

Date: March 9, 2015
House Committee on Appropriations
Attn: Representative Ron Ryckman and Committee Members
Testimony in opposition of HB 2403

Good morning, Representative Ryckman and members of the committee. My name is Shelly Kiblinger and I am the superintendent of Hutchinson Public Schools. Hutchinson serves approximately 5000 students, many of whom are from low income families and academically at-risk.

The supporters of HB2403 would have you believe that the formula is broken and too complex to understand. The formula is complex because the needs in each school district are each different. The formula was designed by legislators to provide precise amounts of funding based upon the needs of the individual students and to be flexible as the numbers of students and needs rise or fall within a district. The formula also provides equity to all children regardless of a district's high or low property valuation. Lastly, the courts have ruled the current formula is Constitutional.

A patron from my district recently contacted the governor's office, concerned about the lack of school funding. The reply he received informed the patron our funding had increased 2.1 million this year alone, including \$25,000 for KPERS. While this is somewhat true, it is also very misleading and I want to make sure you understand as well. Our students did not receive an additional 2.1 million dollars this year. Our property owners received 1.8 million dollars in tax relief through equalization, and KPERS received additional – but neither of these things impacted our operating budget. We gained about \$300,000, which was not sufficient to cover the increases in our operating costs caused by inflation and other mandates. I can see how legislators would be frustrated – you increased funding as ordered by the courts, but it did very little to get more money into the classrooms. It mostly helped taxpayers, and they are grateful.

However, as you deal with this frustrating reality, scraping the existing school finance formula not a wise or prudent course of action to get more money into the classroom. I would respectfully offer that moving this forward with less than 24 business hours for careful consideration will bring disastrous unintended consequences.

The figures produced by KSDE do not tell the entire story about the negative impacts of HB2403. In our district, our Capital Outlay equalization appears to be capped at the 2013-14 level, denying us over \$200,000 in Capital Outlay equalization aide we are receiving this year. This fact does not appear on the spreadsheet provided by KSDE. There are adjustments to LOB equalization negatively impact us as well. I'm certain there are other districts affected similarly. It also prevents our taxpayers from enjoying equalization on additional LOB and Capital Outlay we had planned to levy for 2015-16. And with a court ruling stating that without equalization there can be no LOB and Capital Outlay, we actually wonder if we can even raise more revenue legally. It appears we are being punished for having been better stewards than many of our neighboring districts who are already at the maximum LOB and Capital Outlay possible. When all factors are taken into consideration, it appears Hutchinson will have \$313,000 less in 2015-16 under this system. The situation does not improve in future years.

Keeping funding level for districts will likely have many other unintended consequences. Our district was actually expecting some decline in funding next year because our enrollment is decreasing. This formula would not penalize our district if enrollment declines. While that appears to be a good thing for us at first glance, is it really fair? And what is to prevent districts from realizing this and refusing to accept out-of-district students? Our neighboring district to the north will now have an incentive to exclude more than 100 students next year. Why would they not send students back to their district of residence if they could keep the same funding as before? And would we be able to obtain additional funding even close to the cost of educating these students we would be forced to take?

The idea of funding flexibility is not a bad one, but it makes the incorrect assumption that districts have surplus dollars in certain areas and that by being allowed to spend them elsewhere that we will have more money for the

classroom. This is not the case. Our district, like most others, must transfer money from the general fund or supplemental general fund into bilingual education, vocational education, transportation, and capital outlay because those funds do not generate sufficient funds to cover the needs of those programs. Thus, flexibility will not resolve the desperate shortages we face in our classrooms.

Educators do appreciate that HB 2403 recognizes the importance of continuing to fund KPERS at appropriate levels. This is necessary after 20 years of underfunding our pensions. However, it does little to attract and retain quality individuals to the profession. Colleges in Kansas reported that numbers in teacher preparation programs are down 20% to all time lows. And increasing numbers of teachers are retiring. Kansas has now fallen to 42nd in the nation for teacher salaries. Those individuals, who do attend our colleges to become teachers, will likely leave our state. Yes, we need to get more money into the classroom, but HB 2403 is not going to accomplish that purpose.

We need a formula that continues to adjust funding, as student needs change. Each day, we are faced with new students with new needs in our district. Last week an elementary principal scrambled to meet the needs of a kindergarten student who was violently lashing out in the classroom. The principal learned what was going on. That morning before dawn, the student had been dropped off with his aunt, whom he barely knew, with just the clothes on his back. The parent was on her way to prison that day, said "here, take my kid – he should be in kindergarten." And left. Is it any wonder the student is unable to function normally in class? We are just beginning to determine what services this child will need to be successful. Those services come with a cost and will put strain on an already overburdened system. If you believe this scenario is unique in Hutchinson, you are wrong. Something like this occurs almost weekly. A town with a prison is unique. The existing finance formula has mechanisms in place that annually adjust for the changing numbers and needs of our student population. HB 2403 does not.

I urge you to oppose HB 2403. Throwing out the entire formula with no idea what will be developed to replace it would be reckless. The block grant proposal does not include all the facts, will have unintended consequences, and violates the constitutional requirement for equity. Our students deserve better.

Submitted by: Dr. Shelly Kiblinger
Dr. Shelly Kiblinger, Superintendent of USD 308-Hutchinson

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