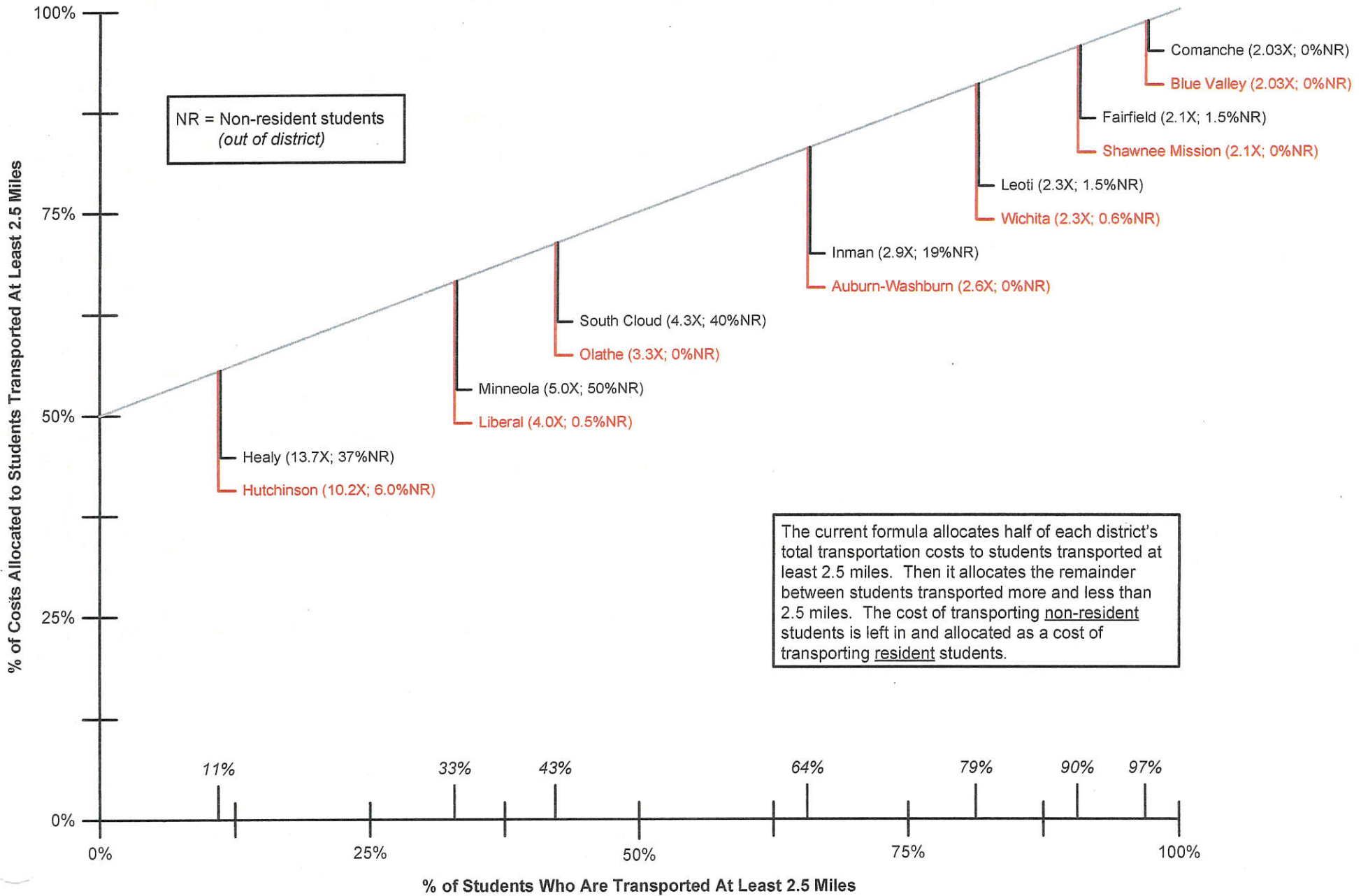
- **did the current formula allocate a higher percent of transportation costs to students bused more than 2.5 miles just for the small, rural districts?** (in other words, perhaps the allocation of additional costs just to those districts was intentional)
- **did the current formula allocate a higher percent of transportation costs to rural districts because of the longer distances they have to bus their students?** (in other words, perhaps the “problems” we identified simply related to the distances districts had to bus their students)

We analyzed our data, and found that the answer to both questions is no. We prepared two sets of graphics to help show those results:

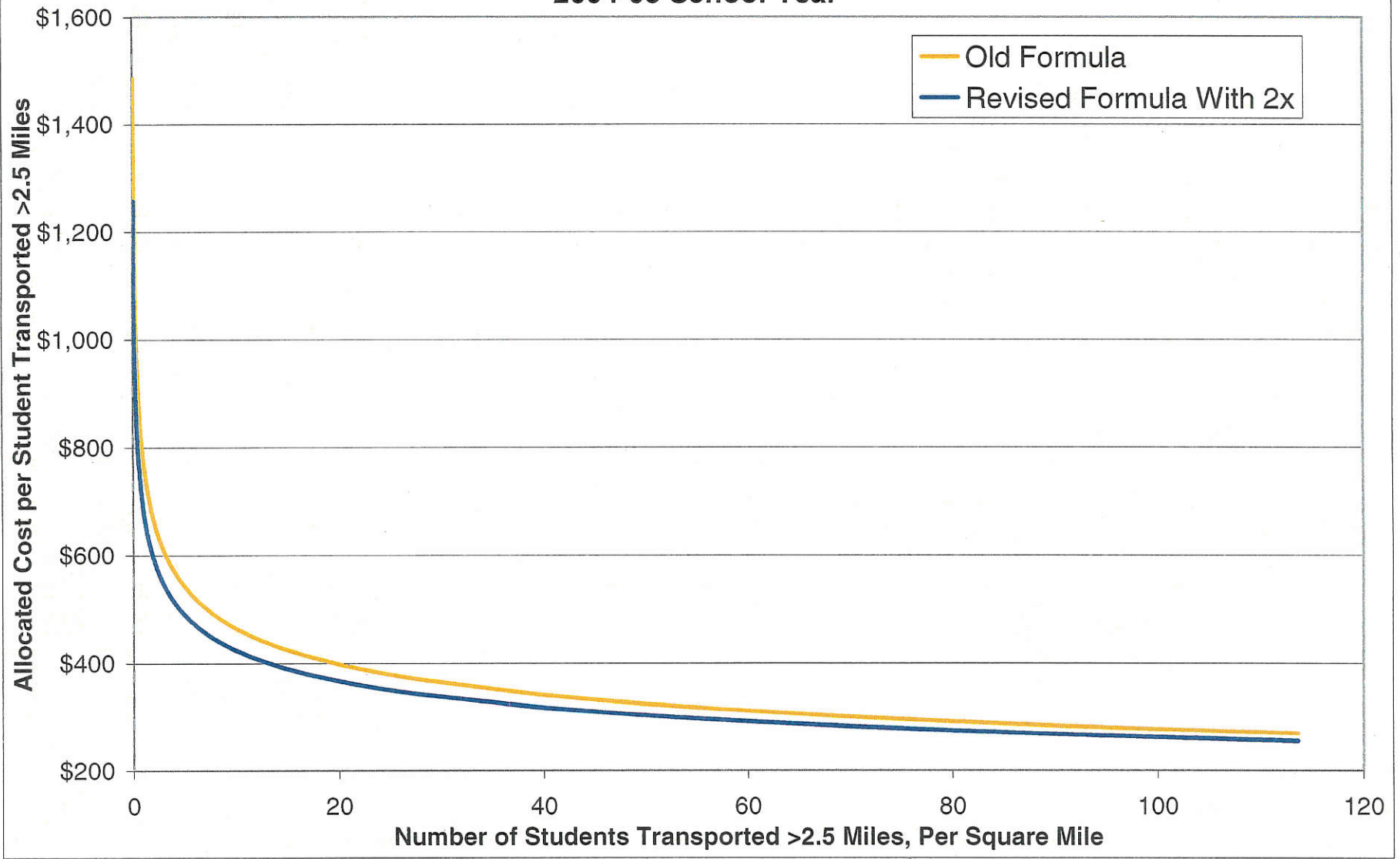
- the first graphic shows an analyses of allocated transportation costs for 7 paired districts that transport the same % of their students more than 2.5 miles. That graph shows the over-allocation occurs for both small and large districts. (In the small districts, a lot of the students transported at least 2.5 miles also were non-residents [NR]. These students costs also were allocated to in-district students, even though the law says their costs should not be counted in computing transportation weighting.)
- the next 4 graphics show the impact of plotting allocated costs on a chart with the density of the student population. (Districts are reimbursed based on the average transportation costs for districts with similar student densities). The top graph shows the existing formula (current and “corrected”). The next 3 graphs show the impact of different assumptions regarding the cost of transporting students more than 2.5 miles.

**Allocation of Costs To Students Transported At Least 2.5 Miles
Under the Current Transportation Formula**

8-1

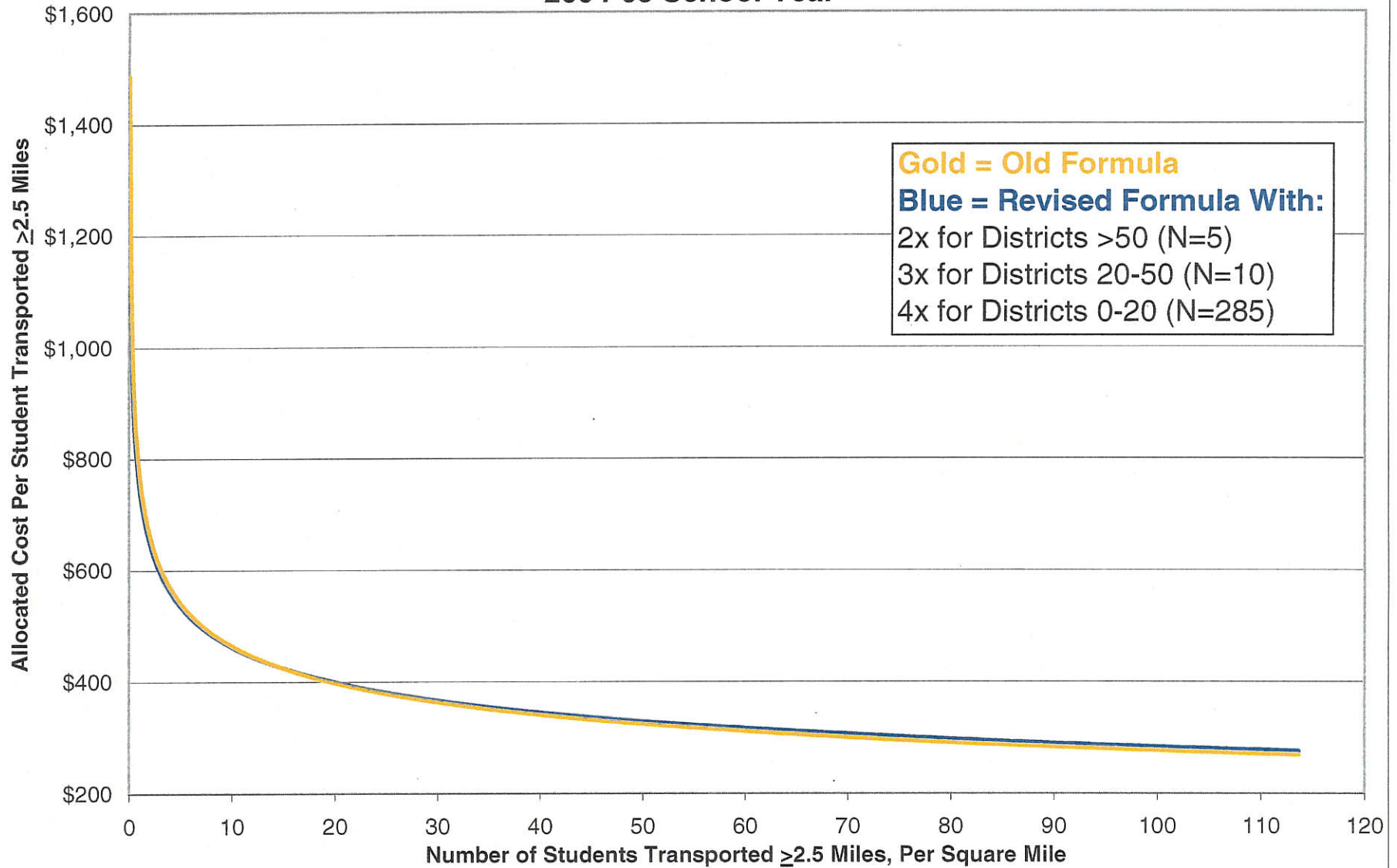


Student Density - Transportation Cost Chart Showing the "Curves of Best Fit" 2004-05 School Year

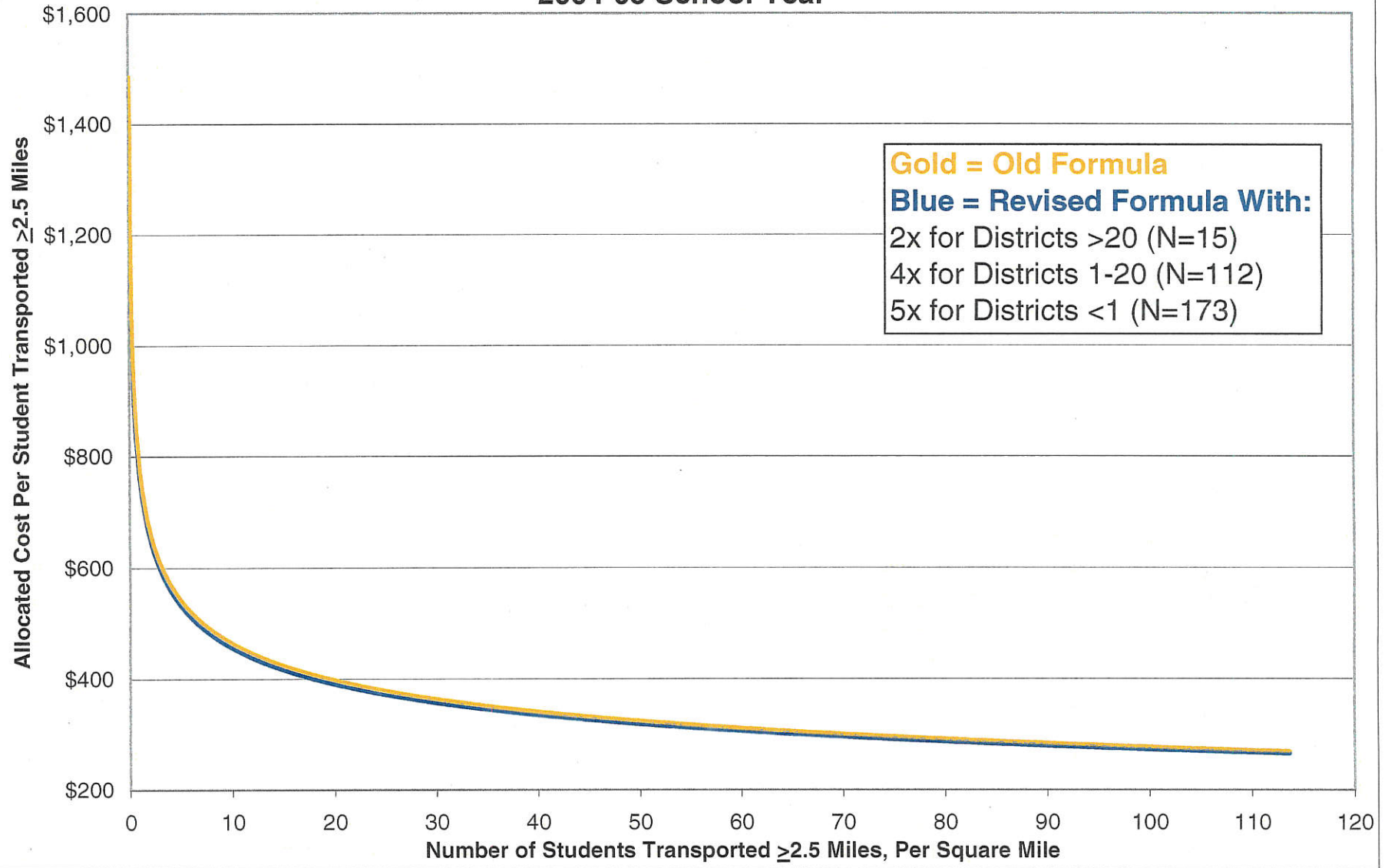


1-4

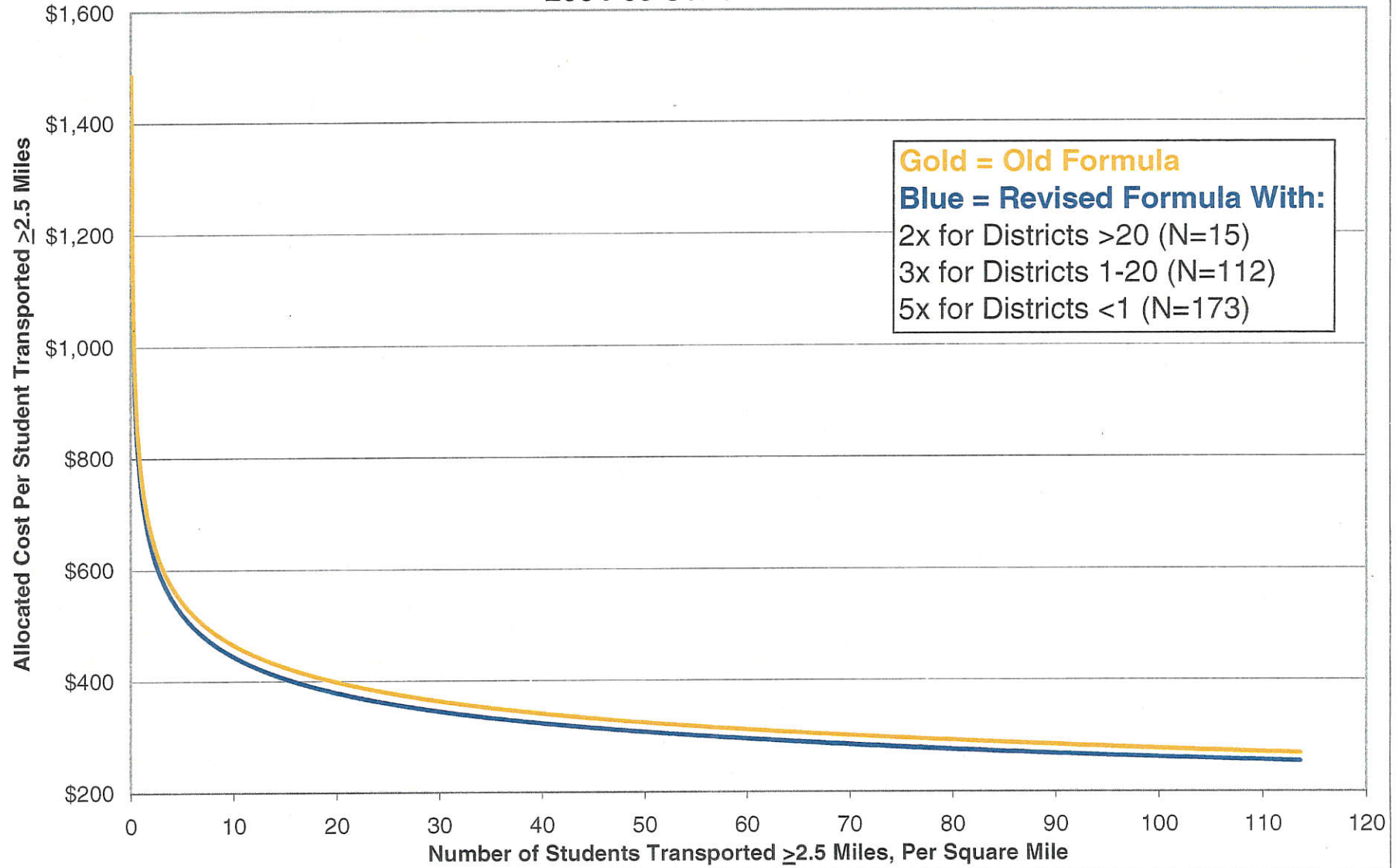
Student Density - Transportation Cost Chart Showing the "Curves of Best Fit" 2004-05 School Year



Student Density - Transportation Cost Chart Showing the "Curves of Best Fit" 2004-05 School Year



Student Density - Transportation Cost Chart Showing the "Curves of Best Fit" 2004-05 School Year





LPA K-12 Cost Study on Transportation Weighting

Testimony presented to the House Select Committee on School Finance

By
Gerald W. Henderson
United School Administrators of Kansas

Madam Chairman and Members of the Committee:

My purpose this morning is to make three points: 1) The current school transportation formula, while somewhat complicated, works and should be retained; 2) The reimbursement to school districts provided by the formula **does not** cover the total cost of transporting children for educational purposes; and 3) The decisions made by districts to transport children who live less than 2.5 miles from school are made overwhelmingly for reasons of student safety and should be encouraged.

I doubt that many school superintendents, operations managers or transportation directors could clearly explain to you how the transportation formula works. I know this recently retired superintendent could not. I do know that others who are supposed to be experts on school transportation have looked at the Kansas formula and pronounced it sound. I also know that for each of the years I served as a Kansas superintendent we counted the children living 2.5 miles or more from school, and simply submitted that number as a part of our report to the Kansas State Department of Education. After Dale's auditors validated our number and subjected it to the density formula, our district was reimbursed for a portion of the cost for transporting our children.

That the reimbursement comes close but does not cover the total cost of transporting children is I believe the second important fact supporting USA's position favoring the current formula. Basing reimbursement calculations on last year's expenditures for transportation mandates that districts closely monitor transportation spending.

If this committee wants to improve the existing formula, lower the reimbursement threshold to 2.0 or 1.5 miles. I wonder how many of us walked 2.5 miles to work this morning. Encourage districts that worry about children who must cross busy intersections or otherwise subject themselves to potentially dangerous situations on the way to school to pick them up in a bus.

Again, thank you for the opportunity to visit with you this morning.

Select Comm. on School Finance
Date 2-5-06
Attachment # 2



**Mark Desetti, Testimony
House Select Committee
School Finance
February 8, 2006
Transportation Weighting**

Madame Chair, members of the committee, thank you for the opportunity to submit testimony on the issue of transportation weighting in the Legislative Post Audit report.

When I reviewed the recommendations in the LPA study, I immediately thought of a personal situation. I live in Lawrence and my children attend the Lawrence Public Schools. We live 2.6 miles from my daughter's junior high school. About two blocks down the street is a friend of my daughter who lives 2.4 miles from the same school. In budget cuts a couple years ago, bus service for students within the city who live less than 2.5 miles was cut. As in the LPA study, the district chose to apply the law on distance rigidly. Fortunately, they did not apply the city limits part as strictly. Those students within the 2.5 mile distance had the option to pay for bus service – at a cost that is actually higher than taking the public bus system. Those over 2.5 miles still receive bus transportation services.

I am fortunate in that my wife and I bought our home within blocks of the elementary and high schools and over 2.5 miles from the junior high school. But my daughter's friend is faced with a difficult choice; pay a very high price for district bus service, depend on a ride from her parents every day, or walk 2.4 miles. In the case of my neighborhood this is a 2.5 mile walk or bike ride, nearly all down hill, and across two major arterial roadways – one of which has no stoplight or crosswalk. There are no crossing guards on the route and, since school starts at 8:00 am, it is dark in December and January. The return trip is a long slog uphill.

The school district was forced to cut bus service due to budget cuts. And as a result parents are forced to make a choice between enormous bus charges or letting their children walk a route at a dangerous time and across dangerous streets.

The LPA study rigidly applies current law to transportation weighting and has made recommendations accordingly. But the study also recommends that legislators examine the current transportation formula and make some decisions on possible adjustments which might include changing the distance requirement or the "within the city" limitation.

KNEA believes that the Legislature needs to address ways in which the state might provide student transportation within a reasonable distance and that the issue of student safety should be addressed.

Select Comm. on School Finance
Date 2-8-06
Attachment # 3



House Select Committee on School Finance Transportation Weighting

Diane Gjerstad
Wichita Public Schools

February 8, 2006

Madame Chair and member of the Select Committee:

Generally Wichita has embraced the findings of Legislative Post Audit – whether to our fiscal benefit or not. However, we are going to part ways on the transportation weighting recommendation. Post Audit recommends a revised cost allocation. Our CFO had difficulty reconstructing Post Audit’s revised formula *figure 1.5-7*, page 69.

So let me walk you through how the formula currently reimburses Wichita.

	<i>Current formula</i>	<i>Post Audit formula</i>
04/05 transportation for regular students:	\$7.5m Expenditures	\$7.5m Expenditures
	5.8m State aid current	3.9m LPA state aide
	1.7m Unreimbursed cost	\$3.6m Unreimbursed
	.8m Hazardous (>2.5mi) by BOE policy	.8m Hazardous
	\$2.5m Total unreimbursed cost	\$4.4m Total unreimbursed

Compare the numbers in red. Under the current formula Wichita spends \$7.5m and receives state aid of \$5.8m. Under the proposed change Wichita would still spend \$7.5m but receive only \$3.9m or about 52% of expenditures. Far less than actual cost.

Secondly, under “Other Issues” (page 69), Post Audit suggest one possible alignment would be to restrict transportation state aid to those students whom districts are required by law to transport, which would exclude student living more than 2.5 miles and live within the city limits. At the beginning of school the phones ring non-stop. The number one complaint at the start of school is the lack of transportation services to families living less than 2.5 miles. Eliminating transportation to students who live in town would be a tremendous hardship on families who count on school bus services to get their student to and from school safely.

Select Comm. on School Finance
Date 2-8-06
Attachment # 2-1

No Child Left Behind requires schools having not met “adequate yearly progress” for three years to offer “choice” to another school. In Wichita the middle schools have not hit the AYP target and have been required to write each family to offer a different middle school. About 300 families have exercised “choice” to a different middle school. **When the parents were surveyed to ask why did you transfer your students, the overwhelming response was “transportation”.** They exercised the choice option not because they didn’t like their middle school, they opted for ‘choice’ to qualify for transportation.

The added transportation cost of choice is about \$450,000 to the district.

Consider the paradox of the state possibly eliminating transportation state aid for students in town while the feds require transportation for students who live in town.

Finally I would like to join the chorus of those who believe it is long past time to modernize the mileage threshold. The 2.5 mileage criteria was adopted in the early 1960’s. The “June Cleaver” families and city streets with modest traffic are as distance a memory as those bucolic 1960’s.

Our families, our streets, our cities do not resemble the era the 2.5 threshold was put into place.

Madame Chair, I would encourage this committee to recommend the mileage threshold be lowered gradually to **help families get their students to school and back home again safely.**

Thank you, Madame Chair, for the committee’s time and attention.



Schools for Quality Education

Bluemont Hall Manhattan, KS 66506 (785) 532-5886

Transportation Weighting Testimony February 9, 2006

Local school boards weigh many factors in deciding what is best for their children. Student safety is a major concern. They know attendance is one of the factors closely watched by our state's Quality Performance Accreditation process. Therefore student attendance is closely monitored and efforts are made to be sure children get to school. We are a very rural state. In many parts of our state parents of school age children must travel significant distances to reach their jobs- jobs that are not always in the same community where their children attend school. They may have to start off for work traveling one direction while their children leave a bit later going in the opposite direction. In addition there are school districts in our state where children are not safe walking even 6 blocks to school. For all these reasons and more, parents have asked their local boards that their children be allowed to ride buses to their attendance center. These buses often are already passing close to the homes of these children, For all these reasons and more the State Board of Education has requested for a number of years that the 2.5 mile limit be reduced. It has been felt that a 1 mile limit would be more appropriate distance.

Local school boards have felt strongly enough about this public safety issue, to provide this service to their patrons. The service has apparently cost them an additional \$24.4 million dollars out of their very strapped budgets. Legislators have received long lists from schools in their legislative districts outlining extensive cuts that local boards have had to make in order to meet their budgets while maintaining and even improving student achievement.

Post Audit has told us our present transportation weighting system is flawed. Perhaps it is. However, many states have copied our system. Education expert R.L. Johns has praised it.

The approximately 25% cuts in the transportation budget purposed in the Cost Analysis Study would impact most, if not all our school districts. In cases where other areas were also cut it would have a devastating affect. Local boards would be faced with pitting student safety against raising local taxes. It is hard to believe this is the expectation of our state leaders.

"Rural is Quality"

Select Committee on School Finance

Date: 2-8-06

Attachment # 5

PUBLIC POLICY STATEMENT

HOUSE SELECT COMMITTEE ON SCHOOL FINANCE

Re: Transportation Weighting.

February 8, 2006
Topeka, Kansas

Written Testimony by:
Terry D. Holdren
KFB Governmental Relations

Chairperson Decker, and members of the House Select Committee on School Finance, thank you for the opportunity to share the views of our members regarding the transportation weighting. I am Terry Holdren and I serve as the Local Policy Director—Governmental Relations for Kansas Farm Bureau. As you know, KFB is the state's largest general farm organization representing more than 40,000 farm and ranch families across the state through our 105 county Farm Bureau Associations.

Our members have long supported a quality, and adequately funded system of education in Kansas. We support continuation of the current formula used to determine the funds districts receive for transportation of students living 2.5 or more miles from school. Given the significant increase in fuel prices over the fall semester districts are already struggling to meet this need. Changes in the formula which would result in reduced state aid for transportation would require districts to alter their transportation policy, cut educational programs, or increase their reliance on the LOB and local property tax dollars to provide basic services for their students. We urge your support for this aspect of the current formula.

Thank you.

Kansas Farm Bureau represents grassroots agriculture. Established in 1919, this non-profit advocacy organization supports farm families who earn their living in a changing industry.

Select Committee on School Finance

Date: 2-8-06

Attachment # 6