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Testimony before the
Senate Committee on Education
on
HB 2269 – Requiring Local Option Budget as part of Foundation Aid

by
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Madam Chair, Members of the Committee:

Thank you for the opportunity to comment on **HB 2269**. As we understand the bill, it makes the first approximately 10 percent of the Local Option Budget mandatory. By adding this amount to the current general fund (base budget times weighted enrollment), the base budget per pupil becomes a higher amount. Under the bill, the statutory base per pupil would be \$4,200. The sponsor has indicated a belief this step might help the state defend the current system against school finance litigation.

This bill would require districts to adopt a 10 percent local option budget (which all districts have currently done) and thereby allow the state to argue this amount should be considered foundation aid for “suitable provision for finance” as required by the state constitution. However, even with the current level of LOB equalization, there are significant differences in the mill levy required to fund the first 10 percent LOB. We would ask (and believe the courts and taxpayers would also ask) what possible educational or other rational basis there is for requiring some districts to pay a much higher mill rate than others to provide the same level of educational opportunity guaranteed for all students. In short, whatever benefit the state may gain in “adequacy” defense, it would lose in its “equity” defense. This is even more of an issue as LOB continues to be prorated at lower levels.

Second, it is hard to see how this bill helps much in the adequacy area, since the “new” base amount under this bill would still be far below the statutory level and even farther below the cost estimates of Legislative Post Audit cost studies.

The simple fact is the Legislature has failed to fund almost all of the major components agreed to in settling the *Montoy* case. If the case reaches the Supreme Court, the Court is either going to agree the economic crisis was justification for doing so, or it isn't. We don't see how this bill changes the facts the Court will use to decide. It simply changes an inadequate base funded by an equal mill levy to a slightly higher but still inadequate base funded by a unequal mill levy.

Finally, this bill would add a great deal of further complexity to the school finance system, the Kansas State Department of Education, and local school districts accounting requirements.

Thank you for your consideration.