

MINUTES

SPECIAL COMMITTEE ON EDUCATION

September 21, 2010
Room 548-S—Statehouse

Members Present

Representative Clay Aurand, Chairperson
Senator Jean Kurtis Schodorf, Vice-chairperson
Senator Steve Abrams
Senator Pete Brungardt
Senator Anthony Hensley
Senator Roger Reitz
Senator John Vratil
Representative Pat Colloton
Representative Steve Huebert
Representative Harold Lane
Representative Virgil Peck
Representative Arlen Siegfried
Representative Ed Trimmer
Representative Valdenia Winn

Staff Present

Sharon Wenger, Kansas Legislative Research Department
Theresa Kiernan, Office of the Revisor of Statutes
Jason Long, Office of the Revisor of Statutes
Dale Dennis, Kansas Department of Education
Dorothy Gerhardt, Committee Assistant

Others Present

Representative Don Hineman, 118th District
Derek Hein, Hein Law Firm
Terry Humphrey, Terry Humphrey Public Affairs
Jerry Cullen, Barber County North Unified School District 254
Martin Hawver, Hawver's Capitol Report
Bernie Koch, Kansas Economic Progress Council
Bill Brady, Schools for Fair Funding
Diane Gjerstad, Wichita Public Schools
Matt Casey, Gaches, Braden, and Associates
Rachel Whitten, kansasreporter.org

Travis Lowe, Little Government Relations
Scott Rothschild, *Lawrence Journal World*
John Milburn, Associated Press
Scott Frank, Legislative Division of Post Audit

School Finance Briefing

Dale Dennis, Deputy Commissioner of Education, appeared before the Committee to present current information regarding school finance in the state. The presentation began with a demonstration of the school finance formula (Attachment 1). Items included the weighting for various factors such as bilingual education enrollment, low-enrollment and high-enrollment weightings, vocational education enrollment, at-risk student enrollment, and virtual enrollment; new facilities, transportation, and ancillary facilities weighting; special education funding; and declining enrollment and cost-of-living weighting.

Other items presented included a brief accounting of the status of the State General Fund (SGF) for the time period of FY 2010 through FY 2012; general and special education funds for the 2010-2011 school year; special education maintenance of effort; special education excess cost; and a chart indicating additional revenue needed to fund current law at \$415,130,648. Mr. Dennis also presented National Education Association information showing Kansas ranked 38th in the nation in average salaries for public school teachers for 2008.

Other areas of concern which Mr. Dennis stressed included declining assessed valuations across the state and the resultant loss of general fund revenue; increases in free lunch applications; and projected enrollment increases resulting in increases in state aid.

Information regarding the use of school district budget funds and the flexibility of spending within those funds also were presented (Attachment 2) by Mr. Dennis. The following information was presented:

- Brief description of each school district fund, including the spending flexibility of each fund;
- Fund balances as of July 1, 2009; and
- Potential cash balances as of June 30, 2010, excluding capital outlay, bond and interest, federal funds, and the delayed state aid payments.

Review of Notice Filed by Schools for Fair Funding

Patrick Hurley, Chief Counsel and Deputy Attorney General of Civil Litigation, Office of the Attorney General, appeared with a brief presentation regarding the Notice of Claim received regarding a forthcoming lawsuit in the school finance matter. He stated that the Office of the Attorney General released a Request for Proposal for legal services regarding the defense of this matter. Six bids were received and reviewed and the firm of Hite, Fanning, and Honeyman, Wichita, was selected. Pursuant to statute, he stated he expects a lawsuit to be filed on or after October 15.

A short discussion with Committee members followed.

Proposed School Finance Plan

Representative Arlen Siegfroid appeared before the Committee with a proposal to change the current school finance formula in the State of Kansas. He stated many agree that the current formula is no longer sustainable and that a new approach for funding Kansas schools is needed. It is his intention to introduce legislation in January to revise the current formula. His plan will aim to simplify and localize school funding. Below are his two approaches as presented in a handout to Committee members.

Alternative Concept 1

- Replace the existing school finance law with a law that is more easily understood. Under the new law, school districts would have more authority to control their own budgets, yet the Legislature would still carry out its constitutional duty to make suitable provision for finance of the educational interests of the state. The new law would eliminate the pupil weightings.
- In order to carry out its constitutional duty to provide suitable funding for the educational interests of the state: provide for "hold harmless" educational state aid based on the amount of the state aid (excluding bond and interest and capital outlay state aid) each district received in the base school year; and equalize to the 81st percentile those levies which exceed the levies (excluding bond and interest and capital outlay levies) in the base school year.
- Increase accountability for funding provided for at-risk pupils and bilingual pupils and vocational education programs by establishing state-funded grant programs, under which school districts would submit application to the State Board of Education (SBOE) for such funds. Districts would have to provide approved programs to initially qualify for funding; renewal of funding would require districts to show improvement by those students in the programs. In the case of vocational education (career and technical education) funding, districts would have to demonstrate how the cost of the vocational education program exceeds the cost of general education.
- In the first year of implementation, districts would maintain base year funding (the actual dollar amount received as general state aid, supplemental general state aid, special education state aid, and professional development state aid in the school year prior to implementation of the new formula). There would be no increase in the cost to the state during the first year of implementation.
- Funding at the district level would increase through the increase in the actual number of mills levied by the district and also through increases in the assessed valuation of the district.
- The new law would recognize that some school districts want to provide more funding than other districts and would eliminate budget limitations to allow school districts to do so.
- Many of the existing school district accounting funds would be eliminated to provide flexibility.

- The procedure under which school districts transfer to the state the proceeds of a local tax to fund the cost of living, ancillary facilities, and declining enrollment pupil weightings would no longer be needed. The money would remain at the school district level and the current method of authorizing the levy would be unchanged.
- Special education state aid would be distributed on a census basis using the following formula:
 - The SBOE would determine the total amount of special education state aid paid in the base school year;
 - Then divide the amount determined by the number of exceptional children in the state in the base school year; and
 - Multiply that quotient by the number of exceptional children in a district in the current school year. The product is the amount of special education state aid the district is entitled to receive in the current school year.

Alternative Concept 2

This proposal maintains most of the provisions of the current formula with the following exceptions:

- Freeze the Base State Aid Per Pupil (BSAPP) at \$4,012; maintain most of the pupil weightings; and determine enrollment of school districts each year using the pupil weightings; and
- Eliminate the current cap on the Local Option Budget (LOB) (31 percent of state financial aid of the district); school districts would be authorized to levy a tax in the amount they deem necessary to provide moneys in addition to the money provided by the state to pay the cost of educating the students in the district; and supplemental general state aid would be provided by equalizing tax levies in the same manner as current law (81.2 percentile).

Under either of the above proposals, the following concepts also should be considered:

- If school districts do not provide funding which allows pupils in the district to meet the SBOE and legislative standards, or which does not provide funding to meet Adequate Yearly Progress (AYP) and accreditation standards, and that failure continues for three consecutive years, the SBOE would have the authority to disorganize the district and attach the territory of the disorganized district to another district or districts.
- Eliminate provisions which have been enacted to "inflate" the general fund budget in order to increase the LOB.
- In order to avoid an unlawful delegation of legislative authority, establish, by statute, clear guidelines for what constitutes a suitable education and suitable finance of the educational interests of the state. Those guidelines would include, but not be limited to, requiring schools to provide courses that allow students to meet the qualified admission requirements; requiring schools to provide courses

that allow students to meet high school graduation requirements; and common core curriculum standards.

- Mandate all school districts to provide a suitable education, but authorize districts to raise tax levies to enhance the suitable education.
- Give the Legislature more control of the total cost of funding education by requiring school districts to have a local investment in education.
- Require schools which are not meeting AYP and other standards to use the best practices of schools which are succeeding in meeting, or exceeding the standards.
- Eliminate unnecessary school district funds.

Committee discussion followed the presentation.

Review of Recent Legislative Post Audit Performance Audits

Scott Frank, Interim Post Auditor, Legislative Division of Post Audit, presented a summary of school finance findings from school district performance audits from the past five years, 2006 to present. The chart (Attachment 3) included a summary of the audit findings, Post Audit's recommendations, and legislative actions on the following items:

- At-Risk funding;
- Bilingual funding;
- Vocational education funding;
- Transportation funding;
- Special education funding; and
- Miscellaneous funding issues, including:
 - Virtual schools;
 - Second count date for military students;
 - Consolidation incentives; and
 - Contracting for grades between districts.

A report on uniform school district accounting issues also was presented (Attachment 4). A discussion of whether the state should require uniform *recording* or uniform *reporting* of expenditures was held. Mr. Frank stated that *recording* refers to how districts record the individual transactions in accounting ledgers; *reporting* refers to the type of information extracted from accounting systems and reported to the state. A 2007 audit surveyed 20 states similar to Kansas in terms of number of school districts, to review accounting systems used in these states. Results revealed all 20 states had uniform systems for how school districts *report* their expenditures to the state; but only 14 of the 20 states also required school districts to *record* their transactions uniformly, Kansas not being among those states.

Proposed School Finance Plan

Senator Steve Abrams appeared before the Committee in support of the Relevant Efficient Academic Learning (REAL) Education Act (Attachment 5). The objectives of the proposal included:

- Create greater opportunities for success for students in graduation and careers with relevance;
- Encourage the concept of Career and Tech Ed (CTE) for all students, no matter whether as a brain surgeon, welder, or teacher;
- Create opportunities to maximize the students' potential;
- Develop a system that will assist students, parents, and educators, as they move forward in making the best decisions for the student; and
- Create opportunities for economic development.

A question-and-answer session followed the presentation. Following a question from Senator Vratil, Senator Abrams stated his intention to introduce two bills in the 2011 Legislative Session. These would include a proposed new comprehensive and in-depth school finance plan, as well as the REAL Education Act.

Discussion of Other Issues

Representative Colloton presented a handout from the National Conference of State Legislators (NCSL) Legislative Summit held in July. A report regarding school finance and funding was highlighted (Attachment 6).

Senator Hensley presented a handout prepared by the Kansas Legislative Research Department (KLRD) regarding a ten-year review of legislative actions involving school finance (Attachment 7).

Representative Aurand reviewed the charge by the Legislative Coordinating Council to the 2010 Special Committee on Education to review various proposals considered in the 2010 Session on education policy and school finance to explore proposals to simplify and streamline school finance and improve the current funding formula. The charge included review of the following:

- Studying Legislative Division of Post Audit's school efficiency recommendations;
- Extension of school district audits;
- Various formula revisions;
- Uniform system of accounts;
- Performance-based compensation;
- Administrative reorganization;
- Local options;
- District coordination of information technology systems;
- Disparity among districts of unencumbered funds;
- Flexibility of unencumbered funds;
- Tenure reform; and
- Ten-year cost projection on statewide K-12 percentage of state funds for classroom and instruction expenditures.

Chairperson Aurand requested suggestions from Committee members. Items suggested were:

- A report on the \$9.0 million grant received by the State Department of Education related to the student data system;
- Finding ways to reach out to the schools to work together without having the courts involved;
- Developing a ten-year cost projection of state funds for education;
- Reviewing alternative school finance plans;
- Reviewing Race to the Top; and
- Identifying a number of school finance provisions, such as high-density at-risk weighting and low enrollment weighting, both being received by about 30 school districts, that need review.

It was agreed each member would offer at least one suggestion to include solutions or alternatives.

The meeting was adjourned at 3:40 p.m. The next meeting will be held November 16 and 17, 2010.

Prepared by Dorothy Gerhardt
Edited by Sharon Wenger

Approved by Committee on:

November 16, 2010
(Date)

Special Committee on Education

<u>Name</u>	<u>Representing:</u>
Don Hineman	118 th Dist.
DEREK HEW	HEW LAW FIRM
Tom Hengley	Tom Hengley Public Affairs
John Cullen	Barbara Co. North 254
Maureen Horrocks	Maureen's Capitol Report
Bernie Koch	Ks. Economic Progress Council
Bill Brady	SFFF
Diane Gjerstad	Wichita Public Schools
Matt Cane	GBA
Rachel Whitten	Kansas Reporter.org
Travis Lowe	Little Govt Relations
Sveta Rothschild	LJ World
John Milburn	AP
Scott Frank	Post Audit

SPECIAL COMMITTEE ON EDUCATION

SEPTEMBER 21, 2010

Dale M. Dennis, Deputy
Commissioner of Education

Form 150 2010-11 Est. Legal Max General Fund Budget

1. Est. 9-20-2010 FTE Enrollment (Exclude 4-year-old at-risk FTE)	1,308.1
2. Est. 9-20-2010 4-year-old At-Risk FTE Enrollment (counted as .5 FTE)	14.0
3. Total Est. 9-20-2010 FTE Enrollment (Line 1 + Line 2)	1,322.1
4. Est. Low Enrollment and High Enrollment for Districts 9-20-10 FTE Enrollment (Line 3) $1,322.1 \times 0.136929$ factor	181.0
5. Est. Weighted Bilingual Education Enrollment 9-20-10 Bilingual FTE Enrollment $0 + 0.0000 \times 0.395$	0.0
6. Est. Weighted Vocational Education Enrollment 9-20-10 VE FTE Enrollment $70.0 + 0.0000 \times 0.5$	35.0
7. Est. Weighted At-Risk Student Enrollment 9-20-10 Eligible Students That Qualify for Free Lunches $630.0 + 0 \times 0.456$	287.3
8. Est. High At-Risk Weighting (Can only qualify for one of the following) District's Calculated Free Lunch Percentage = 47.65% District's Calculated Students Per Square Mile Line 3 = square miles in district $1,322.5 / 140.5 = 9.4$	
a. No. of Students Eligible for Free Lunches (at least 50%)	0.0
b. No. of Students Eligible for Free Lunches at 35-1% & 212.5 Students Per Sq. Mile	0.0
c. No. of Students Eligible for Free Lunches (40-50%)	37.8

Form 150
2010-11 Est. Legal Max General Fund Budget

9. Est. Non-Proficient Student Weighting No. of Non-Proficient Students 83 x 0.0465	3.9
10. Est. Weighted FTE for New Facilities 9-20-10 Enrollment Attending New Facility 0.0 ÷ 0.0 x .25	0.0
11. Est. Weighted FTE for Transportation	71.9
12. Est. Weighted FTE Virtual Enrollment	15.8
13. Est. Ancillary Facilities Weighting Amount Approved by State Board of Tax Appeals 0 ÷ \$4,012	0.0
14. Est. Special Education Weighting Amount of Special Education Funding \$1,550,000 ÷ \$4,012	386.3
15. Est. Declining Enrollment Weighting Amount Approved by State Board of Tax Appeals 0 ÷ \$4,012	0.0
16. Est. FHSU Math & Science Academy FTE Enrollment	0.6
17. Est. 2010-11 Operating Budget 2,341.1 x \$4,012 (Lines 3 through 16)	\$ 9,392,493
18. Est. Cost of Living Weighting 50 (max allowed for this district) 0 (amount district will use up to max) ÷ \$4,012	0.0
19. Est. 2010-11 Operating Budget (Include Cost of Living and FHSU) 2,341.1 x \$4,012	\$ 9,392,493

Form 148
2010-11 Est. General Fund State Aid

1. 2010-11 General Fund Budget (Form 150, Line 19)	\$ 9,392,493
2. Estimated Local Effort	
a. 2010-11 Tax Levy 1-1-2011 to 6-30-2011 (Form 110, Table 1, Line 5)	\$ 790,091
b. 2010-11 Tax in Process (Form 110, Line 11) (General Fund only)	25,428
c. 2010-11 Delinquent Tax (Form 110, Line 12, General Fund) x .667	8,492
d. 2010-11 Mineral Production Tax (General Fund)	0
e. 2010-11 In Lieu of Tax Payments on IRB's (General Fund)	0
f. 2010-11 Federal Impact Aid PL 382 (formerly PL 374)	0
g. 2010-11 Pupil Tuition (General Fund only)	0
h. 6-30-2010 Unencumbered Cash Balance (General Fund)	5,049
i. 2010-11 Special Education State Aid	1,550,000
j. 2010-11 ARRA Stabilization Funds	1,609,533
k. 2010-11 State Aid for Machinery & Equipment Valuation Loss (General Fund)	0
3. TOTAL	\$ 2,540,093
4. 2010-11 Est. General State Aid (Line 1 – Line 3; if negative, insert 0)	\$ 6,852,480

Kansas Legislative Research Department 5/11/2010

FY 2011 House Sub. for SB 572 - As Approved by the Legislature, INCLUDING Tax Increases
Adjusted for April State General Fund Consensus Revenue Estimate and April Actual Tax Collections

STATUS OF THE STATE GENERAL FUND
FY 2010-FY 2012
(In Millions)

	Approved FY 2010	Approved FY 2011	Estimated FY 2012
Beginning Balance	\$ 49.7	\$ (140.1)	\$ 1.4
Receipts (April, 2010 Consensus Revenue Estimate)	5,254.3	5,094.7	5,640.0
Adjustment for April Actual Tax Only Receipts	(65.3)	-	-
Governor's Other Revenue Adjustments (adjust transfers: continue KDOT transfer, etc)	-	274.6	-
Additional Revenue from Senate Substitute for House Bill No. 2360	-	303.6	352.1
Revenue Adjustments in Appropriations Bill (House Substitute for Senate Bill No. 572)	38.1	89.9	-
Total Available Revenue	\$ 5,276.8	\$ 5,622.7	\$ 5,993.5
Expenditures **	6,144.3	6,088.9	6,210.3
Federal Economic Stimulus Legislation	(530.7)	(257.9)	-
Subtotal - Expenditures	5,613.6	5,831.0	6,210.3
Less Governor's Allotments and Net Other Adjustments	(196.7)	1.3	-
Expenditure Adjustments (House Substitute for Senate Bill No. 572)	-	(211.0)	-
Total Adjusted Expenditures	5,416.9	5,621.3	6,210.3
Ending Balance	\$ (140.1)	\$ 1.4	\$ (216.8)
Ending Balance as a Percentage of Expenditures	-2.6%	0.0%	-3.5%
Adjusted Receipts in Excess of Unadjusted Expenditures	\$ (140.1)	\$ 1.4	\$ (216.8)

*) Assumes 4.0 percent growth in tax receipts.

**) FY 2012 expenditures include replacing federal economic stimulus funds; KPERS employer contribution increase; human services caseloads; special education increase and state employee undermarket salary adjustment.

FY 2010 Expenditures moved to
FY 2011 (2010-11 School Year)
USD will count payments in FY 2010

General State Aid	\$ 225,249,985
Supplemental General State Aid	66,773,733
KPERS	53,047,760
SUBTOTAL	\$ 345,071,478
KPERS	
Paid July 7 and State	\$ 55,101,438
Charged to FY 2010	
TOTAL	\$ 400,172,916

Base State Aid Per Pupil

Statutory BSAPP \$ 4,492

BSAPP for
2009-10 & 2010-11 \$4,012

STATE AID REDUCTIONS/UNDERFUNDING 2009-10 School Year

State Aid	Reduction
General State Aid BSAPP \$4,400 to \$4,012	\$ 241,288,471
Supplemental General State Aid	37,816,280
Capital Outlay	25,600,000
Professional Development	1,750,000
Teacher Mentoring	200,000
Discretionary Grants	85,000
National Board Certification	240,000
Special Education	4,000,000
TOTAL	\$ 310,979,751

Legislative Division of Post Audit

Elementary and Secondary Education in Kansas: Estimating the Costs of K-12 Education Using Two Approaches – January 2006

"We found a strong association between the amounts districts spend and the outcomes they achieve. In the cost function results, a 1.0% increase in district performance outcomes was associated with a 0.83% increase in spending—almost a one-to-one relationship. This means that, all other things being equal, districts that spent more had better student performance. The results were statistically significant beyond the 0.01 level, which means we can be more than 99% confident there is a relationship between spending and outcomes."

GENERAL/SPECIAL EDUCATION FUNDS 2010-2011 SCHOOL YEAR

	<u>GENERAL FUND</u>
General State Aid:	
State General Fund	\$ 1,961,339,680
ARRA – State Fiscal Stabilization Funds (= \$80.52 on the BSAPP)	52,751,000
TOTAL	\$ 2,014,090,680
BSAPP Amount	\$ 4,012
	<u>SPECIAL EDUCATION</u>
Special Education Services Aid:	
State General Fund	\$ 367,540,630
ARRA – Federal VIB	55,748,000
TOTAL	\$ 423,288,630

Special Education Maintenance of Effort

FY 2009 State Special Education State Aid	\$ 427,718,409
FY 2011 Appropriation	\$ 367,540,630
State Aid Reduction	\$ 60,177,779
ARRA Revenue	\$ 55,684,000

Special Education Excess Cost

FY 2011 – 92% of Excess Cost	\$ 448,225,000
FY 2011 – Appropriation	\$ 367,540,630
Plus ARRA Funds*	<u>55,684,000</u>
Total FY 2011	\$ 423,224,630
Increase Required	\$ 25,000,370

*Loss of AARA Funding in FY 2012 would require an increased appropriation of \$ 80,684,370

2010-11 Additional Revenue to Fund Current Law

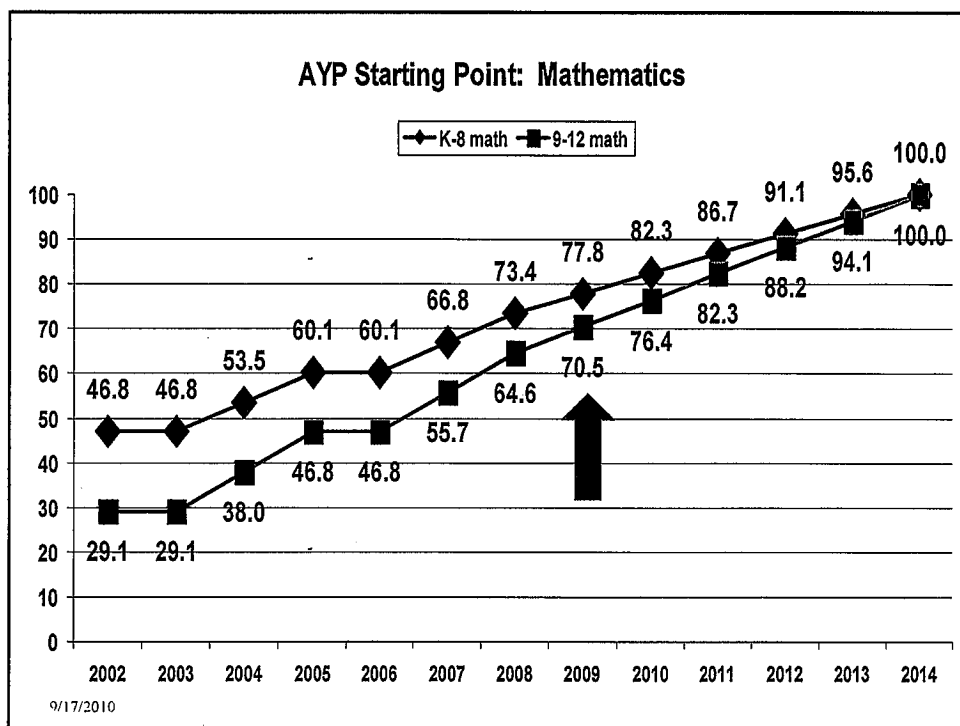
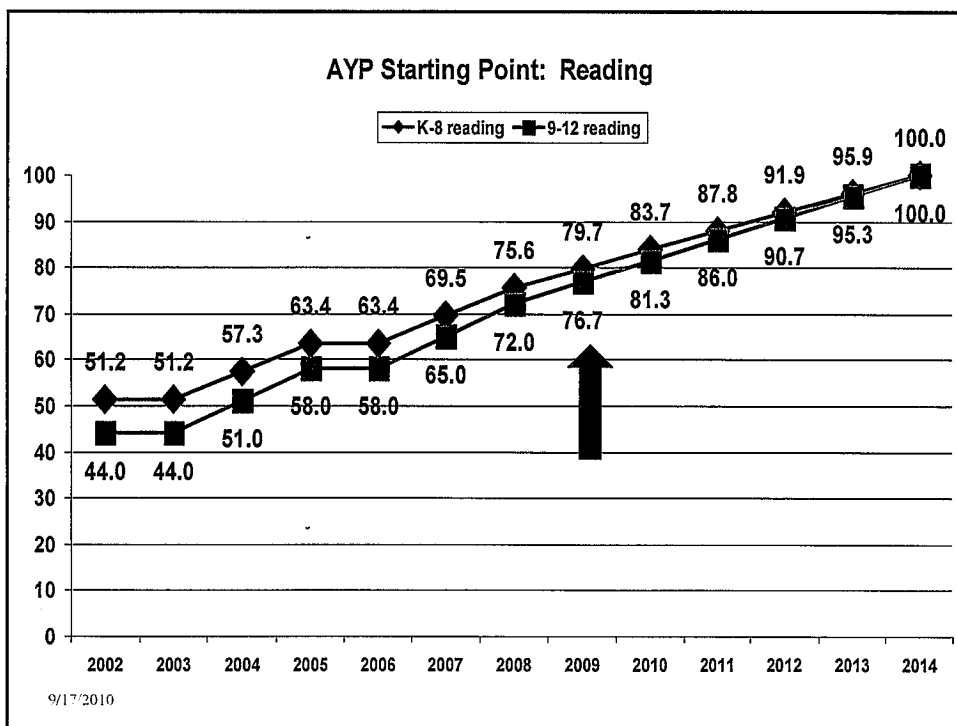
Program	Estimated 2010-11	Current Law Requirement	Cost to Fund Current Law
Base State Aid Per Pupil	\$ 4,012	\$ 4,492	\$ 314,400,000
Supplemental General State Aid	Prorated at 92%	100%	37,787,001
	86.2% of	92% of	
Special Education	Excess Cost	Excess Cost	25,000,000
Mentor Teacher	\$ 1,450,000	100%	2,050,000
Professional Development	0	100%	8,500,000
School Lunch	4¢ per meal	6¢ per meal	1,043,647
Capital Outlay State Aid	0	Fund Law	26,000,000
National Board Certification	\$ 55,000	Fund Law	350,000
	<i>(Scholarships Only)</i>		
TOTAL			\$ 415,130,648

Rankings and Estimates 2008

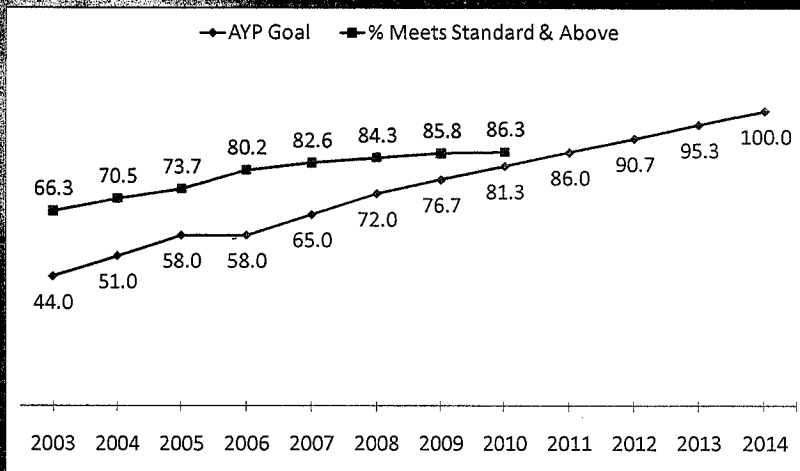
Table 1. Average Salaries (\$) of Public School Teachers, 2007-08

Rank	State	2007-08
1	CALIFORNIA	54,424
2	NEW YORK	52,332
3	CONNECTICUT	49,976
4	NEW JERSEY	51,277
5	DISTRICT OF COLUMBIA	60,628
6	ILLINOIS	49,474
7	MASSACHUSETTS	60,471
8	MARYLAND	50,069
9	RHODE ISLAND	57,169
10	ALASKA	36,758
11	MICHIGAN	55,098
12	GEORGIA	58,254
13	PENNSYLVANIA	55,633
14	OHIO	53,410
15	HAWAII	53,600
16	WYOMING	53,074
17	UNITED STATES	52,308
18	OREGON	51,811
19	ARIZONA	45,772
20	MINNESOTA	50,582
21	WASHINGTON	49,864
22	WISCONSIN	49,051
23	INDIANA	48,508
24	NEVADA	47,710
25	NEW HAMPSHIRE	47,629
26	NORTH CAROLINA	47,324
27	COLORADO	47,248
28	KENTUCKY	47,207
29	LOUISIANA	46,844
30	FLORIDA	46,530
31	VIRGINIA	46,796
32	IOWA	46,664
33	ALABAMA	46,664
34	VERMONT	46,593
35	TEXAS	46,129
36	ARKANSAS	45,772
37	ARIZONA	45,772
38	KANSAS	45,136
39	NEW MEXICO	45,112
40	TENNESSEE	45,030
41	IDAHO	44,099
42	OKLAHOMA	43,251
43	MAINE	43,057
44	MISSOURI	43,026
45	NEBRASKA	42,485
46	MONTANA	42,874
47	WEST VIRGINIA	42,529
48	MISSISSIPPI	42,403
49	UTAH	41,615
50	NORTH DAKOTA	40,279
51	SOUTH DAKOTA	39,674

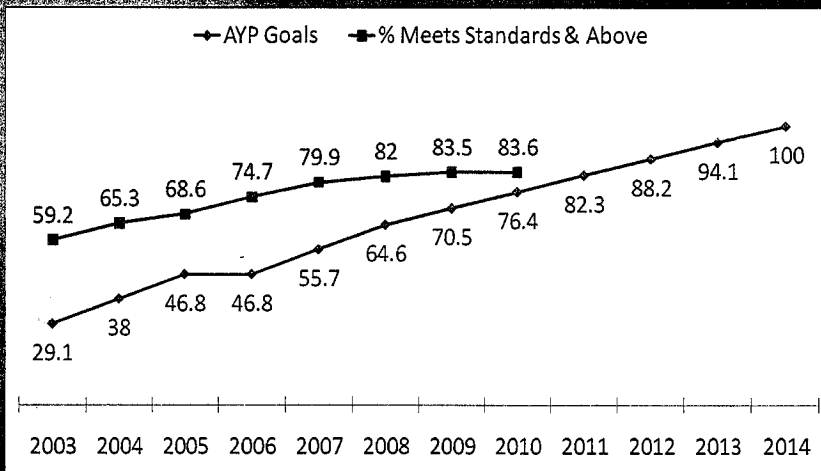
NIA Research, Estimates Database (2008)
From Rankings & Estimates 2008-2009, Rankings, Table C-11



Kansas AYP Reading Trends All Students - 2003-2010



Kansas AYP Math Trends All Students 2003-2010



Other Areas of Concern Affecting Schools

ASSESSED VALUATIONS

The Consensus Estimating Group met in November of 2009 and projected the total assessed valuation for the 2010-11 school year. The estimate for the general fund assessed valuation was increased 2.38 percent or approximately \$670 million. Current estimates indicate that the assessed valuations will decline by at least the same percentage. If this estimate is correct, the \$670 million estimated increase combined with a \$750 million decrease results in a difference of at least \$1,420 million. This results in a funding requirement of at least \$28.4 million.

ASSESSED VALUATIONS FALL 2010

Consensus Estimate Increase	\$ 670,000,000
Estimated Actual Decrease	\$ (750,000,000)
Difference	\$ 1,420,000,000
Mill Rate Requirements	20 Mills
Loss of General Fund Revenue	\$ 28,400,000

Other Areas of Concern Affecting Schools

FREE LUNCH APPLICATIONS

Based upon our review of numerous 2010-11 school district budgets, we also believe there will be a slight increase in the number of free lunch applications. The job market has not rebounded as much as originally estimated. It is too early in the fiscal year to determine the percentage increase but we are fairly certain that the increased applications will affect state aid to schools. For example, a five percent increase in free lunch applications would result in additional state aid of approximately \$15.6 million

FREE LUNCH APPLICATIONS

2009-10 Free Lunch Applications	171,076
Potential Percentage Increase	5%
	8,553.8
Weighting Ratio	.456
Weighted Enrollment	3,900.5
Base State Aid Per Pupil	\$ 4,012
Estimated State Cost	\$ 15,648,938

Projected Enrollment State Aid Increase

2009-10 FTE Enrollment	453,362.3
Projected .5 Percent Enrollment Increase	2,266.8
Base State Aid Per Pupil	\$ 4,012
Potential State Aid Increase	\$ 9,094,402

NAEP - Reading-4th Grade

Average Scores for Kansas and Nation

2007		2009	
Kansas	Nation	Kansas	Nation
225	220	224	220

- Lower than those in 6 states
- Higher than those in 23 states
- Not significantly different from 22 states

NAEP – Reading-8th Grade

Average Scores for Kansas and Nation

2007		2009	
Kansas	Nation	Kansas	Nation
267	261	267	262

- Lower than those in 9 states
- Higher than those in 20 states
- Not significantly different from 22 states

NAEP – Math-4th Grade

Average Scores for Kansas and Nation

2007		2009	
Kansas	Nation	Kansas	Nation
248	239	245	239

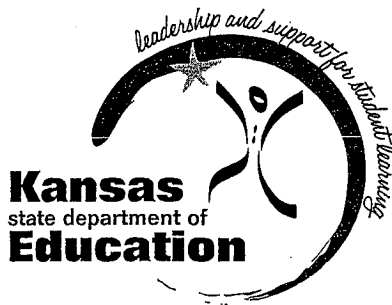
- Lower than those in 4 states
- Higher than those in 33 states
- Not significantly different from 14 states

NAEP – Math-8th Grade

Average Scores for Kansas and Nation

2007		2009	
Kansas	Nation	Kansas	Nation
290	280	289	282

- Lower than those in 7 states
- Higher than those in 30 states
- Not significantly different from 14 states



Division of Fiscal & Administrative Services

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785-296-0459 (fax)

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September 21, 2010

TO: Special Committee on Education

FROM: Dale M. Dennis, Deputy
Commissioner of Education

SUBJECT: USD Budget Funds

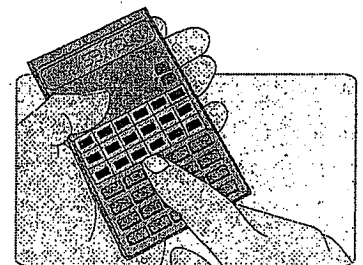
Several questions have been raised concerning the use of school district budget funds and the flexibility of spending within those funds. Attached you will find the following information for your review.

- Brief description of each USD fund which will be reviewed including the spending flexibility of each fund.
- USD fund balances as of July 1, 2009.
- Potential cash balances as of June 30, 2010 excluding capital outlay, bond and interest, federal funds and considering the delayed state aid payments.

USD Budget: Fund Summaries

-
- | | | |
|--------------------------|------------------------------|--|
| 1. General | 11. Driver Training | 21. Special Revenue |
| 2. Federal Funds | 12. Extraordinary School | 22. Contingency Reserve |
| 3. Supplemental General | 13. Food Service | 23. Textbook & Student Material
Revolving |
| 4. Adult Education | 14. Professional Development | 24. Tuition Reimbursement |
| 5. Four year old At Risk | 15. Parents As Teachers | 25. Bond & Interest #1 |
| 6. Adult Supplemental | 16. Summer School | 26. Bond & Interest #2 |
| 7. K-12 At Risk | 17. Special Education | 27. Special Education
Cooperative |
| 8. Bilingual Education | 18. Vocational Education | |
| 9. Virtual Education | 19. Gifts and Grants | |
| 10. Capital Outlay | 20. Special Liability | |
-

1. **GENERAL FUND** – Under current law, this fund is equalized and the cash balance is usually very small. The balance is created by excess local property tax and the balance reduces the succeeding year's state aid. Expenditures from the general fund are limited by state law and may be transferred to numerous program and weighted funds such as four-year-old at-risk, K-12 at-risk, bilingual education, driver education, food service, parents as teachers, vocational education, professional development, etc.
2. **FEDERAL FUNDS** – The cash balance is very small and consists of only money that will be spent in the immediate future.
3. **SUPPLEMENTAL GENERAL FUND** – This is money that is carried over from the prior year due to underspending the budget or from receiving more property tax than necessary to fund the budget. The balance is carried over to reduce the succeeding year's property tax.
4. **ADULT EDUCATION FUND** – This money is primarily from a mill levy that is used for adult basic education programs (GED).
5. **FOUR-YEAR-OLD AT-RISK FUND** – The money in this fund is part of the general fund which is transferred to the four-year-old at-risk fund. Carryover funds will help support the succeeding year's budget.
6. **ADULT SUPPLEMENTAL FUND** – This fund consists primarily of fees collected for non-credit classes.
7. **K-12 AT-RISK FUND** – These funds have been transferred from the general fund to help finance the succeeding year's budget—normally spent within the first month of the fiscal year. The revenue generated by free lunch students must be spent on programs for students that meet the definition of at-risk and charged to this fund.
8. **BILINGUAL EDUCATION FUND** – Revenue in this fund comes from the school district's general fund. The general fund receives money from the state as a result of the weighting of bilingual students.

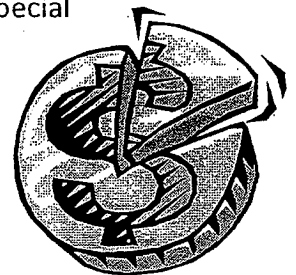


USD Budget: Fund Summaries

9. **VIRTUAL EDUCATION FUND** – These are funds transferred from the general fund to fund virtual education.
10. **CAPITAL OUTLAY FUND** – This money consists of mill levy that could vary from zero to eight mills. The money must be spent for capital outlay items as identified in state statutes. Revenue in this fund cannot be spent for operating expenses. Many school districts will try to build up cash in this fund for special projects.
11. **DRIVER TRAINING FUND** – Revenue in this fund is received from student fees, state driver education state aid, and transfers from the general fund. Carryover funds will help fund the succeeding year's budget.
12. **EXTRAORDINARY SCHOOL FUND** – This fund is used by very few school districts for before and after school programs. Revenue is received from fees and general fund transfers. The cash balance in this fund is normally very small.
13. **FOOD SERVICE** – This fund receives revenue from the federal government (approximately 70 percent), a small amount from the state, and student fees. Federal guidelines provide that this fund should not exceed a three-month operating balance unless there are special circumstances.
14. **PROFESSIONAL DEVELOPMENT** – The Kansas Legislature eliminated any state aid for professional development. Therefore, school districts have transferred some money into this fund from the general fund to finance professional development activities.
15. **PARENTS AS TEACHERS FUND** – All parents as teachers expenditures are paid from this fund. Revenue in this fund is state aid and transfers from the general fund. The district is required to match 65 percent of the state aid.
16. **SUMMER SCHOOL FUND** – Revenue in this fund consists of fees and general fund transfers. The cash balance in this fund is normally very small.
17. **SPECIAL EDUCATION FUND** – The money for special education is primarily transferred from the general fund to help operate special education programs for the first 3.5 months of the fiscal year. The state does not provide any money for special education until at least October 15 each year. There needs to be a reasonable balance in this fund in order to operate for the first 3.5 months of the fiscal year.

Special Note: USD budgets submitted for 2009-10 school year estimate that special education expenditures for the first 3.5 months of the fiscal year will be approximately \$224.7 million. Districts indicated they carried over approximately \$183 million.

18. **VOCATIONAL EDUCATION FUND** – Revenue in this fund consists of a small amount of federal Carl Perkins money and general fund transfers. The general fund receives money from the state as a result of the weighting of vocational students. The cash balance in this fund is normally very small.



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USD Budget: Fund Summaries

19. **GIFTS & GRANTS FUND** – This fund consists of gifts to the school district such as scholarships and individual gifts for a specific purpose. This fund may also include some private grants. Any balance carried forward is usually scholarship funds and can only be spent as per the wishes of the donor.
20. **SPECIAL LIABILITY FUND** – This money consists of a mill levy authorized for special liabilities such as attorney fees, judgments, etc.
21. **SPECIAL REVENUE FUND** – This special fund is used by very few school districts. This is primarily a reserve fund for health care, uninsured losses, and workman's compensation.
22. **CONTINGENCY RESERVE FUND** – This fund is authorized under law and recently increased by the Legislature from six percent to ten percent of the general fund for the purpose of allowing school districts to maintain an adequate contingency reserve for emergencies.
Special Note: School districts are authorized to have a cash balance of ten percent of their general fund in the contingency reserve fund. Budgets submitted for the 2009-10 school year indicate the statewide average carryover in the contingency reserve fund is 5.4 percent.
23. **TEXTBOOK & STUDENT MATERIAL REVOLVING FUND** – This fund consist primarily of fees for the purchase of textbooks and general fund transfers.
24. **TUITION REIMBURSEMENT FUND** – This is a holding fund for school districts with state contracts for special education services. The cash balance in this fund is normally very small.
25. **BOND & INTEREST #1 FUND** – Revenue in this fund is generated by a mill levy and is available for the payment of bond and interest. The majority of money will be used to pay principal and interest payments in the fall of the fiscal year.
26. **BOND & INTEREST #2 FUND** – Revenue in this fund is generated by a mil levy and is available for the payment of bond and interest. The majority of money will be used to pay principal and interest payments in the fall of the fiscal year.
27. **SPECIAL EDUCATION COOPERATIVE FUND** – Revenue in this fund is primarily for school districts who are a sponsoring district of a special education cooperative to fund the program until other resources become available.

Special Note: USD budgets submitted for 2009-10 school year estimate that special education cooperative expenditures for the first 3.5 months of the fiscal year will be approximately \$58.6 million. Districts indicated they carried over approximately \$24 million.

TOTAL – Total cash balance of unified school district budget reported July 1, 2009.

NOTE: The following funds receive revenue from the general and supplemental general funds: four-year-old at-risk, K-12 at-risk, bilingual, vocational, special education, food service, driver's education, professional development, and parents as teachers. If the fund has a cash balance to begin the year, then the transfer from the general fund can be reduced by that amount and transferred to another fund.

Fund	7/1/2009 Cash Balance	Percent of Total
Capital Outlay	451,672,840	30.13%
Bond & Interest #1	327,700,705	21.86%
Special Education	183,341,090	12.23%
Contingency Reserve	175,712,033	11.72%
Special Reserve	86,098,237	5.74%
Textbook	43,286,401	2.89%
Supplemental General Fund	42,183,718	2.81%
Food Service	41,223,348	2.75%
Special Education Cooperative	24,114,960	1.61%
Gifts/Grants	23,468,699	1.57%
At-Risk (K-12)	17,388,282	1.16%
Bond & Interest #2	16,550,982	1.10%
Professional Development	13,400,850	0.89%
Vocational Education	10,827,870	0.72%
Special Liability	8,693,872	0.58%
Driver Training	8,324,399	0.56%
Summer School	5,971,828	0.40%
Federal Funds	3,827,639	0.26%
Bilingual	3,435,130	0.23%
At-Risk (4-year old)	2,532,263	0.17%
Extraordinary School	2,385,556	0.16%
Parents as Teachers	2,220,704	0.15%
General Fund	1,435,657	0.10%
Adult Education	1,368,027	0.09%
Virtual	915,204	0.06%
School Retirement	504,675	0.03%
Adult Supplemental	252,131	0.02%
Tuition Reimbursement	65,878	0.00%
TOTAL	1,498,902,978	100.00%

2009-10 School Year
Beginning/Ending Cash Balances

Beginning Cash Balance--July 1, 2009	\$ 1,498,902,978
Less Capital Outlay, Bond and Interest, and Federal Fund Balance—July 1, 2009	(799,752,166)
Net Balance	\$ 699,150,812
Less End-of-Year Late Payment—June 30, 2010	(400,172,916)
Estimated Net Cash Balance—June 30, 2010	\$ 298,977,896

**Summary of School Finance Findings From School District Performance Audits
2006 to present**

Summary of the Audit Findings	Summary of Post-Audit's Recommendations	Summary of the Legislature's Actions
At-Risk Funding		
<p><u>At-Risk Weighting Level</u>—In our 2006 study of K-12 costs, we estimated that on average it cost 48% more in most districts to educate students who qualify for free lunches than it cost to education other students (almost 73% more in high-poverty, inner-city districts). At the time of the study, the at-risk weighting (for free-lunch students) was just more than 19%, with no additional weighting for high-poverty districts. (1)</p>	<p><i>no recommendation</i></p>	<p>2006 SB 549 increased the at-risk weighting gradually, from 0.193 in 2005-06, to 0.456 in 2008-09 and beyond. It also added a high-density at-risk weighting for districts with high concentrations of poverty. (Bills in subsequent years have made slight changes to high-density at-risk weighting.) <i>The bill passed both chambers and was signed into law.</i></p>
<p><u>Use of At-Risk Funding to Pay Existing Teachers</u>—Some districts used some of their additional at-risk funding to pay the salaries of existing regular education teachers instead of paying for new teachers or new services. This isn't addressed in statute, but is allowed under KSDE guidelines. (2)</p>	<p>The Legislature should decide if it is appropriate to use at-risk funds for current teachers, and if not, clarify the law to prohibit this.</p>	<p>2009 HB 2181 would have prohibited the use of at-risk funding for teachers unless they teach in at-risk, bilingual, or vocational education programs, or were added as part of a class size reduction effort. <i>The bill died in committee</i></p>
<p><u>Adults Counted When Calculating At-Risk Funding</u>—The State allows districts to use an alternative at-risk funding application so they don't lose funding when students who are eligible don't receive free lunches. However, many of these students are adults for whom the State normally wouldn't provide at-risk funding anyway. (3)</p>	<p>The Legislature should consider instituting an age limit for free-lunch students for the purposes of determining at-risk funding.</p>	<p>2007 HB 2337 would have excluded students age 21 and older from at-risk funding counts. <i>The bill died in committee.</i></p>
<p><u>Headcount vs. FTE Count</u>—Districts receive the full amount of at-risk funding for part-time students, because the State doesn't prorate the funding. (3)</p>	<p>The Legislature should consider changing the at-risk funding count from a headcount to a FTE count.</p>	<p>2007 HB 2338 would have based at-risk funding on free-lunch FTE counts (rather than headcounts). <i>The bill died in committee.</i></p>

Special Committee on Education
September 21, 2010
Attachment 3

**Summary of School Finance Findings From School District Performance Audits
2006 to present**

Summary of the Audit Findings	Summary of Post Audit's Recommendations	Summary of the Legislature's Actions
<p><u>Removing Ineligible Students From Free-Lunch Counts</u>—In 2005-06, there were more than 1,800 students who were counted for at-risk funding, even though it was later determined by school districts that the students weren't eligible. Because the students were eligible on September 20 (and ineligible later), KSDE contends State law says they should still be considered for at-risk funding. (3)</p>	<p><i>no recommendation</i></p>	<p>2010 HB 2410 would have required KSDE to remove a student from the at-risk count the district later determines that the student isn't eligible for free lunches. <i>The bill passed the House but died in Senate committee.</i></p>
<p>Bilingual Funding</p>		
<p><u>Headcount vs. FTE Count</u>—Full-time equivalent bilingual students are calculated in the school finance formula based on contact hours (time spent with a bilingual endorsed teacher). Because many bilingual services are provided by teachers who don't have this endorsement, this is a very poor measure of the number of bilingual students in a district. (1)</p>	<p><i>no recommendation</i></p>	<p>2007 HB 2399 would have changed the basis for bilingual funding from the current FTE measure to a headcount. <i>The bill died in committee.</i></p>
<p><u>Incentives for ESL Endorsements</u>—Most new teachers have taught at least one ESL student in their first couple of years, and don't feel adequately prepared to teach them. Schools with ESL students may benefit from having more teachers pursue a full ESL endorsement. (4)</p>	<p>The Legislature should consider creating financial incentives such as salary differentials or bonuses for teachers who obtain an ESL endorsement.</p>	<p>There was no direct legislative action on this recommendation. However, 2007 HB 2017 would have created the ESOL Commission to study the current and future ESL training needs for teachers. <i>The bill died in committee.</i></p>
<p>Vocational Education Funding</p>		
<p><u>Funding Non-Occupation-Specific Classes</u>—In 2006-07, districts received about \$5 million in vocational education funding for classes that focused on independent living skills, basic employment skills, or general study hall periods, rather than only funding classes that were related to a specific occupation. (5)</p>	<p>The Legislature should consider eliminating vocational education funding for courses that aren't related to a specific occupation.</p>	<p>2009 HB 2237 would have limited vocational education funding to occupation-specific courses, and specifically excluded courses on independent living skills, basic employment skills, and seminars or study halls. <i>The bill died in committee.</i></p>

**Summary of School Finance Findings From School District Performance Audits
2006 to present**

Summary of the Audit Findings	Summary of Post Audit's Recommendations	Summary of the Legislature's Actions
Transportation Funding		
<p><u>Error in the Transportation Formula</u>—The transportation funding formula has a math error that results in an over-allocation of costs to students who live more than 2.5 miles from school—those for whom the State helps pay transportation costs. Fixing the error would reduce transportation aid by about \$14 million. (1)</p>	<p><i>no recommendation</i></p>	<p>Provisions to fix the computation error have been included in a number of bills that would make other changes to transportation funding, such as 2006 HB 2686 (which would have reduced the mileage limit from 2.5 miles to 1.0 miles). <i>None of these bills have passed.</i></p>
Special Education Funding		
<p><u>Calculating Excess Costs</u>—The formula used to estimate the “excess costs” of special education significantly overstates the amount of regular education costs districts realistically can avoid when students are in special education, and therefore understates the excess costs. (1)</p>	<p><i>no recommendation</i></p>	<p><i>none</i></p>
<p><u>Replacing Lost Medicaid Funds</u>—Changes to school-based Medicaid in 2008 were going to cost the State and school districts almost \$24 million in Medicaid funding. While the Legislature replaced most of this funding through the normal funding formula, the formula didn't direct the funds to the districts that lost the Medicaid funding. (6)</p>	<p><i>no recommendation</i></p>	<p>2008 SB 531 created Medicaid replacement aid to address this issue with a sunset provision after 2010. 2010 SB 359 removed the sunset provision. <i>Both bills passed both chambers and were signed into law.</i></p>

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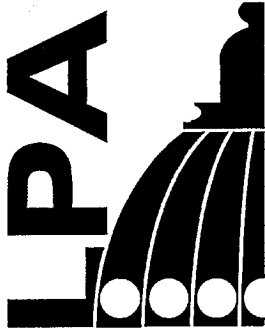
**Summary of School Finance Findings From School District Performance Audits
2006 to present**

Summary of the Audit Findings	Summary of Post-Audit's Recommendations	Summary of the Legislature's Actions
<p><u>Catastrophic Aid</u>—The number of claims for catastrophic aid increased significantly between 2008 and 2009, and likely would have increased even more in future years. The primary issues with the catastrophic formula included an eligibility threshold (\$25,000) that had never been adjusted for inflation, and provisions that allowed districts to include costs that already were covered by other types of aid (i.e., “double dipping”). (7)</p>	<p>The Legislature should change the formula to set a new threshold, make sure it has a built-in mechanism to adjust for future inflation, and eliminate “double dipping.”</p>	<p>2010 SB 359 increased the threshold to \$36,000 per student for 2010, tied the threshold to twice the amount of per teacher special education aid districts receive, and eliminated “double dipping.” <i>The bill passed both chambers and was signed into law.</i></p>
<p>Miscellaneous Funding Issues</p>		
<p><u>Virtual Schools</u>—We found numerous problems with the State’s oversight of virtual schools, and many of the specific risks inherent in operating virtual schools hadn’t been adequately addressed. Also, a situation in which officials from one school district “gave” their virtual students to nearby districts to manipulate State funding highlighted the need for more stringent oversight. (8)</p>	<p>The Legislature should appoint an interim committee to study virtual schools and make recommendations regarding how they should be regulated and funded.</p>	<p>2008 SB 669 (the Virtual School Act) addressed a number of issues with virtual schools. Among other things, the Act gave the Department of Education more authority over virtual schools, changed how they are funded, and created a virtual school fund for districts to make it easier to track spending for virtual schools. <i>The bill passed both chambers and was signed into law.</i></p>
<p><u>Second Count Date for Military Students</u>—The provision in State law that allowed districts a second count date (and potentially more funding) if they had a significant number of military students enroll after September 20 was unclear. (9)</p>	<p>The Legislature should clarify the law to make it clear if the second count should be based on a <u>gross</u> increase (just count the students who move in) or a <u>net</u> increase (count the students who move in, but deduct those who move out).</p>	<p>2009 HB 2002 extended the second count date provision and made it clear that it was based on a gross increase. <i>The bill passed both chambers and was signed into law.</i></p>
<p><u>Consolidation Incentives</u>—Kansas currently offers financial incentives to encourage consolidation that forego future savings but generally don’t cost the State additional money. The State could offer more aggressive incentives to encourage consolidation, but they likely will cost additional money. (10)</p>	<p>The Legislature should consider strengthening the incentives for districts to consolidate voluntarily.</p>	<p>none</p> <p align="right">3-4</p>

**Summary of School Finance Findings From School District Performance Audits
2006 to present**

Summary of the Audit Findings	Summary of Post Audit's Recommendations	Summary of the Legislature's Actions
<p><u>Contracting for Grades Between Districts</u>—A provision in State law that allows districts to contract with one another to provide instruction for entire grades of students likely delays voluntary consolidation and can cost the State a significant amount in low enrollment funding. (10)</p>	<p>The Legislature should consider either limiting the number of years districts are allowed to share entire grades with one another or eliminating the provision entirely.</p>	<p><i>none</i></p>
<p>Audit Reports:</p> <ul style="list-style-type: none"> (1) <i>Elementary and Secondary Education in Kansas: Estimating the Costs of K-12 Education Using Two Approaches (January 2006)</i> (2) <i>K-12 Education: Reviewing School Districts' At-Risk and Professional Development Programs (December 2008)</i> (3) <i>K-12 Education: Reviewing Free-Lunch Student Counts as the Basis for At-Risk Funding (November 2006)</i> (4) <i>K-12 Education: Assessing the Quality of English as a Second Language Preparation in Kansas Teacher Education Programs (April 2008)</i> (5) <i>K-12 Education: Reviewing the Cost of Vocational Education Programs (August 2007)</i> (6) <i>K-12 Education: Reviewing Issues Related to Special Education Funding (December 2007)</i> (7) <i>K-12 Education: Reviewing Issues Related to Catastrophic Funding for Special Education (October 2009)</i> (8) <i>K-12 Education: Reviewing Issues Related to Virtual Schools (April 2007)</i> (9) <i>K-12 Education: Estimating the Impact of a Second Count Date on School District Funding (February 2008)</i> (10) <i>K-12 Education: Reviewing the Potential for Cost Savings From Reorganization of Kansas School Districts (February 2010)</i> 		

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MEMORANDUM

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TO: Members, Special Committee on Education
FROM: Scott Frank, Interim Legislative Post Auditor
DATE: September 21, 2010
SUBJECT: Uniform School District Accounting Issues To Consider

Should the State require uniform recording or uniform reporting of expenditures?

Recording refers to how districts record the individual transactions in their accounting ledgers. Reporting refers to the type of information that is extracted from the accounting systems and reported to the state.

In a 2007 audit looking at centralized accounting practices for school districts, we surveyed 20 states that were similar to Kansas in terms of the number of school districts to find out what kind of accounting systems they use. Our results are summarized in the attached figure. We found that:

- All 20 states (including Kansas) had uniform systems for how school districts report their expenditures to the state.
- 14 of the 20 states also required school districts to record their transactions uniformly. Kansas is not one of these states.

What level of detail should the State require districts to report? Districts currently report expenditure information to the Department of Education along with their budgets. The attached printout from the Department's website for the Sabetha school district provides an example of what they report.

In the districts' underlying accounting systems, there are far more detailed records of the expenditures. I've attached printouts from the detailed records we obtained from Sabetha for a couple of expenditure categories to illustrate the level of detail that is available at the district level. However, because each district uses its own accounting system, comparisons across districts at this level are extremely difficult.

Should districts be required to report building-level expenditure data? Districts currently report their expenditure data to the Department at the district level. In other words, there's no way to break out expenditures by school building. I've attached a figure that summarizes information from the 20 states we surveyed in our 2007 audit regarding building-level accounting. As the figure shows, half of the states required school districts to report building-level expenditures to the state; the other half did not.

Special Committee on Education
September 21, 2010
Attachment 4

What should be done to ensure the accuracy of the expenditure data? One consistent problem we've found over the years with school district expenditure data is that districts don't always categorize their expenditures the same way. In general, we believe that most transactions are categorized in accordance with the State chart of accounts in Department's accounting handbook. However, in the cases where there is a significant miscategorization, it can significantly distort comparisons between school districts.

I've attached an excerpt from our 2009 audit looking at school district efficiency, which summarizes some of the data issues we found. In that audit, we recommended that Legislature consider requiring school districts to have their expenditure reports audited as part of their annual financial audits.

enclosures

sef

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**2007-08 General Fund Instruction Expenditures (USD 441 - Sabetha)
As Reported to KSDE**

2007-2008 School Year
Selected USD's

Data Items	441
USD Name	Sabetha
06-1000-110 General - INSTRUCTION- Regular Certified Salaries	3,002,155.00
06-1000-120 General - INSTRUCTION- Non-Certified	0
06-1000-210 General - INSTRUCTION- Group Insurance	120,500.00
06-1000-220 General - INSTRUCTION- Social Security	214,550.00
06-1000-290 General - INSTRUCTION- Other	1,777.00
06-1000-300 General - INSTRUCTION- Prof-Tech-Services	48,233.00
06-1000-400 General - INSTRUCTION- Purchase Property Services	0
06-1000-561 General - INSTRUCTION- Tuition-Oth-St-Lea's	0
06-1000-562 General - INSTRUCTION- Tuition/Lea-Out-State	0
06-1000-563 General - INSTRUCTION- Tuition-Priv-Sources	1,721.00
06-1000-590 General - INSTRUCTION- Other Purchased Services	0
06-1000-610 General - INSTRUCTION- General-Supp-(Teaching)	148,169.00
06-1000-644 General - INSTRUCTION- Textbooks	0
06-1000-650 General - INSTRUCTION- Supplies-Technology Related	0
06-1000-680 General - INSTRUCTION- Misc. Supplies	19,430.00
06-1000-700 General - INSTRUCTION- Property(Equip _ Furn)	221
06-1000-800 General - INSTRUCTION- Other	728

Source: Comparative Performance & Fiscal System (<http://cpfs.ksde.org/cpfs/>)

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06-1000-300 General - INSTRUCTION- Prof-Tech-Services

H-H

YEAR	DISTRICT_NUM	DISTRICT_NAME	FUND_NUM	FUND_NAME	FUNCT_NUM	FUNCTION	OBJ_NUM	OBJECT	DATE	VENDOR	DESCRIPTION	AMOUNT
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	300	PROF-TECH SERVICES	10/1/2007	DEB HARSHAW	MILEAGE-NCA VISIT	\$ 31.96
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	300	PROF-TECH SERVICES	10/1/2007	DENISE LOHNESS	MILEAGE - NCA VIS	\$ 28.20
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	300	PROF-TECH SERVICES	11/5/2007	NE KANSAS ED S	1ST 1/2ASSESSMNT-	\$ 6,600.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	300	PROF-TECH SERVICES	11/5/2007	S.E. KS. EDUCA	ITBS ANSWER SHEET	\$ 296.70
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	300	PROF-TECH SERVICES	12/3/2007	S.E. KS. EDUCA	IDL CLASS FEE-SPA	\$ 1,625.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	300	PROF-TECH SERVICES	12/3/2007	S.E. KS. EDUCA	IDL CLSS FEE-SPAN	\$ 3,250.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	300	PROF-TECH SERVICES	1/7/2008	CT PLAN	ACT PLAN SUPPLIES	\$ 469.20
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	300	PROF-TECH SERVICES	1/7/2008	S.E. KS. EDUCA	ACHIEVE.TEST SCOR	\$ 940.50
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	300	PROF-TECH SERVICES	2/4/2008	CT PLAN	ACT PLAN SUPPLS-W	\$ 128.80
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	300	PROF-TECH SERVICES	2/4/2008	NE KANSAS ED S	PAT UNITS-2ND HAL	\$ 6,600.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	300	PROF-TECH SERVICES	2/4/2008	S.E. KS. EDUCA	ACHIEVMNT TEST SC	\$ 4.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	300	PROF-TECH SERVICES	3/3/2008	CT PLAN	WORKKEYS PRACTCE	\$ 1.50
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	300	PROF-TECH SERVICES	6/30/2008	NCA CASI	ACCREDITATION DUE	\$ 625.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	300	PROF-TECH SERVICES	6/30/2008	NE KANSAS ED S	PARENTS AS TEACHE	\$ 14,300.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	300	PROF-TECH SERVICES	6/30/2008	S.E. KS. EDUCA	PDP TOOLBOX CONSO	\$ 2,316.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	300	PROF-TECH SERVICES	6/30/2008	S.E. KS. EDUCA	TECHNLGY MEDIA CE	\$ 5,515.65
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	300	PROF-TECH SERVICES	6/30/2008	S.E. KS. EDUCA	IDL NETWORK DUES	\$ 5,500.00
												\$ 48,232.51

Source: Detailed accounting records obtained from USD 441 - Sabetha by Legislative Post Audit.

06-1000-680 General - INSTRUCTION- Misc. Supplies

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YEAR	DISTRICT_NUM	DISTRICT_NAME	FUND_NUM	FUND_NAME	FUNCT_NUM	FUNCTION	OBJ_NUM	OBJECT	DATE	VENDOR	DESCRIPTION	AMOUNT
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	8/6/2007	XPEDX	SES COPY PAPER-MU	\$ 25.45
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	9/4/2007	PLANK ROAD PUB	MAGAZINES & CD'S	\$ 99.75
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	3/3/2008	HUME MUSIC COM	WAC BND INSTRMNT	\$ 40.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	4/7/2008	HUME MUSIC, IN	RED CHORAL FOLDER	\$ 38.50
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	5/5/2008	SENSENEY MUSIC	WAC MUSIC SUPPLIE	\$ 415.94
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	6/2/2008	HUME MUSIC, IN	SEA SONG TRILOGY	\$ 17.25
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	6/2/2008	HUME MUSIC, IN	FLIP FOLDERS	\$ 51.97
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	6/2/2008	SENSENEY MUSIC	WAC MUSIC SUPPLIE	\$ 24.95
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	6/30/2008	HUME MUSIC, IN	MAPEX DRUM SET	\$ 800.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	9/4/2007	PAXTONS	SHS LUMBER ORDER	\$ 3,687.81
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	9/4/2007	EDELMANS INC.	SHS LUMBER DELIVE	\$ 4.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	10/1/2007	TRUE VALUE HAR	T SHIRTS-SHS BAND	\$ 128.16
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	12/3/2007	MANNING MUSIC	SHS BAND SUPP-REI	\$ 27.50
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	1/14/2008		BAND SHOPPE - BAN	\$ 373.80
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	1/14/2008		BAND SHOPPE - BAN	\$ 59.80
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	1/14/2008		BAND SHOPPE - BAN	\$ 11.95
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	9/4/2007	PLANK ROAD PUB	PROCESSING FEE	\$ 2.50
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	10/1/2007	PLANK ROAD PUB	SES MUSIC SUPPLIE	\$ 343.24
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	10/1/2007	SCHOOL SPECIAL	SES MUSIC SUPPLIE	\$ 98.35
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	12/3/2007	MANNING MUSIC	SES BAND MUSIC-DI	\$ 16.85
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	12/3/2007	MANNING MUSIC	SES BAND SUPP.-DI	\$ 37.85
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	12/17/2007	CARDMEMBER SER	SES MUSIC SUPPLIE	\$ 101.25
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	3/3/2008	MANNING MUSIC	SES MUSIC SUPPLIE	\$ 212.68
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	4/7/2008	EDUCATIONAL RE	SES MUSIC SUPPLIE	\$ 245.73
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	4/7/2008	MUSIC IN MOTIO	SES MUSIC SUPPLIE	\$ 325.30
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	5/14/2008	CARDMEMBER SER	SES MUSIC SUPPLIE	\$ 120.30
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	6/30/2008	FRIENDSHIP HOU	SES MUSIC SUPPLIE	\$ 373.40
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	9/4/2007	MARCHING SHOW	MARCHING BAND SHO	\$ 450.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	9/4/2007	MARCHING SHOW	SHIPPING & HANDLI	\$ 22.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	10/1/2007	AND SHOPPE	SHS BAND SUPPLIES	\$ 373.80
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	10/1/2007	MANNING MUSIC	SMS BAND SUPPLIES	\$ 192.60
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	11/5/2007	AND SHOPPE	BLACK SPEEDSTER S	\$ 59.80
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	11/5/2007	AND SHOPPE	SHIPPING & HANDLI	\$ 11.95
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	11/5/2007	J. W. PEPPER	CAROLER'S HANDBOO	\$ 130.90
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	11/5/2007	J. W. PEPPER	ONE NIGHT ONLY	\$ 19.80
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	11/5/2007	J. W. PEPPER	SHIPPING & HANDLI	\$ 12.99
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	11/5/2007	MANNING MUSIC	SHS BAND SUPPLIES	\$ 228.20
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	11/5/2007	SENSENEY MUSIC	SHS VOCAL MUSIC S	\$ 579.85
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	11/5/2007	MANNING MUSIC	SHS BND INSTRMNT	\$ 686.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	12/3/2007	MANNING MUSIC	SHS INSTRMT REP-D	\$ 235.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	1/7/2008	HODA COX	CHOREOGRAPHY-SHS M	\$ 90.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	1/14/2008		BAND SHOPPE - BAN	\$ (373.80)
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	1/14/2008		BAND SHOPPE - BAN	\$ (59.80)

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YEAR	DISTRICT_NUM	DISTRICT_NAME	FUND_NUM	FUND_NAME	FUNCT_NUM	FUNCTION	OBJ_NUM	OBJECT	DATE	VENDOR	DESCRIPTION	AMOUNT
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	1/14/2008		BAND SHOPPE - BAN	\$ (11.95)
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	7/11/2007	H. P. FABER &	SMS TECH SUPPLIES	\$ 154.44
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	7/11/2007	NASCO	ECONOMY WHITE STU	\$ 52.65
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	7/11/2007	NASCO	SHIPPING & HANDLI	\$ 25.71
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	10/1/2007	MANNING MUSIC	SMS STDNT BAND SU	\$ 779.40
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	10/1/2007	TRUE VALUE HAR	T SHIRTS-SMS BAND	\$ 333.22
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	11/5/2007	LAMA	SERGER KITS - SMS	\$ 37.50
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	11/5/2007	LINDA WHITE	TSHIRT TRANSFERS-	\$ 26.71
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	11/5/2007	MANNING MUSIC	SMS MUSIC BKS-REI	\$ 277.30
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	11/5/2007	PINEAPPLE APPE	SMS SERGER KITS	\$ 146.38
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	12/3/2007	PITSCO/SYNERGI	BRASS WASHERS	\$ 32.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	12/3/2007	MANNING MUSIC	SMS MUSIC BOOKS-R	\$ 55.60
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	12/3/2007	MANNING MUSIC	SMS BAND SUPP.-RE	\$ 29.90
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	12/3/2007	MANNING MUSIC	SMS BAND SUPP.-RE	\$ 39.25
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	1/7/2008	MANNING MUSIC	RICO ALTO SAX 3	\$ 58.75
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	2/4/2008	ICKIE ANGELL	SHS VOCAL MUSIC S	\$ 10.62
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	3/3/2008	HODA COX	CHOREOGRAPHY-SHS	\$ 60.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	3/3/2008	SENSENEY MUSIC	SHS MUSIC SUPPLIE	\$ 43.08
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	4/7/2008	J. W. PEPPER	SHS BAND SUPPLIES	\$ 295.24
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	4/7/2008	SENSENEY MUSIC	SHS MUSIC SUPPLIE	\$ 186.41
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	4/7/2008	GREG ZIELKE	CLINICIAN FEE-SHS	\$ 200.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	4/14/2008	CARDMEMBER SER	MUSIC PURCHASED K	\$ 205.59
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	5/5/2008	KNAAK PIANO SE	PIANO TUNING	\$ 70.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	5/5/2008	MANNING MUSIC	SHS BAND SUPPLIES	\$ 26.75
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	6/2/2008	J. W. PEPPER	SHS BAND SUPPLIES	\$ 332.99
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	6/2/2008	J. W. PEPPER	SHS VOCAL MUSIC S	\$ 223.34
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	6/2/2008	J. W. PEPPER	POMP & CIRCUMSTAN	\$ 42.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	6/2/2008	US AWARDS INC.	SHS VOCAL MUSIC A	\$ 251.93
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	6/2/2008	MANNING MUSIC	SHS CLARINET REPA	\$ 30.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	1/7/2008	MANNING MUSIC	LESHER OBOE REED	\$ 30.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	1/7/2008	NASCO	VISIBLE HORSE MOD	\$ 91.50
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	1/7/2008	NASCO	SHIPPING & HANDLI	\$ 26.34
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	1/7/2008	EDELMANS INC.	SMS REIMB.SUPPLIE	\$ 14.68
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	2/4/2008	PITSCO/SYNERGI	SILVER SNAKE KEY	\$ 20.50
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	2/4/2008	PITSCO/SYNERGI	SHRINK ART PLASTI	\$ 6.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	2/4/2008	PITSCO/SYNERGI	SHIPPING & HANDLI	\$ 7.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	3/3/2008	LAMA	SERGER KITS-SMS MO	\$ 47.50
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	3/3/2008	PINEAPPLE APPE	SERGR KITS-SMS MO	\$ 87.44
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	4/15/2008		TRANS TECH TO REI	\$ 309.96
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	5/5/2008	LAMA	SERGER KITS-SMS	\$ 20.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	5/5/2008	PINEAPPLE APPE	SERGER KITS-SMS	\$ 30.48
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	9/4/2007	MANNING MUSIC	SMS MUSIC SUPPLIE	\$ 113.36
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	10/1/2007	KNAAK PIANO SE	SMS PIANO TUNING	\$ 70.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	11/5/2007	MANNING MUSIC	SMS BND INSTRMNT	\$ 426.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	11/5/2007	ICKIE ANGELL	SS VOCAL MUSIC SU	\$ 11.29

YEAR	DISTRICT_NUM	DISTRICT_NAME	FUND_NUM	FUND_NAME	FUNCT_NUM	FUNCTION	OBJ_NUM	OBJECT	DATE	VENDOR	DESCRIPTION	AMOUNT
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	12/3/2007	MANNING MUSIC	SMS MUSIC BOOKS-D	\$ 6.95
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	12/3/2007	MANNING MUSIC	SMS INSTRMT REP-D	\$ 185.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	1/7/2008	KNAAK PIANO SE	PIANO TUNING-SMS	\$ 70.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	3/3/2008	MANNING MUSIC	VITO CLARINET REP	\$ 60.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	3/3/2008	MANNING MUSIC	TENOR SAX REPAIR	\$ 40.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	4/7/2008	J. W. PEPPER	SMS BAND SUPPLIES	\$ 434.99
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	4/7/2008	ROW-LOFF PRODU	LIDS	\$ 25.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	4/7/2008	ROW-LOFF PRODU	STINKIN GARBAGE	\$ 20.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	4/7/2008	ROW-LOFF PRODU	SHIPPING & HANDLI	\$ 7.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	4/7/2008	SENSENEY MUSIC	SMS VOCAL MUSIC S	\$ 225.40
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	4/14/2008	CARDMEMBER SER	MUSIC PURCHASED K	\$ 320.42
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	5/5/2008	MANNING MUSIC	BASS DRUM REPAIR-	\$ 20.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	6/30/2008	MANNING MUSIC	SMS BAND SUPPLIES	\$ 477.75
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	9/4/2007	SENSENEY MUSIC	WAC MUSIC CLASS S	\$ 364.89
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	9/4/2007	MAKE MUSIC INC	SMART MUSIC SUB.-	\$ 100.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	11/5/2007	SENSENEY MUSIC	WAC MUSIC SUPPLIE	\$ 399.90
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	11/5/2007	TAMS-WITMARK M	ROYALTY/RENT - WA	\$ 410.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	11/5/2007	TAMS-WITMARK M	SHIPPING/HANDLNG/	\$ 78.75
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	11/12/2007	WETMORE SCHOOL	MUSICAL SUPPLIES	\$ 44.64
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	2/4/2008	HUME MUSIC, IN	SNARE SIDE DRUM H	\$ 14.96
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	2/4/2008	HUME MUSIC, IN	TENOR SAXOPHONE	\$ 40.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	2/4/2008	SENSENEY MUSIC	SANTA BABY SHOW T	\$ 26.59
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	2/4/2008	HUME MUSIC COM	LABOR-WAC BAND IN	\$ 40.00
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	3/3/2008	SENSENEY MUSIC	WAC MUSIC SUPPLIE	\$ 226.76
2008	D0441	SABETHA	06	GENERAL FUND	1000	INSTRUCTION	680	MISC SUPPLIES	3/3/2008	SENSENEY MUSIC	WAC MUSIC SUPPLIE	\$ 120.45
												\$ 19,429.88

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Source: Detailed accounting records obtained from USD 441 - Sabetha by Legislative Post Audit.

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**Types of Accounting Systems
Used in a Sample of 20 States and Kansas**

Description of Different Types of Accounting Systems	Does the Accounting System Have...			States We Identified That Have This Type of Accounting System
	...a Single Computer System?	...a Single Set of Rules for Recording Transactions?	...a Single Set of Rules for Reporting?	
Centralized system for recording transactions and reporting accounting information —All school districts in a state record their financial transactions in a single, centrally managed computer and accounting system. Under a centralized accounting system, districts are required to follow the business rules and numbering schemes (called a uniform “chart of accounts”) established by the state. The chart of accounts specifies the level of detail that needs to be recorded—such as by fund, category of expenditure, building, program, or grade level.	YES	YES	YES	<u>No States</u>
Standardized system for recording transactions and reporting accounting information —This system is similar to the centralized accounting system described above, except school districts record their financial transactions in their own accounting systems, and report that information to the state’s department of education—usually electronically or over an Internet-based reporting system.	no (a)	YES	YES	14 States Arizona, Arkansas, Colorado, Iowa, Kentucky, Massachusetts, Minnesota, Missouri, New Hampshire, North Dakota, Oklahoma, Oregon, Pennsylvania, Wisconsin
Standardized system for reporting accounting information, but a non-standardized system for recording transactions —Under this structure, the state adopts a uniform chart of accounts for districts to use in reporting their accounting transactions, but districts aren’t required to record their financial information in these same categories. If districts record revenues or expenditures using different accounting codes, they must be able to “cross-walk” that information into an existing code when they report their accounting information up to the state. <i>This is the type of system used in Kansas.</i>	no	no	YES	6 States Georgia, Indiana, KANSAS , Maine, Nebraska, Vermont, Washington
Non-standardized system for recording transactions and reporting accounting information —Under this system, districts would be allowed to record and report their accounting information however they like, and the state department of education would categorize that information in a way that meets federal reporting requirements.	no	no	no	<u>No States</u>

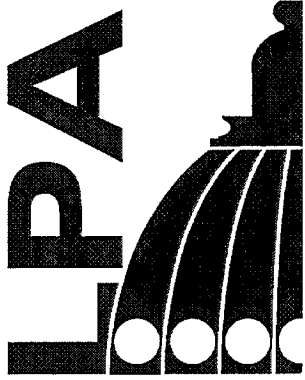
(a) Although their computer systems aren’t maintained centrally, Arkansas and Kentucky do require all school districts to use the same accounting software.

Source: Legislative Post Audit analysis in *K-12 Education: Comparing the Centralization of School District Accounting in Different States (07PA14)*.

**Summary of Policies on Building-Based Accounting for
K-12 Education Expenditures in a Sample of States**

State	Does the state require school districts to...		Additional Notes
	...account for expenditures at the building level?	...report expenditures to the state at the building level?	
Arizona	YES	No	Arizona officials indicated that they planned to begin requiring building-level reporting after 2006-07 school year. [NOTE: This did end up happening.]
Arkansas	YES	YES	Building-level accounting and reporting is required for instructional, student support, and school administration function expenses.
Colorado	No	No	
Florida	YES	YES	
Georgia	YES	YES	
Indiana	YES	YES	
Iowa	No	No	
Kansas	No	No	
Kentucky	YES	YES	
Maine	YES	YES	Building-level accounting and reporting is required for certain program areas.
Massachusetts	YES	YES	Building-level accounting and reporting is required for instructional expenditures.
Minnesota	YES	YES	
Missouri	No	No	
Nebraska	No	No	
New Hampshire	No	No	
North Dakota	No	No	
Oklahoma	No	No	
Oregon	YES	YES	
Pennsylvania	No	No	
Vermont	No	No	
Washington	No	No	
Wisconsin	No	No	

Source: January 2007 Legislative Post Audit survey of state departments of education.



PERFORMANCE AUDIT REPORT

K-12 Education: School District Efficiency Audits

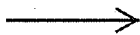
A Report to the Legislative Post Audit Committee
By the Legislative Division of Post Audit
State of Kansas

July 2009 4-10

spending on compensation, we noted some other trends among districts that spent more than their peers:

- districts that contracted for bus services tended to spend more per rider on transportation
- districts that operated more school buildings tended to spend more per student on school-level administration
- districts that spent more on district-level administration tended to spend more on property and liability insurance

It's important to keep in mind that there's a limit to what can be concluded about a district's efficiency just from analyzing the data. The data can help identify where a district spends more (e.g., salaries for district administration), but not why it spends more. Understanding that requires a deeper look at the processes and procedures of the district and its peers.



School districts didn't always report certain types of data consistently, making meaningful comparisons difficult. As noted earlier, school districts need comparable expenditure and staffing data for themselves and their peers to make meaningful comparisons regarding how efficiently they are operating. One of the problems we encountered during this audit was with the reliability of the data school districts provided to the Department. Some of the issues we found included:

- **Districts sometimes mis-categorize expenditures, especially between student support and instruction support**—While the State accounting handbook provided by the Department provides good guidance to districts on how to categorize spending, districts don't always follow it. For example, the Goessel school district reported spending an average of \$4 per student on student support services for the 2006-07 and 2007-08 school years (on average, the 121 districts we looked at spend \$242 per student). When we followed up with the district, officials told us they contract with a service center for a variety of support services, including psychological services. While these services clearly are defined as student support in the state handbook, the district categorizes these and other expenditures with the service center as instruction. We found similar problems in a 2002 audit looking at school district budget formats.
- **The staffing data districts report aren't always reliable**—We identified a number of situations where a district's staffing data weren't consistent with their expenditure data, such as districts that reported spending for salaries in a functional area but no staff. For example, in 2007, the Eureka school district reported just more than \$135,000 in salaries for non-certified school-level administrative staff, yet the district's staffing data showed no such employees. In other cases we saw the opposite, such as the Kingman-Norwich school district, which reported having almost five non-certified school-level administrative staff in 2007 and 2008, but didn't report any salary expenditures for these employees.

In general, most districts probably categorized their expenditure and staffing data correctly. However, this kind of misreporting, even if it's relatively rare, causes problems when trying to compare districts to identify areas where they could become more efficient. For example, it would be impossible for the Goessel school district to make meaningful comparisons of its per-student spending on either student support or instruction support.

Conclusion:

As directed by the 2010 Commission, this audit was limited to looking only at high-level school district data maintained by the Department of Education to try to identify patterns or trends that might shed more light on districts' operational efficiency. Although we realize that on-site audits can take district officials' time and resources, and that district officials have been scouring their budgets looking for ways to reduce costs without harming their educational programs if possible, we think the efficiency audits envisioned in the enabling legislation that created the Commission can serve a vital role in helping districts identify additional efficiencies that may exist.

We strongly believe that the current fiscal situation—which may linger for some time—makes it all the more important that school districts find ways to make their operations more efficient. That's true not only from districts' perspective, but also from the State's perspective, which currently spends more than \$3.3 billion a year on educating K-12 students.

Recommendations for Executive Action:

1. To help ensure that the expenditure and staffing data school districts report to the Department of Education are complete and categorized accurately, and to provide districts, school boards, Department officials, and the Legislature with more meaningful information for comparison purposes, the Department should provide additional guidance to district staff on how to report their expenditures according to the Kansas Accounting Notebook. In developing that guidance, the Department should place particular emphasis on the areas of student support, instruction support, district-level administration, and school-level administration. Those are areas school districts frequently report their expenditure or staffing data inaccurately. The Department also should provide additional guidance to district staff on how to properly categorize staffing counts in their annual personnel reports.

4-12

***Recommendations for
Legislative Action:***

1. To help ensure that the expenditure and staffing data that school districts report to the Department of Education are complete and categorized accurately, and to provide districts, school boards, Department officials, and the Legislature with more meaningful information for comparison purposes, the House Education Committee or Senate Education Committee should introduce legislation requiring school districts to have those reports audited as part of their annual financial audits.
2. To help identify ways districts can make their operations more efficient without harming their educational programs, the Legislative Post Audit Committee or the 2010 Commission should consider approving an in-depth efficiency audit looking at whether school districts are managing their personnel, facilities, and other resources in an efficient and economical manner.

4-13

Relevant Efficient Academic Learning Education Act

Is every student in Kansas schools being
educated to their best potential?

Do you know someone who, although
graduated from HS, just muddled through
for several years.

If you asked high school kids to describe school in one word, what word would they choose?

Boring

Is boredom a desirable condition for learning to occur?

3

Some Background Facts:

Of all the High School graduates in Kansas, only 20-22% need a Bachelors or higher degree to be successful in their chosen profession or trade.

All students need some form of training to be successful in their chosen profession or trade.

The Reading level required for college is the same as the reading level required for CTE classes. Different reading skills, but the same level.

Not every student obtains a suitable education, as evidenced by the fact that up to 30% of entering freshman at Regents schools need to take remedial Math &/or English.

Many students either drop out physically or drop out mentally if they believe that the classes they are attending are not relevant to what they want to do. In other words, they are bored.

All students learn in different ways... notably, many students learn better in an environment that is "hands on."

Does This Look Familiar?

<u>9th Grade</u>	<u>10th Grade</u>	<u>11th Grade</u>	<u>12th Grade</u>
English (Literature & Composition)	English (Literature & Composition)	English (Literature & Composition)	English (Literature, Composition & Grammar)
Algebra	Algebra*	Rhetoric (Speech)	Trigonometry, 1/2 yr.
History	Geometry	Algebra*	Higher Algebra, 1/2 yr.
Foreign Language	Astronomy	Geometry	Physics
	Botany or Zoology (Biology)	Chemistry	Anatomy, Physiology, and Hygiene
	History	History	History
	Foreign Language	Foreign Language	Geol. or Physiography
			Meteorology,
			Foreign Language

* Option of book-keeping or commercial arithmetic.



Charles W. Eliot

The President of Harvard University in 1892 had a problem

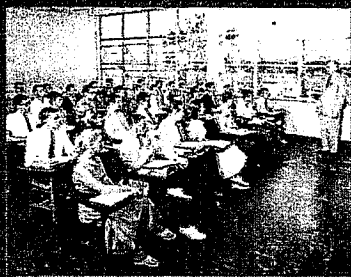
So he agreed to chair the "Committee of 10"

And... they defined the "College Bound" Curriculum ...

It was a curriculum that every student took, until they graduated or dropped out.

Thus, the "look and feel" of the modern classroom came into being.

1900 Classroom



1950 Classroom

Classroom in the 2000's



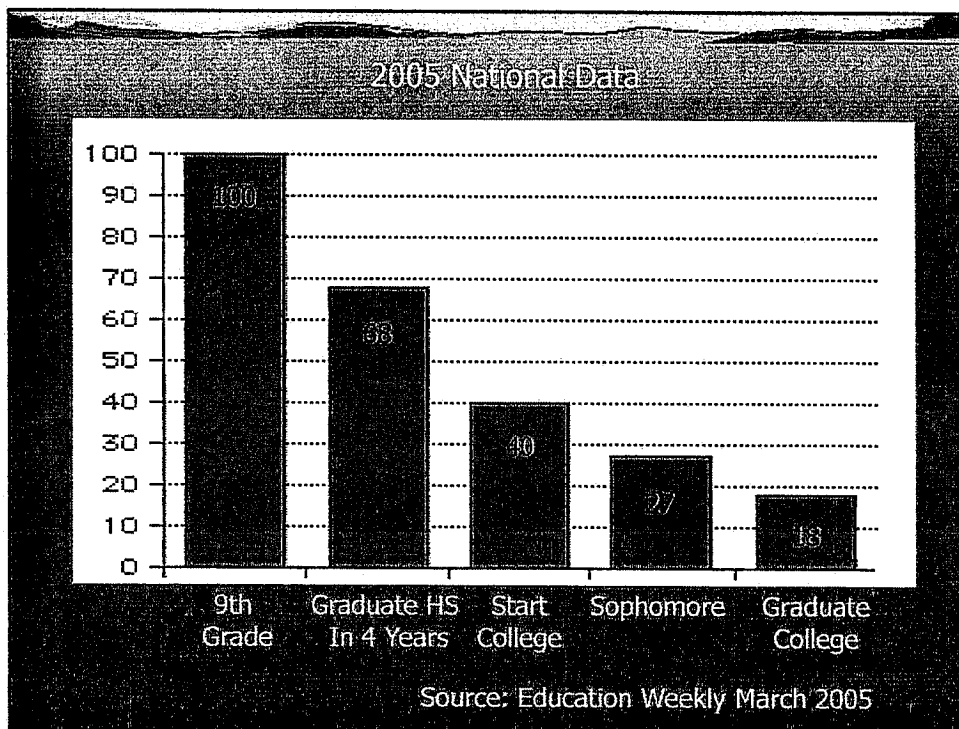
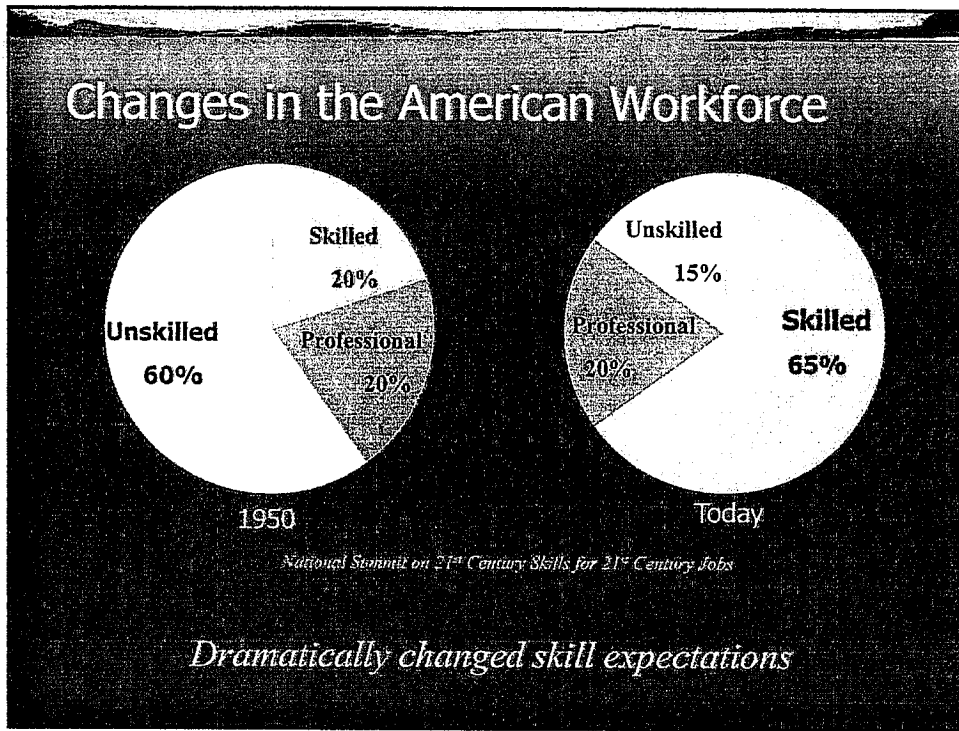
Compared to society in 1892, is our society different?

9th Grade	10th Grade	11th Grade	12th Grade
English (Literature & Composition) Algebra History Foreign Language	English (Literature & Composition) Algebra* Geometry Astronomy Botany or Zoology (Biology) History Foreign Language	English (Literature & Composition) Rhetoric (Speech) Algebra* Geometry Chemistry History Foreign Language	English (Literature, Composition & Grammar) Trigonometry, 1/2 yr. Higher Algebra, 1/2 yr. Physics Anatomy, Physiology, and Hygiene History Geol. or Physiography Meteorology, Foreign Language

* Option of book-keeping or commercial arithmetic.

Virtually every mission statement in Kansas details the idea that "we should prepare kids to be productive members of society."

But society has changed since 1892 and thus, so should our graduation curriculum requirements.



71% of students surveyed said they do the bare minimum to get by in schools.

Center for Education Reform. "The American Education Diet: Can U.S. Students Survive on Junk Food."

What are the objectives?

Create greater opportunities for success for students in graduation and career with relevance.

Encourage the concept of Career and Tech Ed (CTE) for all students, no matter whether as a brain surgeon, welder or teacher. Current law does not do so.

Create opportunities for the student to maximize his/her potential

Develop a system that will assist students, parents and educators, as they move forward in making the best decisions for the student.

Create opportunities for economic development.

Place greater emphasis on aligning those who are responsible for educational attainment and those who are responsible for raising taxes.

Essential Elements of the New Education Paradigm

1) Every student develops an "Individual Career Plan".

This plan is **started** to be developed in 6th grade after taking the Kuder Career Assessment test on Ks Career Pipeline / Dept of Commerce website. The student would then take some survey classes of possible careers. This plan is developed by the student and their parents with a Career Development Facilitator (CDF) acting as a facilitator.

Every year during MS & HS, the plan is reviewed to see what adjustments may need to be made.

2) All USD's would be required to offer several, but not necessarily all of the curriculum strands from within the KSBE 16 career clusters, in addition to traditional classes for those students that prefer that type of classroom.

The CTE strands offered would all culminate with a trade or industry certification that is recognized across the nation or within the state.

The end goal being that the student would be fully prepared for the world of work, and/or post secondary education.

3) Interactive Project Learning by Doing for CTE is approved and encouraged. ESSDACK has completed a web site where they have compiled all CURRENTLY available online CTE classes.

This allows those small districts that may not have sufficient student population to fully develop their own internal CTE strand, to be able to offer some of those strands that are desired by the students.

4) Students would be able to acquire part or all of the necessary graduation credits for math, science and language arts from within CTE classes.

5) The KSBE will develop rules and regs. In doing so, the KSBE would also be responsible for determining performance standards and graduation standards that are compatible with the National Certification Process of the various Technical Certification programs.

Essential Elements of the New Education Finance Formula

1) Every USD uses a common chart of accounts, this would make it easier to identify those costs associated with Instructional Costs.

The basic premise is that Instructional Costs would be fully funded from the State General Fund (SGF) and the current 20 mill property tax.

2) All costs other than Instructional Costs, (all Non-instructional costs) would be funded by the local board thru state equalized property tax (or perhaps some other tax).

3) For districts that have less than 300 FTE; if they voluntarily consolidate , the resultant district gets a 5% bonus in the state portion of non-instructional funds for 3 years.

4) Every student is assigned an Personal Student Scholarship (PSS). Instructional Cost Monies from the SGF would go into the PSS for each student. The monies deposited in this account would be used only for Instructional costs.

The PSS follows the student, thus, if the student moves to another USD, then the PSS follows.

Conclusions

A) this plan encourages and helps each student to maximize their potential whether in CTE setting or a more traditional setting,

B) the number of Behavioral Disorder (BD) students would likely go down because they would have something they want to study... something that is relevant to their desires. It is also "hands on" learning and they would not have to sit at a desk all the time,

C) the graduation rate would go up, and

D) the rate of those who graduate and actually have achieved something with which they can be successful will go up.

E) it would be a huge Economic Development driver for not only metro Wichita and metro KC, but also for the vast majority of our more rural areas.... Because of the entrepreneurial nature of the CTE classes.

F) It will help relieve pressure on our judicial system and social welfare system.

G) Most important, it would be good for a large number of students that don't find the current education system "relevant."

If we do this, we can ...

inspire every student to identify what it is that they are so *passionate* about that they begin the journey to becoming *remarkable* at it.

If we do this, we can ...

inspire every student to identify what it is that they are so *passionate* about that they begin the journey to becoming *remarkable* at it.

A big component of this is that the curriculum must be relevant to what the student wants to study.

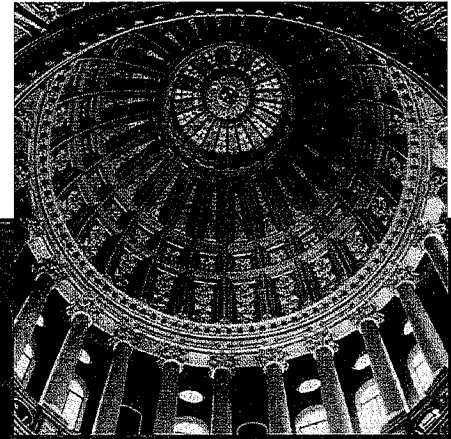
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Questions



NATIONAL CONFERENCE
of STATE LEGISLATURES

The Forum for America's Ideas



Education at a Crossroads

A New Path for Federal and State Education Policy



Special Committee on Education
September 21, 2010
Attachment 6

Education at a Crossroads

A New Path for Federal and State Education Policy

FINDINGS and RECOMMENDATIONS
of the
NCSL TASK FORCE ON FEDERAL EDUCATION POLICY



NATIONAL CONFERENCE
of STATE LEGISLATURES
The Forum for America's Ideas

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The National Conference of State Legislatures is the bipartisan organization that serves the legislators and staffs of the states, commonwealths and territories.

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- To improve the quality and effectiveness of state legislatures.
- To promote policy innovation and communication among state legislatures.
- To ensure state legislatures a strong, cohesive voice in the federal system.

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THE NCSL EDUCATION TASK FORCE

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David Shreve
Robert Strange

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TASK FORCE MEETINGS

April 28, 2008
Washington, D.C.

December 13-14, 2008
Atlanta, Ga.

June 5-6, 2008
Denver, Colo.

January 29-30, 2009
Tucson, Ariz.

July 26, 2008
New Orleans, La.

July 22, 2009
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OVERVIEW

"Were we directed from Washington when to sow and when to reap, we should soon want bread."
—Thomas Jefferson

"Good laws lead to the making of better ones; bad ones bring about worse"
—Jean-Jacques Rousseau, 1712 - 1778

"The most delicious of all privileges—spending other people's money."
—John Randolph, Member of Congress, Virginia. 1799-1813

In recent years, driven by members of Congress and presidents from both parties, federal involvement in the day-to-day operations of the K-12 system has radically increased and is "upside-down," overemphasizing compliance with federal process requirements and underemphasizing results—specifically improving the academic achievement of all students, especially poor and minority students. Student achievement is improving marginally on the same trajectory as it has for the past decade, but the achievement gap between advantaged and disadvantaged students persists. Clearly neither federal top-down mandates nor categorical and competitive grant resources have significantly affected student achievement.

By statute and constitution our system of K-12 education administration is overwhelmingly a state responsibility. The prescribed federal role is one of supplementing state and local efforts, providing additional resources for disadvantaged learners and conducting research into best practices and proven reforms.

The effects of federal policy are now grossly disproportionate to its contribution to the K-12 endeavor. If we continue on our current policy path, federal resources, which now account for slightly more than 7 percent of the enterprise, will drag the entire system into the rabbit-hole world where compliance with federal dictums masquerades as reform.

If we continue on the current path, we should expect one of two results: the federal government provides an additional \$500 billion per year to take over the entire system, leaving state and local governance partners as wholly owned subsidiaries or the federal government "captures" (by more aggressive and intrusive condition of grant requirements) state and local revenues (primarily in the form of property taxes) and directs from Washington expenditures of all revenues and also administers the system. We find neither of these options practical (federal deficits will preclude any significant increase in federal appropriations) or productive (effectively

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delivering and administering educational services for the entire K-12 system from Washington, D.C.) or responsive to the diverse needs of students nationwide.

Our children deserve better. They deserve an education system where resources—whatever their source—are maximized, not spent on procedural and compliance issues. They deserve—and we should require—that federal resources enhance state structures and support state efforts.

The NCSL Task Force on Federal Education Policy offers some recommendations for a more clearly defined and productive role for the federal government. Specifically:

- Concentrate available federal funding on those populations most at-risk, using a research-based formula that emphasizes the neediest students instead of trying to leverage system-wide reforms with the 7 percent federal contribution.
- Funding IDEA at promised levels would immediately free \$16 billion annually that, because of federal maintenance of effort requirements, would be redirected to reform and innovation at the state and local levels.
- Make permanent changes to the tax credit provisions of the bonding laws that apply to school construction. This action also would free tens of billions of dollars in state and local resources that would otherwise be spent on debt-service for school bonds.
- Revitalize the federal focus on research and reporting on what works and why without picking or mandating how and when “winning strategies” should be required by law or “encouraged” by withholding additional federal resources
- Use any remaining funding to reward and encourage true innovation—not conformity with others or compliance with a checklist of reforms, but progress toward performance gains.

The NCSL Task Force on Federal Education Policy believes that the shortcomings of the U.S. K-12 system reflect the shortcomings of our society. Federal intervention in the K-12 system—largely through process and compliance actions—has helped to address the most blatant and egregious of the historical access and equity issues. But neither state nor federal actions have addressed the economic disparity that so often predicts disadvantaged student achievement. That has not stopped federal policymakers from applying process-oriented solutions to far more complex problems with disastrous results, i.e., No Child Left Behind. Student achievement gains do not occur because the federal government reaches beyond its capacity to mandate universal administrative processes or universal student achievement. Federal overreach simply usurps the role of states and localities in the process and adds to the confusing array of reforms that parents and educators continually face.

If we are to maximize our efforts and resources, the business of K-12 policy, like any endeavor, should be focused, transparent and have clearly defined roles for all. It appears to the members of the task force that the goals of the K-12 system would be more transparent and its efforts more focused on student achievement if each of the players in the governance system reevaluated its role and directed its energy and resources toward those policy issues it can most effectively carry out.

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THE FUTURE OF FEDERAL EDUCATION POLICY

In February 2005, after nine months of meetings and deliberations, the bipartisan NCSL Task Force on No Child Left Behind issued *Delivering the Promise: State Recommendations for Improving No Child Left Behind*. The report analyzed the structure and implementation of the No Child Left Behind Act (NCLB) and documented not only its promise, but also its overreach and weaknesses. Although the report was comprehensive, it did not exhaustively evaluate federal education policy, nor did it make broad recommendations for the future of federal education policy. As a result, a follow-up NCSL Task Force on Federal Education Policy was formed in June 2008 to focus on describing a productive and effective role for the federal government in reforming the state and locally funded and administered K-12 system. The new task force presents this report to help frame the impending discussion of the role of the states and the federal government in preparing our children for the challenges of a world economy.

Federal education policy is upside-down, overemphasizing compliance with federal process requirements and underemphasizing results—specifically improving the academic achievements of all students, especially poor and minority students. In the corridors of Congress, writings of academics and the words of the current administration, growing consensus indicates that the No Child Left Behind Act's top-down, process-focused approach is counter-productive, as is the latest iteration of the Individuals with Disabilities Education Act (IDEA). (The latest IDEA reauthorization, enacted in 2005, added 20 “performance indicators,” of which nearly half—according to the Department of Education—are indicators of compliance, not of performance). The NCLB version of the Elementary and Secondary Education Act (ESEA), which along with IDEA is the primary expression of federal K-12 policy, needs a new direction. Table 1 provides examples of process/compliance policy versus a results-oriented federal policy.

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Table 1. Federal Education Policy: Process or Result Orientation?	
Process	Results
Highly qualified teachers defined by coursework and resumes.	Highly effective teacher defined by effect on student learning. (Indications that current administrative policy is moving in this direction.)
Accountability defined as rigid adherence to federal formula defining "proficiency."	Accountability defined by student advancement of one or more grade levels per academic year.
Adoption of common standards required without research support to indicate they are appropriate for all states or that they have a positive effect on student learning.	Fix faulty adequate yearly progress provisions in ESEA/NCLB to remove incentives, (inherent in current federal law) to relax standards.
States required to accept arbitrary federal determination of number of charter authorizations.	States maintain authority over charter authorization based on effectiveness of charters in the state.
Required inclusion of "acceptable" approaches to remedial reading programs to be favorably considered for competitive grants.	Defer to states to determine what remedial reading strategies or combination of strategies is most appropriate.

During its deliberations from June 2008 to the release of this document, the NCSL Task Force on Federal Education Policy has considered that new direction as framed by two famous Yankees. Poet Robert Frost's well-read work, "The Road Not Taken," reflects on choices made and the irony of regret. Yogi Berra's perspective was, "When you come to a fork in the road, you should take it." The debate over the future of federal education policy may seem an arbitrary choice without immediate consequence, but it is one that has both subtle and serious implications for the future of our children and the nation.

Background

Four components listed below outline state and federal constitutional and statutory authority and define the role of the federal government in K-12 policy.

- The 10th Amendment to the U.S. Constitution implicitly identifies education as a function of state government.
- The authorizing statute creating the U.S. Department of Education circumscribes the federal role by expressly identifying responsibility for education as "reserved to the States" and prohibiting "any department, agency, officer or employee of the United State to exercise any direction, supervision or control over the curriculum ... of any educational institution, school or school system..."
- Section 9527 in ESEA/NCLB restricts "any officer or employee of the federal government to mandate, direct or control a state, local educational agency, or school's curriculum, program of instruction, or allocation of state or local resources, or mandate a state or any subdivision thereof to spend any funds or incur any costs not paid for under this act."

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- The authorizing statute creating the U.S. Department of Education also specifically defines the purpose for its creation as “supplementing and complementing the efforts of states,” “supporting research,” strengthening federal support for “equal access to educational opportunity,” and increasing the accountability of federal education programs to the president, the Congress and the public.

Direct Federal Role

The focus of the federal role in K-12 policy as we know it today began to take shape in the 1960s with establishment of the Compensatory Education (now ESEA/NCLB) and Head Start programs and the Education of the Handicapped Act Amendments (now IDEA) of the mid-1970s. The federal government’s initiatives of the 1960s and 1970s did not attempt to broadly expand federal authority, but to encourage and help finance programs for children with special needs—those whose developmental needs require compensatory education, those who would benefit from early childhood education, and those whose disabilities require special education. In both the compensatory and special education cases, the underlying federal program authorization identified appropriations of up to 40 percent above average per-pupil expenditures to provide each of these services.

Financing

Financing for the Title I and the IDEA program has never approached the 40 percent targets established in the initial legislation. The failure to fully fund IDEA alone represents more than a \$261 billion cumulative burden that has been passed to states, school districts and, ultimately, to local taxpayers. This ongoing burden on school budgets not only limits state and local policymakers’ ability to innovate and experiment with effective methods of enhancing student achievement, but also severely burdens state and local taxpayers.

The No Child Left Behind Act of 2002

During the past two decades, the reach of federal education policy increased, culminating with the *No Child Left Behind Act of 2002*. With passage of NCLB, the federal government was centrally placed, for the first time, in the decisions made in local schools. According to Checker Finn and Frederick Hess, two well-known conservative education policy specialists, NCLB’s “sprawling 1,100-plus pages radically overhaul the federal role in education, rewrite the rules, and reassign power—including more to Washington than ever before.” In comparison, Sam Halperin, an author of the original ESEA, noted that “none of the original ESEA creators could have foreseen the incredible intrusiveness of the federal government as now ensconced in NCLB. Only the opponents of ESEA—out of their fears—could predict the feds getting into everything.”

Not only was the law intrusive, but its implementation, remedies and unrealistic mandated 100 percent proficiency requirements put an enormous strain on state and local K-12 budgets. The uneven, arbitrary and capricious implementation underscored a federal agency’s inability to effectively manage the day-to-day operations of such a large and diverse endeavor. In addition, the department’s own inspector general found politics and corruption in the award of competitive grants addressing reading deficiencies. Only the hubris of appointed bureaucrats

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could fuel the belief that the federal government knows best what students should be taught, tested on and held accountable for in the classrooms of Salt Lake, Topeka, Poughkeepsie and Raleigh.

This federal intrusion into state and local education decisions is a powerful blow to state and local policymakers who must raise revenues to support federal mandates. The refusal of federal policymakers to provide contributions proportionate to their K-12 presence is akin to rubbing salt in the resulting wound. State and local officials raise additional revenues to comply with federal mandates that tell them how to spend their own money. In fact, federal contributions have not grown and still account for slightly more than 7 cents of every \$1 spent on education. Neither does consensus exist nor research support that the radically expanded federal policy has positively affected student achievement. Instead, nearly all long-term measures indicate the achievement gap endures and the differential achievement of poor and minority children persists.

Outline of Task Force Discussions

If increasing federal authority and intervention is not demonstrably narrowing the “achievement gap” or raising the achievement levels of disadvantaged students, task force members asked, “Why not?” To determine the answer, this bipartisan group of state policymakers examined a list of significant reforms initiated during the last two decades and attempted to evaluate the effects of federal actions on key reform elements. The group also attempted to develop some guiding principles under which federal action and resources might leverage more substantial change.

The task force believes no single reason can explain the difficulty of raising the academic performance of the 35 percent of the population considered “disadvantaged” by federal law, just as no single strategy can remedy these disparities. If student achievement is to be fully realized, however, all K-12 resources, whatever their source, must be put to maximum use. Resources must include fulfilling the commitments to states and local school districts of 40 percent of the excess cost of educating a special needs student to help relieve the cumulative and continuing burden of 30 years of broken federal funding promises.

Summary of Federal Involvement

Historically, federal education policy focused on righting wrongs and guaranteeing equal opportunity for the disabled and the disadvantaged. Federal law ensured civil rights and access. Overt process and compliance issues lent themselves to overt process and compliance remedies.

Somewhere along the way, however, the process and compliance paradigm was applied to systemic problems that could not be remedied by the same approach. For example, differential learning and achievement, successful intervention in failing schools, the effectiveness of teachers and other more complex problems within public education cannot be remedied by a checklist that proves conformity with federal education policy. Yet, recent administrations have proceeded as though federal policy could regulate the day-to-day operations of schools and districts and mandate that the problems therein be solved—often with the most popular, if not the most effective, remedy favored by those federal policymakers in power.

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The more recent history of federal education policy has consistently been one of noble intentions and lack of follow through, due in some part to the limited capacity of the federal education establishment to understand the diversity of the nation's 100,000 public and public charter schools, and compounded by the presumption of federal policymakers in Washington that they can mandate from afar the necessary elements of successful school reform.

Under current federal law, the process requirements of NCLB and schools, by themselves, are expected to produce positive results, while the effects of other social policies on the lives of poor children are reduced or ignored. The dominant rhetoric has ignored the reality—reflected in countless studies during the past four decades—that poverty, low education level of parents, poor health and inferior infrastructure contribute powerfully to unequal starting points, and that those conditions can be only partially addressed inside the schools.

Research has shown that federally mandated standards were inconsistent, meaningless and driven to the lowest common denominator by a punishment-oriented accountability system. Incorrectly set goals unfairly punished racially and economically diverse schools and those that serve English language learners and other minority groups. Research also showed that assumptions in NCLB about quality teachers and the effects of sanctions on “failing” schools were wrong and that the sanction process was undermining the goal of keeping experienced and effective teachers where they were most needed.

Eight years after its adoption, NCLB remains the dominant federal education policy, and a new administration is again emphasizing process (requiring certain elements of reform proposals in exchange for federal dollars) over results; ignoring the current problems inherent in federal policy; neglecting to account for the diversity of student starting points and the level of resources available among the states; and compelling states to change their laws to meet some yet-to-be-defined federal quota for charter school authorizations. At the same time, states are expected to commit to a “voluntary national standards” process or face potential fiscal consequences. This for a specific reform element—voluntary common standards—that few states, if any, have yet fully reviewed or evaluated.

Reform Elements

Each of the elements of school reform discussed below arguably may be desirable, but are they sufficient to guarantee a positive effect on student achievement? Does any research indicate that, if a state implements all or most of the elements, better performance will occur? The answer is no—there is no single solution for successful state-wide school reforms. Our experience with NCLB's admirable yet unattainable goals and its arbitrary punishments would actually indicate the contrary. If there is any lesson to be learned from the past, it is that a single, stand-alone approach often is ineffective and sometimes counterproductive. We do know that, if certain elements are applied and addressed successfully, then student achievement rises. For example, if a student is taught by an effective teacher for just three years in a row, then the student can make up for early socioeconomic disparities that can affect student achievement. We know this element of reform works. That's why we need to identify effective teachers, not “highly qualified” teachers

6-14

Most of the remaining elements, however, cannot by themselves accomplish sweeping reform. It is only in combination—e.g., using standards-based reforms with test-based accountability—that any real progress can be expected. Successful comprehensive state reform efforts have used a mix of reform elements that best fit the state’s needs and appetite.

In contrast, federal education policy stresses conformity, not choice or innovation. Current federal policy invariably co-opts effective and model state policy designs in the grist mill of the legislative process and corrupts the federal version of state school reforms. Efforts to justify the end product present thousands of pages of compliance language masquerading as a formula for achieving success.

The lesson learned by state policymakers is that unique combinations and permutations of reform elements can positively address the achievement needs of poor, minority and disadvantaged children, but few, with the possible exception of enhancing the effectiveness of teachers, are sufficient by themselves to significantly affect student achievement and accomplish successful statewide reforms.

Critical complications and unintended consequences (Table 2) emerge when those in power impose on schools and systems reform remedies that have no credible basis in research. Federal lawmakers, furthest from the issue, should not decide which reform elements should be applied to the states’ mix, nor should they be surprised that elements of reform are corrupted or compromised by the scrutiny generated on the national political stage. For example, the Texas standards-based reform model fit well with Texas’ needs. A key element of the Texas plan—exclusion of the test results of significant disabled groups in state accountability calculations—was dropped in the political compromise that became NCLB. Suddenly, federal policy required that nearly all disabled and IDEA-eligible students would perform at a grade level comparable to their enabled peers, despite the fact that, by definition, IDEA students are two years or more below grade level. The ensuing adequate yearly progress calculations skewed performance results; over-identified “failure” in many schools, districts and states; and led to one of the more contentious and continuing negative reactions to federal policy.

Table 2. Unintended Consequences of Federal Actions
Lowering state standards in response to failure-oriented model of unachievable proficiency.
Encouraging experienced teachers to leave struggling schools due to blame-throwing and narrowing of curriculum.
Forcing states with advanced but noncompliant accountability systems to abandon their efforts and comply with the letter of the law or face noncompliance penalties.
Setting up special needs students for failure by forcing them to test outside of grade level, even when that testing is outside their individualized education plan (IEP)

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To address its concerns, the task force:

- Offers a brief summary of widely applied and recent K-12 reform elements (Table 3) that task force members consider proven and effective.
- Evaluates whether federal policy has focused on that initiative and whether that attention has been a help or hindrance; when it has been seamlessly integrated into state governance systems and when it has been at odds with state constitutional authority and statutes; when it has not only been targeted effectively at solving problems but has also created additional problems; and what lessons might be learned to help determine the path of future federal policy.
- Identifies examples of highly innovative state approaches that precede or supersede federal action and that subsequently are often at risk of being preempted by federal policy actions.

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Table 3. K-12 Reform Elements

Reform Element	K-12 Reforms During the Last Two Decades	Federal Education Policy Contributions to Reform	Examples of Successful State Actions Exceeding and/or Preceding Federal Initiatives
<p>1. Standards-Based Reform (SBR)</p>	<p>A movement away from using “seat-time” (a measure of how many credit-units of English, math, etc. are needed to graduate) as an indicator of achievement to actually measuring a student’s knowledge against a set of academic standards. Any discussion of standards-based reforms inevitably includes the polarizing determination about whether each state should continue to develop its own standards or if there is a need for common national standards.</p>	<p>Throughout the 1980s, states led the standards-based reform movement. In 1988, the movement received national attention when President George H.W. Bush called for a national education summit. Among the movement’s champions was then-Governor Bill Clinton, who would further standards-based reform both as governor and as president. State approaches varied to account for differences in circumstances and cultures. Within a few years, Congress decided to “federalize” standards-based reforms. The Improving America’s Schools Act (IASA—the 1994 reauthorization of the Elementary and Secondary Education Act [ESEA])—required states to develop standards and impose testing requirements for Title I (disadvantaged) students only—about 35 percent of all public schools students. Federal policymakers hoped states would begin testing all public school students. By the time Congress began deliberations on NCLB in early 2001, 48 states were well on their way to implementing standards-based reform.</p> <p>Pointing to a handful of states that were not moving fast enough to implement standards-based reforms, the federal government fundamentally expanded its reach. It passed NCLB, intending to selectively incorporate principles of individual state standards-based reform efforts and condense them into a single federal statute. As a result, NCLB articulately describes the problem of consistently under-performing students, and then mandates that standards-based reform, as practiced in Texas and a few other states, be practiced in every state, no matter where the state is on the continuum of standards-based reform. The new law tested reading and math skills only with multiple choice tests, despite pleas from assessment experts for multiple types of assessments covering a broader range of subject areas.</p> <p>Grade: “A” for intent, “D-minus” for implementation</p>	<p>A leader in SBR, Texas recently passed a comprehensive accountability overhaul. However, unless Texas drops its new standards and endorses a consortium of common standards, the state will be at a significant disadvantage to obtain federal Race to the Top funds.</p> <p>Michigan’s Merit Curriculum requires “four credits of mathematics, (including algebra I and II and geometry), four credits of English language arts, three credits of science (including biology and physics or chemistry), three credits of social studies (including world history, U.S. history, civics/economics), one credit of physical education/health and one credit in applied arts. In addition, students must have an online experience or course and two credits of a world language for graduation.</p>

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Table 3. K-12 Reform Elements (continued)

Reform Element	K-12 Reforms During the Last Two Decades	Federal Education Policy Contributions to Reform	Examples of Successful State Actions Exceeding and/or Preceding Federal Initiatives
<p>2. Test-Based Accountability with Consequences</p>	<p>The use of standardized tests as the ultimate indicator of the performance of students, teachers, schools, districts and states—usually by applying a system of rewards and punishments for teachers and schools where students perform poorly. One rationale for test-based accountability is the belief that teachers, schools and districts are usually to blame for poor student achievement. This belief fails to take into account the most predictive variables of student achievement: the education level of the parent(s) and the stability and values of the family and community. Measuring student achievement therefore should be one—but not the only—measure of student proficiency and teacher and school effectiveness. If schools are expected to overcome factors from outside the school, we must emphasize those areas that most affect learning—school leadership and effective teachers—and use tests to help teachers teach, not to punish teachers and schools for the inequities of society. Testing discussions raise the issue of state versus national tests.</p>	<p>Federal education law set punishments for academic “failure” in reading and math (as indicated on standardized tests). There is widespread belief, articulated by the Harvard Civil Rights Project, that this NCLB requirement, “has not only failed to improve American education but has caused great harm through the single-minded focus on reading and math, the unrealistic expectations of 100% proficiency and the well-documented failings of the formula used to determine school success and failure—adequate yearly progress.”</p> <p>Grade: “A” for intent, “D-minus” for implementation</p>	<p>Colorado and Texas: Texas for its already cited SBR reforms that include more rigorous standards, and Colorado for its growth model approach to accountability and data application.</p>

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Table 3. K-12 Reform Elements (continued)

Reform Element	K-12 Reforms During the Last Two Decades	Federal Education Policy Contributions to Reform	Examples of Successful State Actions Exceeding and/or Preceding Federal Initiatives
<p>3. High Expectations/ Common Academic Standards</p>	<p>The belief that, if you expect better performance from all students, you will get it. The belief that teaching to common, challenging academic standards for all will further motivate students to higher academic achievement.</p>	<p>The release of the “Coleman Report” (<i>The Equality of Educational Opportunity</i>) in the summer of 1966 contradicted the commonly held belief that public education was the great equalizer in American society. It introduced the notion that, without significant intervention, a child’s academic success depended largely upon his or her family background. Controversy swelled around the findings that the pernicious effects of poverty, family disintegration, low expectations and community chaos were difficult if not impossible to overcome. Although more sophisticated methods have emerged to measure the effects of socioeconomic class, family and community, the curse of low expectations seems to have been ameliorated by federal policy under NCLB. The “soft bigotry of low expectations” charge led educators and policymakers to greatly enhance expectations of poor, minority and disabled students. Despite evidence that some disabled and poorly performing children respond negatively when challenged by high(er) expectations, the Task Force recognizes the value of high but realistic expectations for students. However, high expectations alone do not bring about significant achievement unless combined with other reform elements such as more systematic and rigorous teaching and more contact time between struggling students and teachers.</p> <p>Grade: “A” for intent, “C-minus” for implementation</p>	<p>The New England Common Assessment Program (NECAP) is used by Rhode Island, New Hampshire, Vermont and, most recently, Maine to establish common, challenging standards. States collaborate, saving money and staff resources without the federal government’s support to do so.</p> <p>Louisiana, Maryland, Michigan and Texas have recently addressed expectations/standards issues.</p> <p>In 2006, the Texas Legislature passed HB 1, strengthening the state’s standards and aligning them with college readiness standards. In 2007, SB 1031 replaced Texas’ comprehensive high school exit exam (TAKS) with a series of end-of-course exams built on the college readiness standards. The effort to strengthen the state’s academic standards continued with passage of HB 3 in spring of 2009 by incorporating the improved standards and assessments into the state accountability system. Unfortunately, eligibility for federal Race to the Top grants (beginning January 2010) are contingent upon each state endorsing to some extent common standards such as the one developed by a consortium led by the Council of Chief State School Officers and the National Governors Association. This leaves Texas at a disadvantage for the federal money unless the state drops its home-grown effort and endorses the federal mandate.</p> <p>The final irony in this saga is that in November 2009, Russ Whitehurst, former research director for the Education Department under George W. Bush and now a highly respected researcher for the Brown Center, released evidence strongly indicating a lack of any positive correlation between common, challenging standards and enhanced student achievement.</p> <p>Whitehurst says, “Differences among states in academic achievement do not seem to be related to differences in the quality of state content standards or the difficulty of passing the state assessment.”</p>

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Table 3. K-12 Reform Elements (continued)

Reform Element	K-12 Reforms During the Last Two Decades	Federal Education Policy Contributions to Reform	Examples of Successful State Actions Exceeding and/or Preceding Federal Initiatives
<p>4. School Finance Reforms</p>	<p>The notion that equity (equal access to educational resources for each student within a school, district or state) and adequacy (sufficient resources available to each student to master the standards identified in standards-based reforms) are critical to improving student achievement.</p>	<p>Challenges in state courts to the inequities of a school funding formula based on property taxes have been successful in the majority of states. This led to restructuring of school finance formulas in a prolonged, painful but ultimately necessary process. In the landmark <i>Rodriguez</i> case, the U.S. Supreme Court held that the equal protections afforded citizens did not apply to how states and localities funded schools, leaving the issue out of reach of federal courts but not out of consideration by federal policymakers. Every term, without fail, Congress considers a bill to override state finance policies and “direct” state and local education spending from Washington, while inequalities in the distribution of federal formula funds (such as Title I) enhance disparities between schools within districts and states. (Federal distribution formulas are largely based on how much a state or locality spends, essentially sending larger per-student appropriations to well-funded schools and smaller per-student appropriations to lesser funded schools. In the face of this growing disparity, federal policies remain unchanged. This inequity is widely cited by advocates as a target for sweeping federal finance reforms and is well within the purview of federal policymakers).</p> <p>Grade: “C” for intent, “D” for implementation</p>	<p>Significant, voluntary and state-initiated finance reforms in Maryland, North Dakota and Pennsylvania have the potential to be substantial and long-lasting finance reforms.</p> <p>Hawaii provides an example of a truly innovative formula that incorporates weights for the differentiation of student needs without any court prompting.</p>

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Table 3. K-12 Reform Elements (continued)

Reform Element	K-12 Reforms During the Last Two Decades	Federal Education Policy Contributions to Reform	Examples of Successful State Actions Exceeding and/or Preceding Federal Initiatives
<p>5. Teacher Issues</p>	<p>The federal role in developing the teacher workforce dates back 50 years. It has expanded significantly but sporadically during the past decade. Teaching quality policy was initially focused on policies to recruit and train teachers, with a significant, yet confusing, number of federal funding streams. Recent emphasis has been on alternative certification and routes and ridding schools of emergency credentialed, unqualified teachers who are found disproportionately in low-income, low-performing schools. During the past five years, there has also been federal support for teacher and leader compensation reform. Federal policy efforts should focus less on whether a teacher is "highly qualified" (endowed with appropriate credentials) as defined by federal law, and more on teacher effectiveness through improved evaluation of a teacher's ability to motivate, mentor and inspire learning.</p>	<p>As cited by a recent GAO report, the many federal funding streams for teacher preparation programs, alternative routes, compensation reform, and generally for teacher quality can be quite confusing, both in theory and implementation. A more coordinated federal approach toward teaching quality that encompasses all the meaningful pieces of reform with fewer funding streams would be easier for state and local education agencies to understand and implement and could, perhaps, lead to greater emphasis on the issue to inspire significant reform. As it stands, states are challenged to cobble together these pieces to move toward meaningful change.</p> <p>The highly qualified teacher requirements of NCLB may have encouraged states to look more seriously at the practice of placing teachers with little or no experience in classrooms. But this requirement has drawn national attention from the important discussion of preparing, recruiting, placing and retaining effective teachers and perhaps has delayed important reform to this end.</p> <p>Rather than mandating elements of innovation, allowing room for statewide comprehensive strategies cultivated over time within the context of an individual state are more effective than single innovations such as alternative routes, bonuses or performance pay.</p> <p>Grade: "A" for intent; "D" for implementation</p>	<p>Good examples of states that are moving, on their own, toward improving teaching quality in a comprehensive way include the following. New Mexico for its three-tiered licensure system; North Carolina for pioneering its teacher working conditions survey and making necessary changes as a result; Louisiana for the changes made via the Blue Ribbon Commission, including a data system that tracks teacher and student progress, informs teacher instruction and evaluates the effectiveness of teacher prep programs; and Minnesota for teacher compensation reform.</p> <p>As part of its Four Levels of Teacher Preparation Effectiveness, Louisiana was the first state to examine teacher preparation program effectiveness through the Value-Added Teacher Preparation Program Assessment Model. Using teacher and student state data and sophisticated statistical models, and with three years of stable and valid results to date, the study indicates that varying levels of effectiveness exist both across and within teacher preparation programs. The state is using qualitative research to help determine why some programs or institutions are more effective than others in preparing teachers.</p>

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Table 3. K-12 Reform Elements (continued)

Reform Element	K-12 Reforms During the Last Two Decades	Federal Education Policy Contributions to Reform	Examples of Successful State Actions Exceeding and/or Preceding Federal Initiatives
<p>6. Systemic Governance and/ or Comprehensive Reforms</p>	<p>Advocates have urged everything from reinventing K-12 by scrapping the current system for one that reflects elements of the German Dual System of early differentiation of career and academic pathways to broadening the “contact hours” of schools in the community to include before- and after-school services, tutoring and enrichment programs. Other options include increasing preschool, after-school and year-round schooling for at-risk youth and dramatically expanding authorization of public charter schools and other alternatives.</p>	<p>A strong case can be made that the U.S. education governance system has not evolved enough or grown away from its agrarian roots. Most parents are ambivalent, at best, about wholesale governance changes. Most parents and the general public do not have a positive view of the educational establishment but love their neighborhood schools. This creates a high threshold for action on wholesale changes in the system or for endorsing a stronger federal presence.</p> <p>Recent federal meddling in state policy regarding the regulation of charter schools portends badly for those who want to maintain a state-centered system.</p> <p>Grade: “D” for intent; “D” for implementation</p>	<p>Florida, Oklahoma, Oregon and West Virginia targeted preschool for at-risk children. Identifies and addresses achievement gap in preschoolers early.</p> <p>Changes initiated within more than 20 states with P-16 coordinating councils and alternatives to traditional public schools seem effective in some circumstances but not all. (With so many experimenting with this element, it becomes a possible target for a federal mandate requiring all states to adopt it.)</p> <p>Massachusetts and Utah have considered some of the recommendations of the “Tough Choices or Tough Times” Commission, especially those regarding a radically revamped teacher salary system.</p> <p>Arizona, Delaware, New Hampshire, New Mexico and West Virginia are considering components of “Tough Choices or Tough Times.”</p> <p>Components of the “Broader, Bolder” report are being considered in California and Pennsylvania; that report may stimulate reforms in federal policy to broaden and coordinate services to at-risk youth.</p>

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Table 3. K-12 Reform Elements (continued)

Reform Element	K-12 Reforms During the Last Two Decades	Federal Education Policy Contributions to Reform	Examples of Successful State Actions Exceeding and/or Preceding Federal Initiatives
<p>7. Systematic and Appropriate Use of Data</p>	<p>To track and manage the data generated by test-based accountability, teachers, principals and schools must have timely access to and be able to apply the results to identify and address areas of individual academic problems ("formative testing"). Accurate data need to be gathered and applied appropriately.</p>	<p>Under federal law, data has too often been used inappropriately and rarely in formative assessments. However, federal data collection requirements that disaggregate data have shown how easily the performance of some subgroups is masked by higher performing students. (The raw data collected in compliance with NCLB provides insight but is corrupted when fed into adequate yearly progress calculations indicating success or failure of the school, district or state.)</p> <p>Grade: "B" for intent, "B" for results.</p>	<p>Colorado's development and implementation of a "growth" model in student assessment data is a major advance.</p> <p>Florida took the lead on a comprehensive data system decades before the federal government developed an interest in data and data systems.</p>

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CONCLUSION

Education reform movements have roughly followed the same path as many other public policy innovations in the United States. Innovation and experimentation began in a few state legislatures. Other legislatures adapted reforms to fit the unique cultures and circumstances in their states. A second and even third generation of reforms refined the initial approaches. In the case of education policy, with passage of the No Child Left Behind Act, the federal government incorporated many of the state reforms into a single mandated national reform policy, thereby significantly expanding the federal role in the administration of elementary and secondary education. This assertion of federal authority into an area historically reserved to the states has had the effect of curtailing additional state innovations, exacerbating state fiscal problems and undermining many reforms implemented during the past three decades.

Once again, policymakers in Washington are presenting a broad vision of top-down school reform—developed through an insular regulatory process and driven by a one-time spike in federal funds—that is based on processes and elements that have proven successful in individual states but that certainly are not equally applicable to all states. The spike in federal funding has shored up needed fiscal support for public education but is unlikely to outlast the state fiscal crisis. The task force believes that lasting education reforms are not likely to be initiated or to survive when states are scrambling just to focus available funding on proven reforms already in place. For example, state commitments to preserving teaching positions or maintaining smaller class size may be more valuable than another round of federal incentives for improving data systems and/or increasing the number of charters. Those affected by these decisions are expected to endorse a vision for school reform based on four elements supposedly essential for school reforms in each and every state. This is merely another “one-size-fits-all” model that exists in the minds of those who apparently are blessed with the gift of knowing more than teachers, principals, administrators, superintendents, school board members, parents and state legislators combined.

The task force believes it is time to admit to past mistakes and excesses of intent. Federal policy has moved beyond its historic but limited core role and threatens to dominate, if not usurp, K-12 policy. Federal resources are squandered when national policy reforms and requirements do not match state and local conditions (as witnessed by the experience with NCLB implementation.) Limited federal money is spread widely but thinly. Long-standing federal mandates are enforced without the federal resources that were supposed to pay for them. The new role for the federal government should be narrower, more focused and realistic and should include the following.

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- Concentrate available federal funding on those populations most at-risk, using a research-based formula that emphasizes helping the neediest students instead of trying to leverage system-wide reforms with the 7 percent federal contribution. Avoid the political expediency of spreading funds to every congressional district. Ensure that the neediest receive funding first and that funding does not depend upon the vagaries of the political process.
- Provide full funding for special education at the promised cost levels. Research indicates that the actual excess cost for educating a special needs student is not the 17 percent provided nor the 40 percent promised, but more than 90 percent above the average for educating students without disabilities. This enormous state and local tax burden has, for more than three decades, led to spiraling property taxes and legitimate taxpayer inquiries about where the money goes. (The simple answer: A good portion goes to meet federal IDEA promises and other unfunded and underfunded federal mandates.) Funding at promised levels (as opposed to an actual cost calculation that would nearly double the amount) would immediately free \$16 billion annually that, because of federal maintenance of effort requirements, would be redirected to reform and innovation at the state and local levels. This action would have the salutary effect of moderating future increases in property taxes.
- Make permanent the federal changes to the tax credit provisions of the bonding laws that apply to school construction. Infrastructure assistance is a legitimate federal role that does not interfere with ongoing public education system operations. Because it is a tax action, federal assistance in bonding school facilities also is not subject to the vagaries of the appropriations process. This action also would free tens of billions of dollars in state and local resources that would otherwise be spent on debt service for school bonds.
- Revitalize the federal focus on research and reporting on what works and why—one of the principal reasons for creating the U.S. Department of Education—without picking or mandating how and when “winning strategies” should be required by law or “encouraged” by withholding additional federal resources.
- Use any remaining funding to reward true innovation—not conformity with others or compliance with a checklist of reforms, but progress toward performance gains.

Against that record, the NCSL Task Force on Federal Education Policy submits its findings and recommendations, gathered from many hours of listening and learning from some of the country's expert education policymakers. The information was filtered through the public policy experiences of each task force member, which averages nearly 25 years per member.

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SPECIFIC FINDINGS AND RECOMMENDATIONS OF THE NCSL TASK FORCE ON FEDERAL EDUCATION POLICY

A. The Federal Role in Education Reform

Findings

- The original mission of ESEA was to supplement state and local resources focused on the very disadvantaged. The mission broadened to include a formula that funneled money to ever-increasing numbers of students and schools and congressional districts and eventually extended the reach of the federal government into day-to-day processes in every school, district and state in the country—a role for which it has neither the capacity nor the responsiveness to fulfill.
- The federal role in K-12 under NCLB and IDEA is focused on process and compliance rather than on achievement and results.
- Federal policy puts states and districts in a bind when “voluntary” participation in a federal program is, in effect, coercive (as defined in *South Dakota v. Dole*) to cash-strapped school districts and states.
- Articulating a problem within public education is not the same as solving the problem. Identifying an effective way to solve the problem is far more important and far more difficult. Federal policy has more often been akin to the former, not to the latter.
- The hugely successful interstate highway system offers a model for effective federal assistance for a complex policy issue. Federal funds are used for highway projects administered by state officials. State and local entities now administer and police the highways with little day-to-day federal involvement.
- Pressure from national researchers, national nonprofit organizations and national advocacy groups artificially drives the argument for a larger federal role in public education.
- The enemy is not the states. Strategies and tactics that endorse that idea are hopelessly out of date and counterproductive and are driven to a great extent by groups that seek the ease of one-stop-shopping in pursuit of their agendas.
- Top-down mandates burn up valuable resources by the friction created between federal, state and local policy.

- A more robust federal effort to provide legitimate, nonpartisan research would help students, teachers and policymakers.
- Federal compliance checklists that identify and mandate the elements needed for successful school reform can stifle reform efforts already under way in the states.
- Federal education policy has minimized the effect of its resources by diffusing its focus onto the entire K-12 system rather than concentrating efforts on severely disadvantaged populations.

Recommendations

- “First do no harm”—we need a Hippocratic oath for federal policymakers.
- Federal education policy should capture and embrace the successful experiences of states and localities and distribute this knowledge to state and local policymakers and educators to encourage—not mandate—their replication or adoption.
- Turn the federal role in K-12 upside down; move from emphasis on process and compliance to encouraging student achievement.
- “Supplement, not supplant” should apply not only to federal funding, but also to federal administrative overreach. (Limited federal contributions to K-12 should not buy the federal government a disproportionate and predominant role in the day-to-day operations of local schools.)
- Federal policy should be positive, not punitive, and should use incentives, not punishments.
- Federal policies must be well thought through and vetted across the breadth of the K-12 governance structure. Poorly designed policies can have significant and unintended consequences for state and local policies and governance.
- The federal government should invest in more robust, nonpartisan research that aligns with questions with which states and schools need help to provide students, teachers and policymakers with valid and reliable information about effective practice.
- Federal policy should recognize and respect that mandates and preemptions on day-to-day school operations, especially when unfunded or underfunded, are unwarranted and not legitimate except in instances of civil rights violations or criminal malfeasance.
- Amending federal bonding rules to substitute a federal tax credit for interest payments on school bonds offers a simple, straightforward and meaningful federal subsidy, without creating a new, invasive bureaucratic process for states and local school districts. This model of federal involvement should be held as an ideal, not as an exception.
- Federal policy should recognize the constitutional and statutory authority (and limitations) of all levels of government regarding education policy.

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- Federal efforts to preempt state statutes or policy either actively or through grant requirements are intended to appear as an inducement but, in reality, are frequently coercive. For example, Maryland, North Carolina and West Virginia are to be commended for their comprehensive reforms, even if those reforms do not include the prescribed number of charters as determined by federal policy or regulation.
- Federal policy must acknowledge and accommodate state-initiated reforms and not preempt measures states find viable or legitimate policy options that demonstrate successful educational reform.
- Redefine the state/federal role in education to one exemplified by the interstate highway system. This is an example of setting federal policy consistent with the model envisioned by the nation's founding fathers.

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B. Existing Law: End It or Mend It

Findings

- One strength of ESEA/NCLB is the ability to obtain individual student data from the test results, and continued gathering and dissemination of this information is an important and legitimate role of the federal government. (The problem is how that data factors into adequate yearly progress determinations.)
- Appropriations increases do not resolve problematic policies.
- Current federal K-12 policy is at once too broad, too specific, too expensive, too punitive, too unsuccessful and filled with unintended consequences.
- Common standards entered into voluntarily by states are appropriate policy changes. Implementing, assisting the acceptance of or influencing National Standards is not an appropriate role of the federal government.
- The vast majority of a child's life is spent outside of school. Students come to school with unequal preparation. Ignoring outside factors that affect children's academic achievement and expecting the schools to produce the same results for all is unrealistic: it has not been achieved in any nation or in any educational system.
- Equal educational *opportunity* can be legislated and achieved as a civil right. Equal educational *attainment* can be neither legislated nor mandated—it requires an entirely different remedy.
- The common goal of policymakers at all levels should be to improve student performance. For example, no evidence exists to demonstrate that common standards will improve student performance. Participation in a movement toward common standards is—and should remain—a state decision and should not be the product of federal coercion masquerading as inducements. Removing the punish-first provisions of adequate yearly progress calculations from the system will remove incentives for states to relax standards.

Recommendations

- Don't tinker with NCLB. Fix it by starting over! No amount of money will make NCLB work and no type of mandate—whether funded, unfunded or underfunded—will lead to universal proficiency.
- The federal government must be realistic about what can be accomplished with limited resources and not over-reach its capacity. The federal government too often provides a level of resources that fail to match program requirements, and it has neither the capacity nor the necessary expertise to administer services and programs.
- Federal regulatory decisions must be transparent and subject to an appeal process independent of the secretary and the department.
- Rather than scheduling “reauthorizations” that use enacted legislation as a base, federal policymakers should use a form of “zero-based” authorizations that reviews and repairs the underlying statute.

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- If education is as important as it is routinely declared to be, policy changes should be accomplished through a comprehensive, exhaustive and deliberate review, not simply through regulatory or budgetary changes.
- Statutory language giving a state the realistically attainable option of not participating should be included in any new federal education policy. An “opt-out” state would receive some portion of federal funding proportionate to the state’s contribution to federal tax receipts. The only funds that the state would be at risk of losing would be those directly tied to those specific programs.
- It is better to use existing state and local funding streams to address specific problems rather than to create parallel mechanisms that circumvent existing state systems. Qualified Zone Academy Bonds (QZAB)—a federal tax credit for publicly bonded school construction—is an example of a successful federal enhancement of an existing system.
- Any federal involvement in developing common standards and tests should be based upon and circumscribed by the language Congress used in Public Law 96-88 in 1979 to create the Department of Education. That action charged the department with ensuring equal access for educational opportunity; supplementing and complementing the efforts of states; supporting research; and increasing the accountability of federal education programs to the president, Congress and the public. Note the lack of an endorsement for making states accountable for neither how they allocate their own resources nor how a state determines what paths to follow to enhanced student performance.
- The virtue of the standards movement is its genesis in the states and its adaptability to state-specific conditions. It has thrived and will continue to thrive without federal influence or domination, but only within the context of the established boundaries and limited role described in the federal charter. Policymakers should heed the lessons learned 20 years ago when NAEP “cut” scores were intentionally set artificially high to make a stronger case for radical federal intervention into K-12 policy. This illustrates how corrupted and political a seemingly innocent issue such as establishment of proficiency levels “cut” scores can be when brought to the national political stage.

6-30

C. State Initiatives to Integrate Federal Programs and State Policy

Findings

- The federal government is a junior partner in the operation of K-12 education. The federal role in education has been clearly defined by constitution and statute and ignored by successive presidential administrations.
- State constitutions assign the legislature the broad authority for “establishment and maintenance” of a system of public education.
- Local boards and state agencies are created by statute and act as administrative agencies of the state.
- Many problems generated by federal education policy would have been avoided if federal policymakers had respected the existing limits of constitutional and statutory construction and actively integrated those concerns into federal policy proposals.
- State education governance models are idiosyncratic to each state, making top-down federal mandates unlikely to succeed but likely to waste resources and generate unintended consequences.

Recommendation

- State legislatures should actively exercise their oversight authority and consider laws and regulations that require legislative approval before state education agencies apply for or receive significant new federal program funds and their accompanying mandates.

6-31

D. Teacher Issues

Findings

- Teacher training, certification and assignment are state and local responsibilities.
- Teacher assignments are the responsibility of local educational agencies (school districts or local education agencies) and states. Federal policy should not intervene in those decisions unless federal dollars pay the teacher's entire salary.
- In regard to teacher preparation, induction, mentoring and remuneration, the federal government's role should be limited to researching the most effective practices and, when appropriate, giving states incentives through pilot proposals to avail themselves of these practices.
- Federal policy on teachers has focused on qualifications; it should focus instead on determining what makes an effective teacher.

Recommendations

- Federal policymakers can help states address a range of teacher issues by providing objective research, encouraging partnerships, and identifying best practices for teacher preparation.
- Teacher pay for performance is, as yet, an emerging and complex state and local issue that would benefit from federal research support.

6-32

E. Accountability and Testing in a High-Performance K-12 System

Findings

- High-stakes testing with consequences focuses resources on students who are on the cusp, to the detriment of lower performing and higher performing students.
- Tests are developed for specific purposes (e.g., student achievement) and lose their validity when used for other purposes (e.g., school performance or teacher effectiveness).
- High-stakes testing can corrupt the learning experience by narrowing the emphasis on untested subject areas.
- The basis of a legitimate accountability system is a valid standard and a valid testing instrument used in conjunction with a variety of assessment approaches.
- Testing all students at grade level is not an effective way to raise student achievement in the most vulnerable populations.

Recommendations

- Federal policy should avoid setting arbitrary and unrealistic standards. We cannot in any human endeavor guarantee ability or performance, but we can and should strive for equal opportunity for all.
- Federal policy should encourage an appropriate interpretation of data derived from formative testing so that deficiencies in student achievement are addressed when initially diagnosed.

6-33

F. K-12 Financing

Findings

- The unfortunate history of federal government intrusion into the financing of K-12 has been one of substantial increases in federal oversight and funding from small bases, followed by a departure from funding commitments as other federal fiscal priorities take precedence. The cumulative cost to state and local taxpayers for complying with IDEA shortfalls in federal funding is \$260 billion. The compliance cost for NCLB processes is estimated in some states to be as high as 11 percent of state expenditures per year, a surcharge that state and local taxpayers pay to implement NCLB.
- Federal resources make up slightly more than 7 cents on the dollar, requiring federal policymakers to spend money wisely, realistically and within the parameters of the existing system if positive results are expected.
- K-12 funding depends substantially on property taxes, which traditionally have been considered local funding. Case law increasingly finds that local government entities and the property taxes they raise, as instrumentalities of the state, are collected under the auspices of the state. Regardless, these revenues do not come from the federal government. Unfunded and underfunded education mandates imposed by federal policymakers have significantly added hundreds of billions of dollars to the state and local taxpayers' burden.
- Adoption of national standards is the first step down a slippery slope toward a national curriculum, national tests and, ultimately, to a national system of public education financed either nationally (not likely given the current state of the federal budget) or with continued overwhelming reliance on state and local revenues. In either case, there will be little or no state and local control or input. All roads to education will lead to Washington, D.C. There is neither the public nor the political will to endorse a nationalized public school system. Ignorance or avoidance of the reality of K-12 governance systems detracts from the real focus, which should be on student achievement.
- Other federal-state policy relationships have seen far more federal commitment to accompany far greater federal intrusion and regulation. Federal Medicaid policy is extensive but is supported by the federal government's 55 percent contribution to the program. The reauthorization of the Surface Transportation Act for building roads and bridges is extensive (nearly 1,000 pages of statutory language and thousands more pages of regulatory guidance), but the federal government provides 80 percent to 90 percent of the money for the projects funded therein. NCLB statutory and regulatory burdens account for thousands of pages (and the average state statutory and regulatory burden for governing the entire system is about 200 pages), but federal support for K-12 remains at slightly more than 7 percent of the \$550 billion yearly budget. In education, a gross disparity exists between the amount of federal influence and the amount of federal dollars.

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Recommendations

- Federal resources should be sufficient to accomplish specific goals of federal policymakers. If resources are not available (ref: IDEA and NCLB), there should be no mandates.
- Recognize that, because of limitations of federal funding and capacity, federal funding should be highly targeted to those most at-risk or in need.

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APPENDIX. CURRENT AND RELATED NCSL STATE/FEDERAL POLICIES

National Standards

The nation's legislators support the need to improve elementary and secondary education so that all students have access to a challenging and rewarding public education. The No Child Left Behind Act (NCLB) requires states to test all children once a year in grades 3-8 and once in high school based on state standards and assessments. Recent discussions and proposals to create a system of national educational standards are generally based on two assumptions: the first that NCLB is generating test results with no comparability of academic scores from one state to another. The second is that states are lowering standards (or re-defining 'proficiency') to avoid the negative consequences of federal adequate yearly progress (AYP) calculations.

Supporters of national standards point to the incomparability of state AYP results as a rationalization for their cause. However, comparability of state results is not critical to the potential success of NCLB nor is it a goal of the law. NCLB is supposed to be about improving individual student performance—a rising educational tide that raises the performance of all while closing the achievement gap.

According to the National Conference of State Legislatures Task Force on No Child Left Behind, the primary problem with NCLB is that AYP falsely and arbitrarily over-identifies failure and prescribes punishments—driving states to broaden the definition of proficiency and/or relax standards. In this situation, states are reacting rationally to an irrational metric and the obvious action is to fix the metric.

Some consider national standards or tests as a legitimate quid pro quo for substantial overhaul of NCLB; others see voluntary regional or national consortiums on standards as a desirable outcome. But all states want educational emphasis to be on achievement; and not on process; as is emphasized by NCLB. Past efforts to create national standards or a national test have been proposed by every administration since the presidency of George H.W. Bush. Each federal attempt has proven partisan, divisive and unsuccessful.

We need rigorous state standards that are anchored in real world demands students will face after high school, that are aligned to K-12 curriculum, assessments, high school graduation requirements, college placements standards and other related policy tools and practices. This can be most readily accomplished through individual state refinement of standards or the voluntary participation of states in joint efforts like Achieve's American Diploma Project, not through federal action—which flies in the face not only of the role of states since the inception

of our system of providing education; but the historical role of states and local school districts in funding education with diminished federal support.

The federal government's role in K-12 education policy has been greatly enhanced by the passage of the No Child Left Behind Act. The Act prescribes new and far-reaching procedural, administrative and implementation conditions that states and local school districts must meet as conditions for receipt of those funds. Federal funding increases in NCLB are exhausted by the compliance costs of NCLB, leaving states with little or no funding to raise the proficiency scores of struggling students through remediation known to have an impact on performance. The current federal role then is strong on monitoring procedural and administrative compliance and weak on successful interventions and rewards encouraging enhanced student performance.

Federal statutory construction in the legislation creating the U.S. Department of Education prohibits federal involvement in a national test. Similar language in NCLB prohibits federal involvement in standards, assessments and curricula. These protections against federal involvement in state and local issues should be adhered to and continued. It is the position of the National Conference of State Legislatures that there is no legitimate or constructive role for federal involvement in national academic standards or a unified national test, especially while the structural flaws of NCLB remain unaddressed.

All states want AYP to be a valid metric and all states want to evaluate students with disabilities and limited English learners with appropriate measures. All states want to believe that granting flexibilities and waivers to implement NCLB is fair, consistent and transparent. NCSL urges Congress to focus on fixing NCLB now, not by adding additional layers of national, one-size-fits-all statutory and regulatory requirements on the law. Absent a thorough and comprehensive review of existing provisions, continued support for state and local organizations that have historically provided the foundation for education policy and funding is essential.

Expires August 2010

The Federal Role in Elementary and Secondary Education

Legally and traditionally, elementary and secondary education policy has been defined broadly by state constitutions, specified by state statutes and implemented by state agencies, school boards and local school districts. For more than thirty-five years, federal involvement in education was modest in resources and limited in scope, targeting under-served populations with the expectation of raising student achievement for disabled and economically disadvantaged students.

Funding

The flow of federal funding directly to state education agencies creates state governance issues and aggravates oversight concerns by bypassing established state budget processes. It is the position of the National Conference of State Legislatures that all federal funds should be incorporated into the state's budget process for open and deliberative hearings and deliberations. Federal funding should not bypass constitutional and statutory provisions by going directly to state or sub-state bureaucracies or agencies.

Despite the enactment of No Child Left Behind (NCLB) in 2002, K-12 education remains a state and local financial responsibility. The federal government provides about \$40 billion of the \$550 billion currently expended on K-12 education, making up 8% or less of the nationwide K-12 budget. Every additional \$1 billion in federal appropriations increases aggregate K-12 expenditure by two-tenths of a percent.

Reauthorization of the Elementary and Secondary Education Act

Appropriations increases associated with the enactment of NCLB increased federal resources modestly but greatly enhanced the role and reach of the federal government into the day-to-day operations of public schools by mandating the use of a flawed and discredited academic metric that over-identifies 'failure' and leads inevitably to a process and compliance model of federal-state interaction. States were left with the responsibility for figuring out how to reach an admirable yet statistically unattainable goal of 100% proficiency for all students, all to be accomplished with the 2% net increases in K-12 funding made available through increases in federal appropriations.

The nation's legislators commend the Congress for its efforts to identify the unmet needs of children in our education systems and efforts to improve federal education policy. However, current federal policy attempts to leverage reform and improvement for all students, diluting the impact of limited federal resources. The nation's legislators expect federal policy to supplement, not supplant state policy and to respect the progress, improvements and innovations made in our state systems by providing the flexibility to implement reforms according to specific conditions in our states. NCLB reaches too far and violates basic principles of federalism, significantly shifting control of K-12 education to federal bureaucrats and away from state and local elected officials.

State legislators take their authority and accountability for public education seriously and expect the federal government to honor its commitment to a federal system by calling upon the Congress to amend ESEA as follows:

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- Incorporate the recommendations of the NCSL Task Force on No Child Left Behind, which range from the need for a revitalized state-federal partnership to specific recommendations for overhauling Adequate Yearly Progress (AYP), to amending the state plan approval process to make it more transparent, less arbitrary and less subject to the whims of political influence, to changing the sequence of consequences for under-performing schools.
- Follow the concept of incentive-based programs as opposed to the coercive, punitive system at the heart of NCLB.
- Acknowledge state constitutions and state elected officials as well as basic principles of federalism.
- Avoid any reduction in federal K-12 funding for any state that can show continuous improvement in student achievement, and/or a closing of the achievement gap in that state, using any legitimate metric that is incorporated into state policy.
- The nation's legislators expect federal education policy to be an effective and efficient tool. This can only be done by re-thinking ESEA in its entirety, not by a piecemeal approach that grants regulatory relief to a few states on a few select issues while ignoring the systemic problems imbedded in the federal law.

Expires August 2011

6-39

The Federal Role in Authorizing Charter Schools

The Public Charter School movement was created to provide a viable alternative to low-performing public schools. Freedom from the bureaucratic constraints of the public K-12 system was supposed to allow for the development of flexible and innovative approaches to the education of struggling students. Charters were expected to generate a productive sector that would help close the achievement gap between majority and minority students.

Recent reports from a variety of sources indicate that the experience of charters is marked by mixed results. In recent findings on charter school performance by the Center for Research on Education Outcomes (CREDO) a Stanford University-based think tank, students in charters fared better than their matched peers in traditional public schools in only 17% of the cases. They performed worse in 37% of the cases and neither better nor worse in the remaining 46%. A recent study across eight states, funded by the Gates Foundation and conducted by the Rand Corporation also shows mixed results. In addition, there are concerns among state policymakers that rather than close the achievement gap by providing alternatives for struggling minority students, some charters are having the effect, whether intended or unintended, of re-segregating public schools. One charter cited has no students on free and reduced lunch and all students with an average family income in excess of \$100,000—a clear indication that the school is not serving poor and minority youth.

On the positive side, the CREDO report also found that certain groups of charter students had better academic growth than similar students in traditional public schools, including students in poverty, English language learners, students in elementary and middle school grades. In addition, some parents and administrators point to the satisfaction of parents with charters as an indicator of their worth. Surveys have indicated that parents feel their children are safer and both parents and administrators recognize the some student demographic groups do respond well to the structure characteristic of charters.

Numerous states have included charters as one element in their overall mix of school reform and restructuring plans while other highly regarded state reform efforts have not included charters. The lesson learned by state policymakers is that charters can have some positive benefits beyond closing the achievement gap but are neither inherent nor essential to implementing successful state-wide reforms.

Despite the mixed results indicated by the body of research, the U.S. Department of Education is considering a plan to evaluate state charter school laws, rewarding states that meet whatever quota of charters is determined in Washington, DC and punishing states that fail to meet the quota. And while some will defend this position by emphasizing the 'voluntary' nature of using federal funds to reward 'good' behavior, the withholding of any federal stimulus funds (in this case the "Race to the Top" funds) is a stick, not a carrot. The American Recovery and Reinvestment Act of 2009 established four clear goals for states to focus their education reform efforts. However, ARRA does not dictate the processes for achieving these goals. The Department of Education's emphasis on charter schools as a means to improve struggling schools is a regulatory step that goes beyond the legislative intent of Congress. This action could have the effect of usurping state chartering authority and preempting state constitutions. It is also beyond the limits of the language creating the Department, but for what end? If a medicine were discovered that helps 17% of people, doesn't do anything for 46% and hurts

6-40

37%, would the Food and Drug Administration approve and encourage that medicine for all?

The NCSL strongly urges the Department to refrain from linking a state's charter school laws with its eligibility for federal assistance. Charters are a reform idea that began as a state initiative and as a part of some states' overall reform plans and one that should stay that way. To this end, NCSL also strongly recommends that the federal government focus on the results of school reform efforts and not on the processes used to achieve reform goals. We have already seen and experienced the damage that can be done when the federal government adopts a component of reform from one state and imposes it upon the other 49.

Expires August 2012

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Federal Funding for Special Education

The nation's legislators support equal opportunity for all citizens and support the purposes and spirit of the Education for All Handicapped Children Act of 1975. This law and its subsequent amendments, including the Individuals with Disabilities Education Act (IDEA) of 1990 and subsequent reauthorizations in 1997 and 2004 mandates that states provide a free and appropriate education (FAPE) and procedural safeguards for all children with disabilities without regard to costs incurred by the states and local school districts.

States have enacted their own statutes and regulations to comply with federal laws and, in many cases have gone beyond what is mandated by the federal government in providing services. State and federal laws and regulations, combined with the extensive and increasingly complex case law that has developed around this act, have made the practice of delivering services to students with disabilities complex and costly for states and communities.

The original federal special education law and its subsequent amendments include a provision that authorizes the federal government to fund 40 percent of the average per pupil expenditures (APPE) in K-12 nationwide, an estimate at the time of the excess cost for educating a special education student that the federal government would bear. Since its enactment, the federal government has appropriated funds at levels between 8 and 17% of APPE. The U.S. Department of Education Budget Service estimates that FY 2010 appropriations of \$11 billion leave states and localities \$16 billion under the 40% mark. Cumulative federal funding gaps since 1977 have left states and localities with a \$261 billion unfunded federal mandate.

Recent reports indicate that actual spending for special education services is 95% above APPE – not 40%. In effect, this means that the federal government is paying less than half of what was promised (17% of the 40% of APPE promised), which is half of what it costs states and localities to comply with the law (95% of APPE).

In a system already strapped for funds, federal statutory and regulatory changes further erode support for special education services by passing procedural and compliance costs to the states. The latest IDEA reauthorization enacted in 2005 added 20 “performance indicators” of which nearly half—according to the Department of Education—are indicators of compliance with federal law—not measures of student achievement.

For 32 years the Congress has put off meeting its commitments to special education funding. In the 2004 reauthorization, the Congress attempted to address this issue by setting voluntary spending targets in a glide path to full funding by 2011. The targets were ignored in the first cycle of appropriations after the reauthorization and in subsequent budget cycles.

NCSL strongly urges the Congress to honor its original commitment and fully fund 40 percent of the Average Per Pupil expenditures (APPE) for Part B services as authorized by the Act and to move Part B allotments for special education from the discretionary side to the mandatory side of the federal budget.

Expires August 2013

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Education at a Crossroads

A New Path for Federal and State Education Policy

Our children deserve better. They deserve an education system where resources—whatever their source—are maximized, not spent on procedural and compliance issues. They deserve—and we should require—federal resources that enhance state structures and support state efforts, instead of undermining them and circumventing state governance structures.

This report from the NCSL Task Force on Federal Education Policy offers recommendations for a more clearly defined and productive federal government role in state education policy.



NATIONAL CONFERENCE of STATE LEGISLATURES

The Forum for America's Ideas

Item # 012210EDU

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		Bills Related to:				
Year	Bill Number	Uniform System of Accounts	Performance-Based Compensation	Tenure Reform	Increasing Percentage of State Funds for Classroom/Instruction Expenditures	What happened?
2000	SB 328		This bill would have created the career teacher salary plan, which included direction to evaluate teachers based upon student learning.			Died in House Kansas Select 2000 Committee.
2000	HB 2630		This bill would have established a teacher extraordinary performance plan, paying teachers more for performing extraordinary duties.			Died In House Education Committee.
2001	SB 189		This bill would have established and maintained an alternative teacher compensation plan, including differential pay for improvement in performance.			Died in Senate Education Committee.
2002	SB 551		Districts may pay employment incentive or retention bonuses.			Passed and signed into law.
2002	HB 2939	This bill would have required each school district to report financial data on a standard form established by the State Board of Education.				Died in House Education Committee.
2002	S. Sub for HB 2051		This bill would have established and maintained an alternative teacher compensation plan, including differential pay for improvement in performance.			Died in Senate Education Committee.
2003	SB 83	District budgets must take into account "best practices and standards established by the Government Finance Officers Association and the Association of School Business Officials." School building report cards and district profiles must be developed and made accessible on the Internet.				Passed and signed into law.

A. Hensley 9/21/10

		<u>Bills Related to:</u>				
Year	Bill Number	Uniform System of Accounts	Performance-Based Compensation	Tenure Reform	Increasing Percentage of State Funds for Classroom/Instruction Expenditures	What happened?
2003	SB 58		This bill would have established and maintained an alternative teacher compensation plan, which means a plan or salary schedule that includes components of peer mentoring and peer evaluation and base pay increases or differential pay on the demonstration of excellence or significant improvement in skills, knowledge, or performance.			Died In House Education Committee.
2003	HB 2153		This bill would have required teacher salary changes to be made based upon economic conditions, merit, and time of service.			Died In House Education Committee.
2003	HB 2102	This bill would have required the State Department of Education to implement various requirements, including budget design, development of computer software for electronic submittal, web design, and school based budgeting.				Died In House Education.
2003	HB 2181	This bill indicated requirements that must be shown on district budget forms and "sub-budget" forms, including details of school building budgets.				Died in House Federal and State Affairs Committee.
2003	SB 121	This bill indicated requirements that must be shown on district budget forms and "sub-budget" forms, including details of school building budgets.				Died in Senate Education Committee.
2003	HB 2408	This bill would have enacted the School Budgeting Best Practices Reform Act.				Died in House Education Committee.
2004	HB 2872		This bill would have added pupil evaluations to bases for teacher evaluations at grade level nine and above.			Died In House Education Committee.

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		<u>Bills Related to:</u>					
Year	Bill Number	Uniform System of Accounts	Performance-Based Compensation	Tenure Reform	Increasing Percentage of State Funds for Classroom/Instruction Expenditures	What happened?	
2005 SS	HR 6007	School Finance Plan outlined in the bill required a uniform system of reports data by school districts in a user friendly, internet-based system.				Passed.	
2005	SB 328				"It is the public policy goal of the state of Kansas that at least 65 percent of the moneys appropriated, distributed or otherwise provided by the state to school districts shall be expended in the classroom for instruction."	Passed and signed into law.	
2006	HB 2403			This bill would have allowed teachers to participate in a voluntary career teacher salary plan, waiving due process rights, when a teacher agreed to teach in a high-poverty school. Employment contracts under this plan would last for three years.		Died in Select Committee on School Finance.	
2006	SB 584	The bill would have required that each school district conduct a needs assessment of every attendance center on forms prescribed by the Kansas Department of Education and use this information in preparing an attendance center and school district budget. In addition, each school district would have been required to prepare a summary of the school district budget. The Department would have been required to take into consideration the best practices and standards established by the Government Finance Officers Association, the Legislative Division of Post Audit, and the Association of School Business Officials when preparing and prescribing forms for the annual budgets.				Rejected by the House.	

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7-3

Bills Related to:						
Year	Bill Number	Uniform System of Accounts	Performance-Based Compensation	Tenure Reform	Increasing Percentage of State Funds for Classroom/Instruction Expenditures	What happened?
2006	HB 2335		This bill would have allowed a portion of teacher salary increases to be made on a merit and market rate basis, based upon an appropriation for a pool of money for this purpose.			Died in House Appropriations.
2007	HB 2175	This bill would have required the Kansas State Board of Education to develop an accounting system for all school districts that is Internet-based and freely accessible and available. One requirement would have been that the system would allow any person to search and manipulate the data and allow for the comparison of data on a district-by-district basis and by attendance centers within a district.				Referred to Government Efficiency and Technology - no action taken.
2008	HB 2828	This bill would have required the Kansas State Board of Education to develop an accounting system for all school districts that is Internet-based and freely accessible and available. One requirement would have been that the system allow any person to search and manipulate the data and allow for the comparison of data on a district-by-district basis and by attendance centers within a district.				Died in House Education Budget Committee.

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		Bills Related to:				
Year	Bill Number	Uniform System of Accounts	Performance-Based Compensation	Tenure Reform	Increasing Percentage of State Funds for Classroom/Instruction Expenditures	What happened?
2009	HB 2181				This bill would have reiterated the public policy goal, in KSA 72-64c01, of providing at least 65% of the moneys appropriated, distributed or otherwise provided by the state to school districts to be expended in the classroom for instruction. The bill would have required school districts to spend at-risk weighting moneys for salaries or benefits for teachers teaching in at-risk, bilingual, or vocational education programs or all-day kindergartn classes or to reduce class sizes.	Died in House Education.
2009	HB 2239	This bill would have required the State Board of Education to modify the Internet-based uniform reporting to compare school district data. The system would have included detailed records of revenue and expenditure transactions that conform with the uniform chart of accounts and be in place on or before December 31, 2011.				Died in Senate Ways and Means Committee.
2010	SB 572	The Department shall adopt a uniform chart of accounts for the reporting of receipts and expenditures of school districts. On or before December 31, 2011, the State Board shall modify the uniform system of reporting so that it includes detailed records of revenues and expenditure transactions of school districts. The audit report prepared for a school district shall include a statement of assurance that the district has reported the receipts and expenditures in accordance with the uniform chart of accounts.				Bill passed; however, the Governor vetoed this section and the veto was sustained.

		Bills Related to:				
Year	Bill Number	Uniform System of Accounts	Performance-Based Compensation	Tenure Reform	Increasing Percentage of State Funds for Classroom/Instruction Expenditures	What happened?
2010	SB 572				An amendment would have required at least 65% of the moneys attributable to the increase in funds from fiscal year 2010 to fiscal year 2011 provided by the Department of Education to school districts be expended in the classroom.	This amendment did not pass.
2010	SB 539				This bill would have repealed the School Finance Act and replaced it with a new school finance plan on July 1, 2012. This new plan would provide a base state aid per pupil of \$4,520 for instruction. The 20-mill statewide property tax levy would continue for instructional purposes only. The state would make up the difference between local effort, which includes the 20 mills, and other miscellaneous revenue and the amount that the \$4,520 per student would provide.	Died in Senate Education.

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