



Testimony to House Education Committee
HB 2486 School District Bond Project Review Board
February 1, 2016
Dave Trabert, President

Chairman Highland and members of the Committee,

We appreciate this opportunity to testify in support of HB 2486, which would create a process to determine whether school district bond proposals are eligible for state Bond & Interest aid. The current absence of any review process gives local school boards a blank check to spend whatever they want, thereby obligating citizens across the state to pick up part of the tab and reducing the amount of aid that could otherwise go to direct instruction of students.

The Division of Budget estimates that Bond & Interest aid will be \$181 million in FY 2017, which would be nearly triple the \$63.7 million spent in FY 2007. To put that in perspective, had Bond & Interest aid remained steady over that period, \$527 million more could have been spent on Instruction.

We don't object to patrons of a local district spending their own money however they wish, but when other people's money is on the line, those other people should also have input – which would be the role of the proposed review board.

The K-12 Student Performance and Efficiency Commission heard testimony in 2014 relative to this issue. The superintendent of one district said they preferred to build larger elementary schools because they are more efficient to construct, staff and maintain. The Olathe superintendent said patrons in his district preferred much smaller elementary schools. The problem, though, is that citizens across the state are compelled to pay extra for Olathe's decisions because 30% of Olathe's Bond & Interest costs are picked up by other people¹, including the \$114 million construction of a new high school.²

The current formula to determine eligibility for Bond & Interest aid is based on average valuation per pupil, as is also the case in this bill. Olathe gets Bond & Interest aid even though 1 mill raises \$1.8 million, but the residents of small districts such as USD 225 Fowler and USD 200 Greeley County, where 1 mill only generates \$15,000 and \$32,000 respectively, have to pay the entire cost of their bond projects.³ Accordingly, we suggest that the committee may want to consider distributing equalization aid on a total valuation basis rather than average valuation per-pupil.

Incidentally, 42% of all Bond & Interest aid goes to districts in Johnson and Sedgwick counties.⁴

We also suggest that consideration be given to the development of basic construction standards (e.g., cost per square foot of instructional and other areas, students per building) to help guide the Project Review Board deliberations, which might also be informative to local patrons.

The School District Bond Project Review Board would ensure that taxpayer money is more efficiently and effectively spent, and we encourage the Committee to recommend it favorably for passage.

¹ KSDE Bond & Interest spreadsheet for the 2015 school year.

² Olathe Public Schools Bond 2013 Projects

³ KSDE assessed valuation report for the 2015 school year.

⁴ KSDE Bond & Interest spreadsheet for the 2015 school year.