



INDEPENDENCE USD 446

BOARD OF EDUCATION OFFICE

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Testimony to House Appropriations Committee on HB2403

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Chuck Schmidt, Superintendent of Schools

Deb Fox, Director of Business Operations

Chairman Ryckman and Committee:

Thank you for the opportunity to testify before this committee. We will try not to repeat the same points as the other presenters, although many of our concerns are similar.

Our biggest concern about dealing with school funding in a block grant format is because it removes the adaptability of the current formula. The current formula adjusts to changes in demographics, changes in numbers and changes in programming.

After several years of increasing enrollment my district is expecting a decline because of the loss of jobs as a result of the closing of the Amazon and Southwire Plants in Montgomery County. A block grant based on the 2014-15 enrollment numbers would be a help to my district, because we would receive more funding than our enrollment may justify. That would be a good thing for our district, but many of my colleagues here whose enrollments may increase, would see no increase in funding. That seems inefficient unfair and to me. In a time when schools are encouraged to be more efficient, we would be creating a system that is inefficient.

The current formula also adjusts for changes in demographics. When at risk numbers, English Language Learners or vocational enrollment numbers change, the formula adapts to those changes. With a block grant this adaptability is lost. These student populations cost more which is why the formula adjusts for them.

My brother, Former Senator Allen Schmidt, was in the state senate when the idea of changing the funding formula was discussed in the Senate Education Committee in 2012. As they discussed eliminating various weightings it was pointed out why those weightings were necessary. The proponents of the change repeatedly stated that they could adjust for that particular weighting. After this was repeated several times my brother made the statement, "so if all of these adjustments are necessary, why are we changing the formula?" The attempt to change the formula was eventually dropped.

I want you to hear from someone who has experience with block grants at the community college level. Deb Fox is our Director of Business Operations for Independence USD 446. Prior to that she spent 14 years as the Vice President for Finance and Operations for Highland Community College. Below is her testimony.

In 2002 Kansas Community Colleges moved under the coordination of the Kansas Board of Regents and were then funded by operating grants. Applying my familiarity of working through that process, I offer you the following observations:

Inequities of assessed valuation are no longer addressed after the first year of grant implementation.

Fluctuation for enrollments or shifts in student population needs are not recognized in block grants. The current system allows for that adjustment addressing student resource needs including at-risk, English Language Learners and transportation demands.

Heading down this path will only make it more costly to make adjustments in the future. As you try to hold harmless in implementing the grants, there will be huge fluctuations when you try to move to a new formula after several years of block grants. Immediate adjustments with a new formula will cause serious harm to shrinking districts or it will cost an inordinate amount of money to cushion those declines. The current formula gives districts the time to adjust to drastic declines.

We request that you not change school funding to block grants. We are not opposed to looking at parts of the current formula and making adjustments to some of the weightings. To do this, we don't need to throw out the entire formula. We especially don't want to throw out a formula that works, for some unknown future formula that has not even been outlined yet.

The formula works. If it needs updating let's discuss each part of it and see how we can make it better. Let's not throw out the baby with the bathwater.

Thank you and we stand for questions.

Chuck Schmidt
Superintendent of Schools
Independence USD 446

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