

Kansas Association of School Boards

Positions on Elements of:

SB 361 Governor Brownback's Excellence in Education Act

February 2, 2012

Positions include citation to resolutions adopted by the KASB Delegate Assembly, December 3, 2011; the KASB Committee on Funding Public Education, December 2010; and standing KASB policies.

Part 1: School Finance

<p><i>Baseline Amount Requirement (BAR).</i> The starting point of the new formula is the baseline amount requirements, or BAR, which would essentially guarantee each district receives at least as much general operating budget funding in the first year of the new plan as under the current system, and would act as a "floor" for district funding in the future. The new plan would begin in 2013-14, and the BAR amount would be based on the district's budget in either the current year (2011-12) or next year (2012-13), whichever is GREATER.</p>	<p>KASB supports a hold harmless provision for any significant change in the formula.</p> <p><i>Finance resolution #4</i></p>
<p><i>Base State Aid.</i> Districts would receive a base state amount per full time equivalent (un-weighted) pupil of \$4,492. Districts would continue to be allowed the current declining enrollment feature. In future years, districts would gain or lose funding based on changes in their FTE enrollment.</p> <p>FTE includes current declining enrollment provisions, enrollment on trimester or quarter basis, second military count date. Virtual students are counted as 0.75.</p>	<p>KASB supports a plan to increase funding to recognize increased costs.</p> <p><i>Finance resolution #3</i></p> <p>KASB supports funding school districts on a per pupil basis.</p> <p><i>KASB policies.</i></p> <p>KASB supports the declining enrollment features to help district plan for reduced funding over time.</p> <p><i>KASB policies.</i></p> <p>KASB does not have a position on virtual school counting, but a lower "weight" may reduce incentives for virtual programs.</p>

<p><i>Kindergarten.</i> Kindergarten students would be counted as 1.0 FTE students, but would not necessarily result in additional funding. Districts could continue to operate half-day kindergarten and charge a fee for the other half day of programming.</p>	<p>KASB supports additional <u>funding</u> for counting full-time kindergarten students as 1.0</p> <p><i>Solution: phase-in funding over five years.</i></p> <p><i>Finance resolution #5</i></p>
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<p><i>Local Effort.</i> For the first year of the program, district budgets would be based on the current level of local property tax revenue for their local option budget. Districts could choose to lower their mill levy, but the state would not make up the difference. In the future, if a district maintains this levy but receives less revenue due to declining valuation, the state will make up the difference.</p>	<p>KASB notes this “locks in” significant disparity in local mill levies.</p> <p><i>Solution: Provides equalization for future mill levy growth.</i></p> <p><i>(Some districts would lower their mill levy with higher property valuation fund aid, but many districts receive no assistance.)</i></p> <p><i>Finance resolution #9, Committee #7</i></p>
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<p><i>Property Valuation Equalization Fund (PVEF).</i> The bill contains the same provision from earlier descriptions to collect the 20 mill statewide levy at the state, rather than local level, and distribute to districts on a formula considering district property wealth. Many districts, almost all with relatively low enrollment and property wealth per pupil, would receive a funding increase under this plan. The maximum amount of revenue a district could receive under three funding sources (base amount per pupil + current LOB local effort + allocation of state 20 mill levy) is 106 percent of the BAR. (This amount would NOT compound year by year. For example, if a district is entitled to an 18 percent increase, it would NOT receive a 6 percent increase each year for three years.) The 106 percent limit could be changed by legislative action, or if certain high valuation districts (currently Shawnee Mission USD 512 and Blue Valley USD 229) increase their budget more than 106 percent above their BAR, the maximum limit would be increased to that level.</p>	<p>KASB opposes the current structure of this provision.</p> <p>(1) It fails to provide additional funding or tax equalization to a significant number of districts educating a large majority of students.</p> <p>(2) There is no basis for using this formula to identify districts to gain revenue, and then permanently cap most of that revenue at 6%.</p> <p><i>Solutions:</i></p> <p><i>Use the revenue which provides some districts a 6% increase to give all districts a smaller increase.</i></p> <p><i>If the 20 mill levy becomes a state collected tax, it could be “equalized” simply by distributing to districts on a per pupil basis; providing over \$1,000 of each student’s \$4,492 base.</i></p> <p><i>Finance resolution #1</i></p>
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<p><i>Supplemental Equalization Fund (SEF).</i> If the first three funds (base aid + local effort + 20 mills allocation) produce less than the district’s baseline amount, the difference will be made up from the supplemental equalization fund, funded by the state.</p> <p>If the Legislature provides more funding to the SEF, the excess would be applied to districts that have not benefited from increases up to 106 percent due to the reallocation of 20 mills. The first priority would be districts at 100 percent of the BAR, next those at 101 percent, etc. This would allow the Legislature to direct funding at districts which do not benefit from the shift in the 20 mill levy revenue.</p>	<p>KASB supports ensuring that all districts receive a baseline at least equal to the current formula.</p> <p>The formula for distribution of additional SEF aid would be unnecessary if all districts receive an equal baseline and equal increases going forward.</p> <p><i>Finance resolution #1, #3</i></p>
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<p><i>Cash Carryover.</i> The bill eliminates the current contingency fund, and sets the maximum carryover amount for districts at 7.5 percent of the BAR, excluding the capital outlay, bond and interest and special education funds. Any excess over this amount would be transferred to the district’s KPERS fund and be used to fund the employer contribution on behalf of the district’s employees.</p> <p>(A preliminary estimate by KASB indicates balances of \$667 million in other district funds on July 1, which would be 19 percent of statewide general and supplemental general funds, excluding special education.)</p>	<p>KASB opposes this restriction on cash carryover.</p> <p>(1) Funds which have a clear purpose of building reserves should be excluded, such as special reserves, textbooks, gifts and grants, etc.</p> <p>(2) 7.5% equals about one-month’s bills. Some experts recommend at least two months reserves.</p> <p>(3) Districts do not know when and if the state may experience cash flow issues and delay payments.</p> <p>(4) Districts should be allowed to manage these funds to meet local needs.</p> <p><i>Finance resolution #2, Committee # 3</i></p>
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<p><i>Local mill levy revenue.</i> Districts are given unlimited authority to raise local revenue from property taxes for paying a portion of the cost of operating and maintaining public schools, including transfers to the capital outlay fund. No state equalization aid is provided.</p>	<p>KASB supports allowing additional local revenue beyond current limits <u>on the condition</u> that state equalization aid is provided.</p> <p><i>Solution: Provide state aid for additional use of local tax revenue going forward.</i></p> <p><i>Finance resolution #9, Committee #1, #6</i></p>
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<p>The tax levy is subject to an annual protest petition by 5% of qualified electors in the district.</p>	<p>KASB opposes a protest petition requirement.</p> <p><i>Solution: At a minimum, allow boards to raise local revenue without protest to a percentage threshold, such as the consumer price index, or the current “below average” LOB provision.</i></p> <p><i>Note: Clarify if the protest annually to the entire levy or only to an increase.</i></p> <p><i>Finance Resolution #10</i></p>
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<p><i>Weightings.</i> The bill continues to eliminate most weighting factors in the current formula, but there are several exceptions.</p> <p>Funding for the transportation weighting is converted to a transportation aid fund, which would operate similar to the current weighting factor.</p> <p>The bill also converts the current vocational weighting to a new career and technical education fund.</p> <p>No changes are made in the current special education aid formula.</p> <p>Finally, the new facilities weighting is modified, as noted on page 5.</p>	<p>KASB opposes the elimination of adjustments for students with required services or subgroup accountability, specifically low income and bilingual.</p> <p><i>Solution: Retain the weighting or create a separate aid program for these areas (such as transportation, career and technical education and special education under the bill).</i></p> <p><i>Finance resolution #1, #6, #7, Committee #2</i></p>
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<p><i>Consolidation.</i> The bill retains the concept of attempting to provide incentives but not mandates for district consolidation. The bill would allow consolidating districts to retain the combined budget authority for specified years as under current law, but at the end of that period would reduce the BAR for the new district by 33 percent. (KASB does not yet have an estimate of the impact of this provision compared to current law.)</p>	<p>KASB supports incentives for consolidation, but believes the 33% reduction would be a <u>disincentive</u> to consolidation.</p> <p><i>Solution: Adjust the new district’s baseline only by the change in students at the end of the consolidation period, providing the same treatment as other districts.</i></p> <p><i>KASB Policies</i></p>
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<p><i>Bond and Interest Aid and New Facilities.</i> As previously presented, the bill would “suspend” state aid for bond and interest for bonds approved by voters after July 1, 2012, through the life of the bill, and for capital outlay aid to districts.</p> <p>The new facilities weighting would be ended, but the state would pay for the same amount as the projected weighting for projects that have already been approved by voters. This weighting factor applies to a district for only two years per project. It would not be provided for construction of projects approved after July 1, 2012.</p>	<p>KASB opposes the suspension of bond and interest aid, and supports the reinstatement of capital outlay aid.</p> <p><i>Solutions: Create a state approval process of bond and interest aid requiring demonstration of long-term need.</i></p> <p><i>Use one mill of the statewide mill levy to fund capital outlay state aid, limiting payments to this amount.</i></p> <p><i>Finance resolution #12</i></p>
<p><i>Sunset Date.</i> The entire act expires on June 30, 2017.</p>	<p>KASB does not have a position on the sunset date.</p>

Conclusion on finance issues

KASB appreciates Governor Brownback’s call for suggestions to improve this proposal.

KASB strongly believes the state can meet its constitutional duty to make suitable provision for education only by a continuing **state** commitment to **statewide** educational improvement and excellence. Local funding can be a part of this effort, but it cannot be the only part. **SB 361**, with modifications, could provide suitable finance but only if adequate state funding is provided going forward. The current system will fail to provide suitable finance if it continues to be underfunded.

KASB urges the Legislature to not only embrace a system it can have confidence in, but also a plan to ensure adequate funding over the next four to five years.

Part 2: Career and Technical Education

<p><i>Vocational Weighting.</i> The current 0.5 vocational weighting factor will end this year, and the same dollar amount will be placed in a vocational and technical education fund and distributed to school districts based on enrollment in technical programs next year.</p>	<p>KASB does not oppose this provision if the same level of funding is provided.</p> <p><i>Finance resolution #8</i></p>
<p><i>Postsecondary Tuition.</i> An additional amount of funding will be provided to the Kansas Board of Regents to pay tuition for all high school students enrolled in a career and technical education course or program offered by a community college or technical college. Funding will also be provided to the Regents for state tiered technical aid for these programs. All credit hours for secondary students enrolled in postsecondary technical education programs are eligible for tiered state aid.</p>	<p>KASB supports.</p> <p><i>First In Education Resolution: Broader curriculum</i></p>
<p><i>High School Transportation.</i> Funding will be provided for the additional cost of transporting high school students to postsecondary programs.</p>	<p>KASB supports.</p> <p><i>First In Education Resolution: Broader curriculum</i></p>
<p><i>Concurrent Enrollment.</i> Students enrolled in postsecondary programs can count those courses on both their high school and postsecondary transcripts when credit is earned.</p>	<p>KASB supports.</p> <p><i>First In Education Resolution: Broader curriculum</i></p>
<p><i>Geographic Limits.</i> Districts will no longer receive career technical education aid for a program that is also offered by a postsecondary institution located within 30 miles. The Kansas State Board of Education will determine if programs are, in fact, duplicative, and may waive this provision if the postsecondary institution does not have capacity for the district's students.</p>	<p>KASB believes the 30 mile limit should be removed, modified or delayed to ensure all current program opportunities for students can be continued, and school districts do not have funding losses.</p> <p><i>First In Education Resolution: Broader curriculum; At-risk students.</i></p>

<p>If a postsecondary institution does not offer a needed course or program in its area, the Regents may authorize another institution to provide the course or program.</p>	
<p><i>Program Promotion.</i> Both the State Board and Board of Regents will receive funding to promote the career and technical education initiative.</p>	<p>KASB supports.</p> <p><i>First In Education Resolution: Broader curriculum</i></p>
<p><i>Incentives.</i> High schools will receive an award of \$1,000 for each student who earns an industry-recognized credential in key occupations identified by the Kansas Department of Labor. A special focus is given to certification in agriculture fields.</p>	<p>KASB supports in concept.</p> <p><i>Finance resolution #8</i></p>
<p><i>Career Plans.</i> The State Board is directed to conduct a study of implementing a requirement for individual career education plans for students in grades 8-12, and reporting to the Legislature whether it intends to adopt such a requirement.</p>	<p>KASB supports.</p> <p><i>First in Education resolution: Individual student socus; Broader curriculum</i></p>

Part 3: Teacher Evaluation and Licensure

<p><i>Evaluation System.</i> Each district would be required to adopt either the Kansas Educator Evaluation Protocol (KEEP) now being piloted, or another evaluation system meeting the minimum guidelines of the KEEP system which must be approved by the State Board.</p>	<p>KASB supports development of statewide standards for teacher evaluation, specifically the KEEP system.</p> <p>First in Education Resolution: Effective Educators</p>
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<p><i>Evaluation Categories.</i> The systems must include an annual designation of employees as either Highly Effective, Effective, Progressing or Ineffective, based on rules and regulations adopted by the State Board, and must be based on the following allocations of performance: 50 percent based on student achievement, 40 percent based on input received from supervisors, peers, parents and students, and 10 percent based on contributions to the profession.</p>	<p>KASB supports use of student academic growth over time as a primary factor in evaluation, but does not support any single assessment as the only or primary measure of that growth.</p> <p>First in Education Resolution: New Accreditation and Accountability</p>
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<p><i>Teacher Performance Incentive Program.</i> A program is created to provide awards of \$5,000 for teachers rated “highly effective” or teacher teams when the teacher or team demonstrates increased student achievement for at-risk students.</p>	<p>KASB supports more opportunity to reward teachers for performance, but does not support using a single factor in determining performance.</p> <p>This proposal appears to be limited to one teacher or team per district, which could be of limited use to larger districts.</p> <p><i>Solution: Clarify bill if this is not the intent.</i></p> <p>First in Education Resolution: Effective Educators; Finance Resolution: #8</p>
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<p><i>Professional Development.</i> Any state funds provided for the professional development program are to be used to address deficiencies identified through the new evaluation system, and to support activities that measure teacher performance.</p>	<p>KASB supports restoring professional development funding. KASB believes more funding will be necessary to effectively improve teacher evaluation.</p> <p>First in Education Resolution: Effective Educators</p>
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<p><i>Ineffective Teachers.</i> No pupil shall be instructed for two consecutive years by two consecutive teachers who are rated ineffective, unless the school board determines compliance with this section is unreasonable and notifies the pupil's parent. Any teacher evaluated as ineffective for two consecutive years who has been provided with an opportunity for professional development may be terminated. Any employee receiving a progressing or ineffective rating shall be entitled to an in-person conference with the superintendent.</p>	<p>KASB supports change in state law to give boards more ability to remove ineffective teachers, while preserving the ability to appeal an arbitrary or unsupported dismissal.</p> <p>To be effective, this change must be tied to the teacher due process act.</p> <p>Requiring students or teachers to be shifted or parents to be notified could have unintended consequences in evaluation.</p> <p><i>First in Education resolution: Effective Educators</i></p>
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<p><i>Internet Posting of Evaluations.</i> The name and rating designation of each teacher shall be posted on an internet website designated by the board, which shall be accessible to the parents of students in the school district at no charge.</p>	<p>KASB does not support this requirement.</p>
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<p><i>STEM and Career Tech Teachers.</i> No applicant for a teaching certificate at the secondary level in Kansas shall be required to complete a teacher preparation program prior to certification in the following areas: (1) science, (2) technology, (3) engineering, (4) math or (5) career technical education.</p> <p><i>Teach for America.</i> No Teach for America participant who has completed a two-year teaching program shall be required to complete a teacher preparation program.</p> <p><i>Requirements for Alternative Certification.</i> In both cases above, the State Board shall require successful completion of subject matter assessments and the applicants must have a commitment from a local board to be hired as a teacher.</p>	<p>KASB supports allowing teachers to be alternatively licensed if, in addition to content knowledge, they demonstrate effectiveness in student learning and other skills over a period of time.</p> <p><i>First in Education resolution: Effective Educators</i></p>
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2012 Public Policy Resolutions

Kansas Association of School Boards

Adopted by the Delegate Assembly, December 3, 2011

Resolution 1: First in Education, the Kansas Way

The people of Kansas through their constitution seek to continually improve education by establishing public schools led by local school boards elected from their community, under the general supervision of an elected State Board, with suitable finance provided by the Legislature. Under this system, Kansas ranks seventh in the nation on 11 key educational outcomes. KASB proposes that Kansas strive to be first in the nation in education by strengthening our Kansas system as follows:

Improving Education. Continue to improve the high-ranking achievement levels of Kansas students.

- **New Accreditation and accountability.** Expand the current narrow focus on annual reading and math tests to more meaningful assessment of student growth and 21st Century Skills.
- **Broader curriculum.** Maintain the current breadth of courses and activities and expand focus to include college preparation, career education, fine arts and development of essential life skills.
- **Individual student focus.** Strengthen support programs based on individual student needs, beginning with early childhood and continuing through preparation of all students for success beyond high school.
- **Effective educators.** Improve educator training, licensure, and retention policies using performance-based evaluation and continuing professional development while providing appropriate protections and benefits, including the state retirement system.
- **Public engagement.** Increase public understanding of educational issues and support for improvement.

Suitable Finance. Provide constitutionally suitable funding for continuing educational improvement.

- **State educational interests.** Fund as state responsibility all educational interests as defined by requirements of the Legislature, State Board of Education and Federal Government, including educational outcomes.
- **Funding Equity.** Balance increased local funding options with increased state equalization aid.
- **At-Risk Students.** Provide funding that recognizes the impact of economic disadvantage and other factors in student success, and does not punish students and schools for improving outcomes.

- **Tax Policy.** Improve understanding of the impact of narrowing the state tax base, and support a tax system that balances effective and accountable economic development with constitutionally suitable education funding.

Local Leadership. Strengthen the role of parents and communities to promote flexibility and innovation in school management and improvement through their locally elected school boards.

- **Local decision-making.** Support local choices in education policy and use of funding unless the school persistently fails to demonstrate improvement.
- **State mandates.** Review and identify state mandates for possible repeal; oppose new requirements without clear evidence of effectiveness and funding for additional costs.
- **Innovation.** Promote flexibility under supervision of local boards, rather than outside of local accountability.
- **State Supervision.** Maintain an independent State Board of Education, directly accountable to voters, with authority over the Commissioner and Department of Education for general supervision of schools.
- **Public funding and non-public education.** No public funding should be provided to private institutions without accountability under local school boards.

Resolution 3 – School Finance Proposals

Recognizing there will be multiple proposals for changing the Kansas school finance system, KASB believes the following concepts to be a paramount importance:

1. The guiding principle for any system must be to continue improving Kansas educational outcomes for all students.
2. The Kansas constitution provides for the **Legislature**, not local districts, to make suitable provision for finance so that all students and schools can meet **state** educational standards, with local elected boards determining how to best manage funding to reach those standards.
3. Any new system must provide more, not less, state funding for students to meet the constitutional requirement for improvement. The six states with higher overall educational outcomes than Kansas each spend more per pupil than Kansas.
4. Any new system must provide a “hold harmless” mechanism for its implementation.
5. Full-time kindergarten students should be funded as full-time students, and support for early childhood education programs should be strengthened.
6. Before considering a change from a weighting system, the change must be justified by (1) providing at least the same level of state funding unless costs are also reduced, (2) providing more stable funding over time, and (3) increasing flexibility in the use of those funds. No new requirements on the use of funds should be imposed unless a district is failing to meet state accreditation standards.

7. "Competitive" grants should be not used to fund required programs such as at-risk and bilingual. (Districts are required to meet adequately yearly progress standards for low income and bilingual.) At-risk funding should be based primarily on low income students, but other risk factors should also be included.
8. The use of block grants or other incentives to promote expanded programs (such as career and technical education), reward performance or encourage innovation could be a positive step, provided such efforts are not mandated without funding or funded by diverting resources from other required programs.
9. If expanded local funding authority is necessary due to limited state resources, it must be accompanied by expanded state equalization aid. The range in local tax effort should be reduced, not increased.
10. Because local boards are responsible for meeting state standards, the authorization of additional local funding must be made by the board and not subject to vote.
11. Expanding the authority to use local sales tax authority raises many concerns. At a minimum, it must be significantly equalized.
12. State aid should be continued for capital improvement (bond and interest) and restored for capital outlay.
13. KASB supports the development of a multi-year budget process, recognizing this may require changes in state and local ending balances to anticipate fluctuations in state revenue. Such a policy should allow districts more time to plan for changes in revenues.
14. Changes in school finance policies should be coordinated with school district accreditation and improvement initiatives.

KASB Committee on Funding Public Education

Final Report, December 2010

The committee developed ten recommendations as guiding principles for Kansas school district funding:

1. The Kansas school finance system must provide equal opportunity for all students. Because of the disparity in revenues available to local districts, this requires equalization funding in the formula.
2. The basic structure of the current school funding formula is sound. The current weightings serve a rational purpose, but all weightings should be based on scientific research, not political expediency.
3. All school district expenditures should support student learning. The state should not attempt to direct funds into certain budget areas. Locally-elected boards should decide how education funds are used to address student achievement.
4. The school finance system should encourage and remove barriers to sharing services and curriculum across school districts to promote efficient use of resources.
5. The state should seek to provide budget stability and predictability to promote long-term planning and to avoid mid-year budget cuts after contracts are in place.
6. Expanded local option budget funding is not a long-term solution to funding Kansas public schools. However, in the current state financial crisis, the ability to expand the LOB is a short term solution that can help students now.
 - a. To address the requirements of the Kansas Constitution, any additional LOB must be offset with a higher equalization rate.
 - b. Additional use of the LOB should be determined by locally-elected boards of education based on local needs.
7. Local tax effort should be more consistent among all Kansas school districts.
8. The current “grandfather provision” allowing the LOB to be based on a \$4,433 base state aid per pupil should be extended to maintain current LOB levels.
9. Districts might benefit from additional flexibility in the use of state and local funds, but KASB should undertake further study on the impact of shifting funds among specific revenue sources.
10. KASB encourages a comprehensive review of state and local tax policy, including the appropriate balance among tax sources, the impact of tax exemptions and the role of school districts and other entities in granting tax exemptions and abatements.