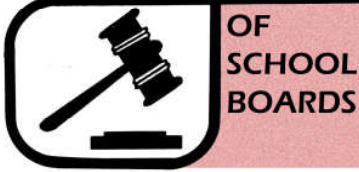


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Testimony before the
House Committee on Education
on
HB 2718 – Local Activities Budget
by

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Kansas Association of School Boards

February 16, 2012

Mr. Chairman, Members of the Committee,

Thank you for the opportunity to comment on **HB 2718**. KASB opposes this bill based on the policies adopted by our members – and we will offer an alternative.

As has been the case with similar bills in previous sessions, **HB 2718** would allow certain districts to raise local property tax revenues without state equalization aid to spend on programs that are not required by the state. The bill is designed to allow SOME districts to spend more money on things that are NOT required while doing nothing to help districts spend money on things that ARE required.

So far this session, the committee has heard about the need to improve reading skills by providing more services to students; improve graduation rates by offering more alternative programs; improve financial literacy by requiring more courses; and expanding college preparation courses through virtual programs. The revenue raised by this bill, in theory, could not be spent on ANY of those needs.

However, of course, this bill would simply allow districts to shift the funding of non-mandatory programs to this new revenue source, and free up current resources for mandatory programs. That would be fine except for two reasons.

First it applies only to districts below the statewide average per pupil amount. Remember, districts below the statewide average per pupil generally have one thing in common: they have less expensive students. Unless they choose to have low local option budgets, low spending districts have fewer weighted students, and weightings are given based on higher cost students, programs and schools. ALL districts have faced a similar per pupil reduction in base aid and operating budgets, and ALL districts face rising operating costs.

Second, the local activity budget tax levy must be approved by local voters without any state aid, which means for low valuation districts it provides far less benefit. KASB opposes local revenue sources that are not equalized by state aid. As noted above, this revenue will, in fact, help fund mandatory programs unless the bill specifically prohibits districts from shifting funds and must use all revenue for NEW expenditures. This certainly weakens the state's position in any constitutional litigation.

KASB believes the state is now in the position to choose a much better alternative. Unlike recent years, the state has a much healthier ending balance and revenues are rising. Last year, a special KASB committee of board members and superintendents representing all categories of districts agreed to support an increase in the maximum LOB, if state equalization aid is provided at a higher aid rate. This could be accomplished by funding the LOB, including this additional authority, at the statutory rate.

We believe this is a simple, honest and direct way to give all districts more local funding options in an equitable manner.

Thank you for your consideration.