

Approved: 5-05-10

Date

MINUTES OF THE HOUSE EDUCATION BUDGET COMMITTEE

The meeting was called to order by Chairman Joe McLeland at 10:00 a.m. on May 3, 2010, in Room 159-S of the Capitol.

All members were present except:

Representative Bill Feuerborn- excused  
Representative Brenda Landwehr- excused

Committee staff present:

Theresa Kiernan, Office of the Revisor of Statutes  
Reagan Cussimano, Kansas Legislative Research Department

Conferees appearing before the Committee:

Dave Trabert, President, Kansas Policy Institute  
Mark Tallman, Assistant Executive Director, Kansas Association of School Boards  
Diane Gjerstad , Executive Director, Government Relations, USD 259 Wichita  
Gary George, Assistant Superintendent, USD 233 Olathe

Others attending: See attached list.

**HB 2748 - School districts; the expenditure of moneys in school district funds for general education purposes**

Theresa Kiernan, Office of Revisor of Statutes, explained the purpose, and if passed, what the bill would accomplish. (Attachment 1)

As a proponent of **HB 2748**, Dave Trabert, President, Kansas Policy Institute, says this bill is about choices. It doesn't require districts to spend unencumbered balances in school district funds; it provides greater latitude for them, if they choose to do so. He said the balances represent taxpayer money that schools were given in prior years to educate students, but instead was used to build up cash reserves. Now districts are asking you to choose to raise taxes so they won't have to use the money you already gave them. There are thousands more Kansans hoping you will choose to reject demand for job-killing tax increases and support this bill. (Attachment 2)

Mark Tallman, Assistant Executive Director, Kansas Association of School Boards, offered comments on this bill. It basically gives school districts more flexibility to use, in school year 2010-2011, any balances in most school district funds on June 30, 2010, for "general education purposes." He outlined why districts carry cash balances. He offered comments asking why school districts need more flexibility to spend balances because a majority of funds could not be used for other purposes anyway. (Attachment 3)

Diane Gjerstad , Executive Director, Government Relations, USD 259 Wichita, also, offered comments concerning **HB 2748**. She stressed that most balances, except contingency funds, were put there for a purpose and couldn't be used for general education purposes. Some of those fund balances are necessary because money from the accounts is used when money from the State isn't received until later in the year. (Attachment 4)

Gary George, Assistant Superintendent, USED 233 Olathe, spoke to this bill as a neutral party. He stated that year-end cash balances can be large, but it must be understood that across the state, districts receive much of their revenue in June from taxes. Many of the cash balances must be used for the specific purpose for which they were raised, and are needed for that purpose, because they will not receive any more money from the State until October. (Attachment 5)

After all questions were answered, the chairman closed the hearing on **HB 2748**.

Representative Siegfried made an amendment motion to replace SB 74 with the content in HB 2748. SB74 amended the current cash-basis law to create an exception for school districts when expenditures exceed current revenues due to the late payment of general or supplemental general state aid. Representative Lane seconded the motion, and the motion passed.

05-03-10

CONTINUATION SHEET

Minutes of the House Education Budget Committee at 10:00 a.m. on May 3, 2010, in Room 159-S of the Capitol.

Representative McLeland made an amendment motion to limit the amount transferred out of other fund accounts to the general fund. This amount can only be equal to the amount of \$85.9 million stimulus dollars not replaced in the House budget. Representative Siegfried seconded the motion and the motion carried on a voice vote.

Representative Siegfried made a motion to amend the contents of SB 354 into HB 2748. SB 354 defined "taxable tangible property" as real property, personal property, state-assessed property, and motor vehicles in the school finance law regarding the tax levies for ancillary facilities weighting, cost of living, and declining enrollment. Under current law, motor vehicle taxes are not factored into these levies. Representative Carlson made the second. The amendment failed on a voice vote.

Representative Siegfried made a motion to amend the bill so that KPERs moneys paid to school districts are deposited in the general fund of the district; thereby increasing the LOB authority of school districts. After Representative Carlson seconded the motion, a vote was taken and the motion passed.

Representative Siegfried made a motion to pass House Sub for SB 74 favorably. Representative Lane seconded the motion and the motion carried on a voice vote.

The meeting was adjourned at 11:10 a.m.

No more meeting scheduled.

EDUCATION BUDGET COMMITTEE GUEST LIST

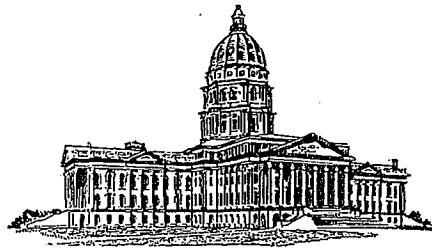
DATE: May 3, 2010

NAME	REPRESENTING
Dave Trebant	Kansas Policy Institute
Gene Meyer	Kansas Reporter
Bob Weeks	Wichita Falls
Paul Sauer	Kansas Watchdog
Bill Brady	SFFF
Rob Johnson	Belarico Consultant
Dodie Wellsham	Ad Astra Group
Wigh Keck	Heinlaw Firm
Jen Bruning	OP Chamber

MARY ANN TORRENCE, ATTORNEY  
REVISOR OF STATUTES

JAMES A. WILSON III, ATTORNEY  
FIRST ASSISTANT REVISOR

GORDON L. SELF, ATTORNEY  
FIRST ASSISTANT REVISOR



OFFICE OF REVISOR OF STATUTES  
KANSAS LEGISLATURE

Legal Consultation—  
Legislative Committees and Legislators  
Legislative Bill Drafting  
Legislative Committee Staff  
Secretary—  
Legislative Coordinating Council  
Kansas Commission on  
Interstate Cooperation  
Kansas Statutes Annotated  
Editing and Publication  
Legislative Information System

TO: House Education Budget Committee  
FROM: Theresa Kiernan  
RE: House Bill No. 2748  
DATE: April 30, 2010

HB 2748 would amend several provisions of law relating to the use of the unencumbered balances in certain school district funds.

The bill would authorize each school district to expend, for general education purposes of the district, moneys attributable to state appropriations, fees and transfers from certain school district funds. The bill would authorize such expenditures in school year 2010-2011. In addition, moneys in the capital outlay fund which are attributable to transfers of moneys from the general fund of a school district in school year 2008-2009 may be transferred to the contingency reserve fund of the district in school year 2009-2010; and moneys in the capital outlay fund which are attributable to transfers of moneys from the general fund of a school district in school year 2008-2009 or school year 2009-2010 may be expended for general education purposes of the school district in school year 2009-2010 and school year 2010-2011.

The state board of education would be required to adopt guidelines to assist school districts in the implementation of the act and to prevent the expenditure of tax moneys in violation of the Kansas Constitution.

The bill would not apply to moneys derived from the federal government or locally-imposed property tax levies.

The bill would apply to the unencumbered balance of moneys contained in the following funds on June 30, 2010: Bond and interest fund, parent education program fund, virtual school fund, adult education fund, adult supplementary education fund, at-risk education fund, preschool-aged at-risk education fund, special education fund, vocational education fund, driver training fund, food service fund, tuition reimbursement fund, summer program fund, extraordinary school program fund, special liability expense fund, special reserve fund, textbook and student materials revolving fund, capital outlay fund, bilingual education fund and professional development fund.

The bill also would repeal K.S.A. 72-6422 which established the area vocational school fund. All area vocational schools were required to become a technical college or merge with a postsecondary institution.

According to the Department of Education, the bill would not require additional general fund money to implement.

Testimony Presented to House Education Budget Committee  
in Support of HB 2748  
Dave Trabert, Kansas Policy Institute  
May 3, 2010

Mr. Chairman and members of the Committee:

I am pleased to submit testimony in support of HB 2748. This bill provides school districts with options to replace federal stimulus money and maintain current spending levels, thereby avoiding the needless sacrifice of thousands of jobs that would result from a tax increase.

The bill doesn't require districts to use their carryover reserves; it simply gives them greater flexibility to do so. All of the money that would be more accessible under this bill represents aid schools received in prior years but didn't spend. That aid was not provided for the purpose of building cash reserves but to educate students. HB 2748 will give districts greater flexibility to use those aid dollars as they were originally intended – if they choose to do so.

Reports recently submitted by school districts show they are spending some prior year aid dollars this year. The attached summary shows schools are spending down their carryover reserves by about \$370 million, \$191 million of which is being spent on current operating expenses.

This year's projected use of carryover reserves is being done under the same circumstances as is likely to exist next year – using those reserves to offset a small deduction in current year aid. Districts now report that total aid this year will be \$50 million less than in FY 2009, so they are using aid stockpiled in prior years to cover the revenue decline and fund a spending increase. The House budget currently replaces half of the federal stimulus money and local operating aid will likely continue to grow, so district revenue at worst would decline by \$85 million. That is less than 20% of the more than half billion dollars in aid districts say they will carry over into FY 2011.

You will likely hear testimony today saying schools can't or shouldn't use their carryover reserves to fund current operations. Rather than take time to refute those comments, I will simply note:

1. The Department of Education is on record at the November, 2009 meeting of the State Board of Education saying that schools were encouraged to set this money aside to be used in times like these.
2. The Revisor says this bill will give districts greater legal authority to use aid received in prior years that was transferred into funds with transfer restrictions. We can't rewrite history, but districts might not have chosen to make some of this year's job cuts if the options provided in HB 2748 had been in place a year ago.

House Education Budget Committee  
Date: 05-03-2010  
Attachment #: 2

3. School districts are using their carryover cash reserves this year.

You will also likely be told that portions of district carryover reserves are set aside for bond payments or other restricted activity. For the most part those comments will likely be true but they are also irrelevant to the discussion of this bill or the concept of using carryover reserves to fund current operations. The Revisor is very clear in saying that the money affected by HB 2748 can be made more accessible and spent for current operations.

You will also likely hear that districts need to hold on to hundreds of millions in prior years' aid to pay bills when the state is late making current aid payments. It's true that the state has been late paying schools but that has been by choice, not necessity. As stated on page viii of the state's 2009 Comprehensive Annual Financial Report (CAFR), "...as a cash flow management policy, the State seeks to avoid borrowing from its own idle funds to meet expenditure obligations of the State General Fund." That is tacit, and I might add callous, acknowledgement that the State has the money to meet its obligations but chooses to make payments late. Any money held by the State is not "its own idle funds;" that money belongs to taxpayers and should be used to promptly meet obligations to them.

The money might not have been in the State General Fund when the decisions were made to defer payments to schools, but it existed. You can be assured that if the holders of the State's nearly \$4 billion in debt thought the state was short of cash, our bonds would be reduced to junk status and we'd be making national headlines.

Fortunately, the legislature is taking steps to force the state's accountants to pay schools on time. Passing legislation to require the state to pay schools on time is not only the right thing to do, it also minimizes the need for districts to hold large cash balances and further enables them to use the money as originally intended – to educate students.

HB 2748 is about choices. It doesn't force districts to use aid carried over from prior years to educate students, it provides greater latitude for them to choose to do so.

We're talking about taxpayer money that schools were given in prior years to educate students but instead was used to build up cash reserves. Now districts are asking you to choose to raise taxes so they won't have to use the money you already gave them.

There are many viable ways to balance the budget and allow schools to maintain current spending levels, so if you choose to raise taxes, you will be choosing to put thousands more Kansans out of work. There's no dispute over the impact of tax increases, as both studies on the subject predict significant job loss.

73,700 Kansans have already lost their job in the private sector over the last two years. There are thousands more Kansans hoping you will choose to reject demands for job-killing tax increases and instead choose to support options such as those included in HB 2748.

# FY 2010 District Spending and Ending Balance Projections

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	Beginning Balance	Transfers	New Revenue	Total Available	Expenditures	Ending Balance	Balance Increase (Decrease)
Capital Outlay	451,672,840	16,349,961	203,541,590	671,564,391	389,650,029	281,914,362	(169,758,478)
Bonds 1	327,700,705	0	393,813,232	721,513,937	397,836,227	323,677,710	(4,022,995)
Bonds 2	16,427,273	0	11,458,527	27,885,800	13,321,643	14,564,157	(1,863,116)
No Fund Warrant	0	0	105,500	105,500	105,500	0	0
Federal Funds	3,827,639	0	252,483,259	256,310,898	255,462,721	848,177	(2,979,462)
	<u>799,628,457</u>	<u>16,349,961</u>	<u>861,402,108</u>	<u>1,677,380,526</u>	<u>1,056,376,120</u>	<u>621,004,406</u>	<u>(178,624,051)</u>
Contingency Res.	177,329,731	2,001,836	129,732	179,461,299	37,837,331	141,623,968	(35,705,763)
All other funds	528,852,212	1,192,509,874	4,755,078,850	6,476,440,936	6,103,278,629	373,162,307	(155,689,905)
	<u>706,181,943</u>	<u>1,194,511,710</u>	<u>4,755,208,582</u>	<u>6,655,902,235</u>	<u>6,141,115,960</u>	<u>514,786,275</u>	<u>(191,395,668)</u>
<b>Total Funds</b>	<u><u>1,505,810,400</u></u>	<u><u>1,210,861,671</u></u>	<u><u>5,616,610,690</u></u>	<u><u>8,333,282,761</u></u>	<u><u>7,197,492,080</u></u>	<u><u>1,135,790,681</u></u>	<u><u>(370,019,719)</u></u>

FY 2010 Expenditures	
Gross Expenditures	7,197,492,080
less transfers	(1,210,861,671)
2010 est. expense	5,986,630,409
2009 actual expense <sup>1</sup>	5,666,731,992
2010 increase	319,898,417

FY 2010 Expenditures		
Capital / Bonds <sup>2</sup>	All Other	Total
800,913,399	6,396,578,881	7,197,492,080
0	(1,210,861,671)	(1,210,861,671)
800,913,399	5,185,717,010	5,986,630,409
701,531,257	4,965,200,735	5,666,731,992
99,382,142	220,516,275	319,898,417

% change      14.2%                      4.4%                      5.6%

Source of FY 2010 Expenditure Increase	
FY 2010 revenue	5,616,610,690
FY 2009 revenue	(5,666,731,992)
revenue decline	(50,121,302)
Reduction in fund balances	370,019,719
Net increase	<u>319,898,417</u>

<sup>1</sup>Per KSDE State Aid History (Basic Data)

<sup>2</sup>2009 from allocations to Capital Outlay, Bonds & Interest, Arch. & Eng. on CFPS database

## 2010 District Estimated Expenditures Compared to 2009 Actual Expenditures

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USD	USD Name	2010 Expenditures				% Chg: 2010 Expenditures				2010 Expenditures Per Pupil		
		Capital	Debt Service	Operating	Total	Capital	Debt	Operating	Total	Cap & Debt	Operating	Total
101	Erie-Galesburg	2,040,000	696,603	7,352,465	10,089,068	4127.0%	17.4%	-2.7%	23.1%	5,403	14,516	19,919
102	Cimarron-Ensign	240,000	671,475	6,976,787	7,888,262	39.1%	54.4%	2.5%	6.4%	1,384	10,592	11,976
103	Cheylin	150,000	0	2,070,948	2,220,948	30.3%		-0.5%	1.1%	1,095	15,116	16,211
105	Rawlins County	898,000	0	4,132,169	5,030,169	446.9%		3.1%	20.6%	2,876	13,236	16,112
106	Western Plains	280,000	56,535	2,534,860	2,871,395	277.0%	-3.4%	18.1%	26.0%	2,052	15,456	17,509
107	Rock Hills	319,500	49,143	4,701,419	5,070,062	113.6%	-2.1%	18.7%	21.9%	1,262	16,101	17,363
108	Washington Co.	1,200,000	241,990	5,077,655	6,519,645	471.6%	-10.2%	-3.5%	13.6%	3,637	12,806	16,443
109	Republic County	277,050	64,618	5,763,808	6,105,476	66.1%	-3.2%	-2.9%	-1.1%	724	12,217	12,941
110	Thunder Ridge	416,570	0	3,947,295	4,363,865	18.3%		7.8%	8.7%	1,761	16,690	18,452
111	Doniphan West	583,573	0	5,467,369	6,050,942	19.6%		-3.3%	-1.5%	1,550	14,522	16,072
200	Greeley County	125,000	0	2,997,252	3,122,252	-1.8%		2.8%	2.6%	590	14,151	14,742
202	Turner-Kansas City	5,909,125	4,553,270	37,478,272	47,940,667	16.0%	24.9%	-7.0%	-2.2%	2,774	9,937	12,711
203	Piper-Kansas City	1,586,000	160,300	15,378,736	17,125,036	42.3%	-88.0%	14.6%	7.9%	1,071	9,432	10,503
204	Bonner Springs	406,500	3,287,513	21,920,468	25,614,481	-61.0%	-0.1%	-3.5%	-5.3%	1,566	9,293	10,859
205	Bluestem	550,000	644,015	6,794,662	7,988,677	30.4%	0.2%	-3.4%	-1.4%	2,230	12,688	14,918
206	Remington-Whitewa	1,500	428,192	5,933,088	6,362,780	-97.2%	0.9%	-4.5%	-4.9%	819	11,312	12,131
207	Ft Leavenworth	7,500,000	0	16,786,602	24,286,602	86.8%		5.5%	21.8%	3,681	8,239	11,920
208	Wakeeney	214,293	229,008	5,296,463	5,739,764	-9.6%	0.7%	0.7%	0.3%	1,078	12,881	13,959
209	Moscow Public	300,000	0	3,375,089	3,675,089	-25.2%		2.4%	-0.6%	1,597	17,972	19,569
210	Hugoton Public	445,753	950,725	12,236,200	13,632,678	-31.7%		14.4%	20.2%	1,417	12,414	13,830
211	Norton Community	120,000	0	7,038,830	7,158,830	-52.4%		1.3%	-0.6%	174	10,212	10,386
212	Northern Valley	29,020	0	3,036,751	3,065,771	-72.9%		2.6%	-0.1%	148	15,454	15,602
213	West Solomon Valle	55,000	0	741,310	796,310	243.3%		-8.7%	-3.8%	1,447	19,508	20,956
214	Ulysses	2,332,954	1,313,408	16,678,360	20,324,722	101.8%	0.0%	3.1%	9.0%	2,264	10,357	12,621
215	Lakin	1,000,000	940,807	7,558,447	9,499,254	14.8%	0.6%	7.6%	7.5%	3,088	12,026	15,114
216	Deerfield	400,000	0	4,751,542	5,151,542	77.7%		12.6%	15.9%	1,620	19,245	20,865
217	Rolla	500,000	496,020	2,414,814	3,410,834	49.7%	-0.2%	-18.1%	-9.8%	4,993	12,104	17,097
218	Elkhart	730,377	0	7,598,831	8,329,208	41.6%		-1.4%	1.3%	1,152	11,987	13,140
219	Minneola	170,000	292,655	3,240,721	3,703,376	62.9%	1.4%	0.5%	2.3%	1,766	12,369	14,135
220	Ashland	152,000	0	2,844,833	2,996,833	2.5%		-0.7%	-0.5%	685	12,815	13,499
223	Barnes	128,250	189,425	4,837,431	5,155,106	-30.0%	2.7%	3.0%	1.8%	964	14,672	15,636
224	Clifton-Clyde	500,000	0	3,792,994	4,292,994	409.0%		9.6%	20.6%	1,795	13,619	15,415
225	Fowler	426,823	93,384	2,568,957	3,089,164	139.2%		8.4%	21.3%	3,211	15,858	19,069
226	Meade	404,818	361,133	4,923,316	5,689,267	-5.3%	1.0%	-7.2%	-6.6%	1,610	10,350	11,960
227	Jetmore	202,147	340,928	3,718,256	4,261,331	85.2%	1.5%	6.8%	8.5%	2,053	14,058	16,111

Compiled by Kansas Policy Institute; Source: Kansas Department of Education  
 Comparison to 2009 spending downloaded from the KSDE database (CFPS); total expenditures on CFPS are \$13,026,060 less than total expenditures reported by KSDE



## 2010 District Estimated Expenditures Compared to 2009 Actual Expenditures

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USD	USD Name	2010 Expenditures				% Chg: 2010 Expenditures				2010 Expenditures Per Pupil		
		Capital	Debt Service	Operating	Total	Capital	Debt	Operating	Total	Cap & Debt	Operating	Total
228	Hanston	200,000	0	1,228,555	1,428,555	55.2%	-100.0%	6.3%	10.6%	2,685	16,491	19,175
229	Blue Valley	27,572,807	41,247,798	211,513,469	280,334,074	-21.0%	8.9%	9.0%	5.0%	3,387	10,409	13,795
230	Spring Hill	650,000	3,529,813	23,830,127	28,009,940	106.3%	7.1%	12.0%	12.5%	1,475	8,410	9,885
231	Gardner Edgerton	3,557,627	10,689,734	46,386,580	60,633,941	36.3%	8.5%	5.0%	7.1%	3,131	10,193	13,324
232	De Soto	8,200,000	13,341,040	60,009,134	81,550,174	153.7%	15.2%	6.9%	15.0%	3,466	9,656	13,122
233	Olathe	11,107,606	42,724,115	279,757,724	333,589,445	9.8%	10.6%	7.2%	7.7%	2,108	10,953	13,060
234	Fort Scott	790,000	1,065,170	19,087,750	20,942,920	72.7%	0.5%	5.8%	7.1%	981	10,095	11,076
235	Uniontown	125,000	153,170	5,238,230	5,516,400	-21.1%	0.2%	-1.3%	-1.8%	634	11,946	12,580
237	Smith Center	308,684	0	5,131,750	5,440,434	-44.7%		-6.4%	-9.9%	713	11,852	12,565
239	North Ottawa Count	732,850	307,465	7,520,334	8,560,649	178.5%	35.7%	15.7%	22.5%	1,677	12,120	13,796
240	Twin Valley	205,000	534,767	7,048,403	7,788,170	-81.9%	-0.2%	0.3%	-10.5%	1,220	11,621	12,841
241	Wallace County	100,000	246,293	2,483,235	2,829,528	6.8%	0.9%	-1.4%	-0.9%	1,745	12,510	14,255
242	Weskan	85,000	0	1,637,040	1,722,040	4.8%		-0.2%	0.0%	825	15,894	16,719
243	Lebo-Waverly	180,000	419,535	5,675,614	6,275,149	144.7%	-0.2%	-4.1%	-2.2%	1,140	10,790	11,930
244	Burlington	1,393,422	0	11,987,359	13,380,781	40.4%		8.3%	10.9%	1,693	14,565	16,259
245	LeRoy-Gridley	95,000	0	3,263,599	3,358,599	-76.7%		-0.3%	-8.7%	385	13,240	13,625
246	Northeast	200,000	347,003	7,591,813	8,138,816	270.1%	-1.1%	13.4%	14.6%	974	13,521	14,495
247	Cherokee	243,956	0	8,700,670	8,944,626	19.9%		1.2%	1.7%	371	13,243	13,614
248	Girard	1,100,000	500,632	10,992,453	12,593,085	129.0%	60.3%	6.9%	13.7%	1,590	10,916	12,506
249	Frontenac Public	100,000	347,518	8,102,342	8,549,860	-75.4%	2.0%	3.5%	-0.3%	526	9,532	10,059
250	Pittsburg	750,000	1,695,856	30,243,393	32,689,249	-22.2%	-1.9%	8.3%	6.7%	906	11,200	12,106
251	North Lyon County	300,000	62,537	5,822,222	6,184,759	299.7%	-80.5%	-6.7%	-6.8%	716	11,493	12,208
252	Southern Lyon Cour	276,192	794,095	6,119,432	7,189,719	-7.9%	1.3%	-2.7%	-2.5%	2,148	12,281	14,428
253	Emporia	1,694,156	3,860,683	53,759,672	59,314,511	-56.7%	4.5%	-1.4%	-4.6%	1,283	12,416	13,699
254	Barber County Nortf	957,156	339,775	6,262,216	7,559,147	297.1%	3.2%	5.0%	15.7%	2,850	13,763	16,614
255	South Barber	220,000	0	3,158,915	3,378,915	13.7%		0.4%	1.2%	967	13,885	14,852
256	Marmaton Valley	65,000	182,134	4,036,261	4,283,395	201.6%	-1.7%	2.8%	3.6%	730	11,924	12,654
257	Iola	400,000	0	15,885,984	16,285,984	63.8%		-1.5%	-0.5%	307	12,185	12,492
258	Humboldt	350,000	779,455	5,857,500	6,986,955	8.8%	7.4%	-0.7%	0.6%	2,137	11,083	13,220
259	Wichita	41,886,520	32,523,661	588,167,209	662,577,390	48.7%	46.0%	12.4%	15.4%	1,610	12,724	14,333
260	Derby	2,411,983	3,578,975	59,388,714	65,379,672	-38.0%	-0.1%	-1.2%	-3.3%	946	9,381	10,327
261	Haysville	2,300,000	4,502,779	49,355,374	56,158,153	-50.1%	30.6%	12.6%	8.2%	1,423	10,324	11,747
262	Valley Center	895,000	4,879,889	21,912,079	27,686,968	39.2%	17.1%	0.9%	4.3%	2,261	8,581	10,842
263	Mulvane	867,650	1,524,224	16,375,880	18,767,754	52.2%	-0.3%	-0.5%	1.1%	1,293	8,852	10,145
264	Clearwater	573,048	1,095,647	12,016,513	13,685,208	-35.2%	0.0%	2.6%	0.0%	1,310	9,437	10,747

Compiled by Kansas Policy Institute; Source: Kansas Department of Education

Comparison to 2009 spending downloaded from the KSDE database (CFPS); total expenditures on CFPS are \$13,026,060 less than total expenditures reported by KSDE

## 2010 District Estimated Expenditures Compared to 2009 Actual Expenditures

2-6

USD	USD Name	2010 Expenditures				% Chg: 2010 Expenditures				2010 Expenditures Per Pupil		
		Capital	Debt Service	Operating	Total	Capital	Debt	Operating	Total	Cap & Debt	Operating	Total
265	Goddard	2,200,000	8,197,300	45,081,923	55,479,223	9.0%	-0.7%	7.7%	6.5%	2,117	9,179	11,296
266	Maize	5,700,000	7,411,186	52,518,337	65,629,523	-2.1%	-5.7%	-0.8%	-1.5%	2,054	8,230	10,284
267	Renwick	457,150	2,724,575	15,776,298	18,958,023	-44.7%	1.9%	-8.2%	-8.3%	1,635	8,108	9,744
268	Cheney	300,000	643,540	8,023,326	8,966,866	3.1%	-0.2%	1.2%	1.1%	1,202	10,222	11,424
269	Palco	517,500	0	2,472,159	2,989,659	454.1%		-2.6%	13.6%	3,508	16,760	20,269
270	Plainville	739,164	260,183	4,533,970	5,533,317	334.3%	1.4%	2.4%	14.0%	2,714	12,314	15,028
271	Stockton	854,473	87,125	3,919,840	4,861,438	84.1%		0.8%	11.7%	3,266	13,596	16,862
272	Waconda	200,000	0	4,284,877	4,484,877	227.8%		-6.4%	-3.3%	560	11,992	12,552
273	Beloit	75,000	0	14,302,981	14,377,981	-59.7%		17.4%	16.3%	100	19,150	19,250
274	Oakley	466,000	0	5,284,051	5,750,051	59.0%		14.8%	17.4%	1,127	12,782	13,909
275	Triplains	253,465	0	1,613,822	1,867,287	468.0%		2.6%	15.5%	3,072	19,561	22,634
281	Graham County	638,361	0	4,505,468	5,143,829	127.0%		-2.1%	5.3%	1,758	12,408	14,166
282	West Elk	388,860	0	6,606,309	6,995,169	36.9%		-5.2%	-3.5%	1,153	19,592	20,745
283	Elk Valley	110,000	227,000	2,616,848	2,953,848	485.1%	56.5%	11.3%	17.5%	1,768	13,730	15,498
284	Chase County	300,000	280,000	4,962,607	5,542,607	27.2%	40.7%	-6.4%	-3.3%	1,432	12,250	13,682
285	Cedar Vale	22,710	0	2,048,063	2,070,773	-96.3%		9.2%	-16.7%	158	14,223	14,380
286	Chautauqua Co Cor	0	0	4,563,675	4,563,675	-100.0%		4.5%	1.3%	0	12,418	12,418
287	West Franklin	220,035	0	8,891,975	9,112,010	-4.4%		11.8%	11.3%	314	12,694	13,008
288	Central Heights	103,195	265,246	6,586,351	6,954,792	31.1%	1.3%	2.3%	2.6%	693	12,392	13,085
289	Wellsville	450,000	754,894	9,534,812	10,739,706	40.8%	0.3%	8.3%	8.7%	1,424	11,270	12,695
290	Ottawa	822,305	2,587,431	23,546,426	26,956,162	2.7%	3.5%	-4.0%	-3.2%	1,397	9,650	11,047
291	Grinnell Public	103,463	0	1,211,824	1,315,287			-7.4%	0.5%	1,402	16,420	17,822
292	Wheatland	200,000	0	2,131,163	2,331,163	332.4%		8.1%	15.5%	1,961	20,894	22,855
293	Quinter Public	185,726	0	3,500,487	3,686,213	4.7%	-100.0%	-5.7%	-6.0%	697	13,135	13,832
294	Oberlin	971,532	0	5,131,918	6,103,450	107.3%		13.1%	21.9%	2,714	14,335	17,049
297	St Francis Comm S	450,000	0	3,729,586	4,179,586	2.1%		17.7%	15.8%	1,572	13,027	14,599
298	Lincoln	244,721	325,080	4,454,203	5,024,004	212.0%	-0.8%	10.6%	13.3%	1,676	13,101	14,776
299	Sylvan Grove	100,000	0	2,147,291	2,247,291	104.6%		8.2%	10.6%	723	15,515	16,238
300	Comanche County	450,000	0	4,272,226	4,722,226	-5.4%		11.1%	9.3%	1,420	13,477	14,897
303	Ness City	193,560	0	3,035,435	3,228,995	123.4%		6.8%	10.2%	665	10,431	11,096
305	Salina	7,154,799	7,937,051	101,025,485	116,117,335	163.6%	-3.0%	-0.4%	3.4%	2,141	14,329	16,469
306	Southeast Of Saline	450,000	0	6,751,620	7,201,620	-0.8%		-2.3%	-2.2%	651	9,774	10,425
307	Ell-Saline	232,719	526,517	4,669,971	5,429,207	-43.5%	119.6%	-5.7%	-3.1%	1,622	9,979	11,601
308	Hutchinson Public	2,009,759	4,693,566	54,537,903	61,241,228	-5.5%	28.6%	14.5%	14.7%	1,438	11,699	13,137
309	Nickerson	1,100,000	505,440	12,541,652	14,147,092	627.7%	1.6%	0.6%	7.8%	1,400	10,934	12,334

Compiled by Kansas Policy Institute; Source: Kansas Department of Education

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## 2010 District Estimated Expenditures Compared to 2009 Actual Expenditures

2-7

USD	USD Name	2010 Expenditures				% Chg: 2010 Expenditures				2010 Expenditures Per Pupil		
		Capital	Debt Service	Operating	Total	Capital	Debt	Operating	Total	Cap & Debt	Operating	Total
310	Fairfield	300,000	0	4,469,920	4,769,920	-5.8%		-2.9%	-3.1%	983	14,651	15,634
311	Pretty Prairie	205,814	137,165	3,436,662	3,779,641	10.2%	1.2%	0.3%	0.9%	1,327	13,300	14,627
312	Haven Public	200,000	657,933	10,420,066	11,277,999	-26.7%	0.7%	-7.5%	-7.5%	857	10,404	11,261
313	Buhler	1,229,011	1,403,799	22,319,340	24,952,150	-16.4%	1.0%	4.8%	3.3%	1,227	10,403	11,630
314	Brewster	236,187	0	1,640,378	1,876,565	257.2%		13.0%	23.7%	2,410	16,739	19,149
315	Colby Public	290,000	546,205	10,415,051	11,251,256	1219.9%	-0.5%	7.8%	10.0%	910	11,332	12,242
316	Golden Plains	110,646	57,863	2,847,777	3,016,286	-44.8%	5.9%	17.1%	12.3%	824	13,926	14,750
320	Warrego	669,413	1,652,000	15,065,980	17,387,393	4.2%	-0.1%	-9.5%	-8.2%	1,778	11,540	13,319
321	Kaw Valley	2,342,000	0	12,296,321	14,638,321	3.6%		-6.0%	-4.6%	2,082	10,931	13,013
322	Onaga-Havensville-	20,000	257,723	3,882,806	4,160,529	6.1%	1.1%	3.9%	3.8%	872	12,191	13,063
323	Rock Creek	107,555	878,503	8,000,263	8,986,321	-17.4%	5.8%	0.0%	0.3%	1,167	9,467	10,633
325	Phillipsburg	760,500	377,295	7,553,265	8,691,060	-12.8%	72.7%	6.3%	6.0%	1,811	12,026	13,837
326	Logan	50,000	0	2,573,290	2,623,290	-7.9%		3.3%	3.0%	272	14,023	14,296
327	Ellsworth	830,000	0	7,094,819	7,924,819	309.1%		5.6%	14.5%	1,334	11,406	12,741
328	Lorraine	384,005	165,944	5,318,285	5,868,234	35.5%	-76.9%	8.0%	-1.0%	1,340	12,962	14,302
329	Mill Creek Valley	180,000	538,372	5,909,430	6,627,802	-60.9%	0.7%	8.5%	2.9%	1,517	12,475	13,992
330	Mission Valley	290,000	494,925	6,384,842	7,169,767	56.6%	1.5%	9.6%	10.3%	1,568	12,757	14,325
331	Kingman - Norwich	255,196	963,790	11,083,165	12,302,151	151.1%	0.0%	-4.2%	-2.6%	1,231	11,196	12,428
332	Cunningham	411,640	0	2,579,687	2,991,327	190.9%		-1.5%	8.4%	2,305	14,444	16,749
333	Concordia	417,083	429,754	16,356,115	17,202,952	-49.6%	-4.1%	-2.6%	-4.8%	792	15,302	16,094
334	Southern Cloud	161,367	0	3,273,704	3,435,071	65.9%		9.6%	11.3%	631	12,808	13,439
335	North Jackson	142,000	0	4,225,301	4,367,301	182.3%	-100.0%	-5.9%	-7.0%	377	11,223	11,600
336	Holton	275,000	414,285	17,655,492	18,344,777	-26.3%	0.9%	7.1%	6.2%	651	16,688	17,339
337	Royal Valley	1,203,132	0	9,884,835	11,087,967	474.5%		-9.3%	-0.1%	1,325	10,884	12,209
338	Valley Falls	633,222	227,064	4,586,924	5,447,210	873.3%	153.5%	-6.3%	7.8%	2,076	11,072	13,148
339	Jefferson County Nc	94,400	516,515	4,691,688	5,302,603	-67.6%	1.9%	-20.7%	-21.1%	1,266	9,724	10,990
340	Jefferson West	424,709	642,383	9,724,607	10,791,699	24.4%	1.6%	-0.3%	0.6%	1,194	10,880	12,074
341	Oskaloosa Public	120,000	0	6,695,920	6,815,920	34.4%		3.9%	4.3%	223	12,421	12,643
342	McLouth	25,000	0	5,939,459	5,964,459	-81.6%		-0.1%	-2.0%	51	12,084	12,135
343	Perry Public	686,000	671,605	10,347,285	11,704,890	-38.3%	-22.1%	0.8%	-4.3%	1,422	10,841	12,263
344	Pleasanton	222,947	0	3,652,660	3,875,607	66.1%		-11.6%	-9.1%	690	11,309	11,999
345	Seaman	1,900,000	3,040,688	34,307,776	39,248,464	-32.2%	-0.2%	5.9%	2.7%	1,393	9,672	11,065
346	Jayhawk	500,000	173,595	6,485,923	7,159,518	82.0%	2.5%	10.7%	13.6%	1,298	12,495	13,792
347	Kinsley-Offerte	220,000	0	4,439,575	4,659,575	49.6%		1.9%	3.4%	615	12,418	13,034
348	Baldwin City	835,171	1,741,779	11,756,752	14,333,702	-3.6%	53.5%	-8.4%	-3.3%	1,928	8,794	10,722

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## 2010 District Estimated Expenditures Compared to 2009 Actual Expenditures

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USD	USD Name	2010 Expenditures				% Chg: 2010 Expenditures				2010 Expenditures Per Pupil		
		Capital	Debt Service	Operating	Total	Capital	Debt	Operating	Total	Cap & Debt	Operating	Total
349	Stafford	150,000	308,422	4,365,745	4,824,167	-22.7%	-0.3%	12.5%	10.1%	1,705	16,236	17,940
350	St John-Hudson	120,104	214,403	4,322,996	4,657,503	36.1%	1.5%	-3.4%	-2.4%	1,018	13,160	14,178
351	Macksville	300,000	0	3,927,352	4,227,352	47.9%		16.4%	18.2%	1,132	14,820	15,952
352	Goodland	1,022,704	0	10,057,830	11,080,534	370.8%		3.6%	11.6%	1,137	11,182	12,319
353	Wellington	420,000	1,788,186	17,363,318	19,571,504	-24.7%	0.4%	3.3%	2.2%	1,328	10,441	11,769
354	Clafin	158,000	0	2,747,030	2,905,030	114.9%		-4.6%	-1.7%	751	13,050	13,801
355	Ellinwood Public	150,000	524,808	5,075,533	5,750,341		-0.8%	4.3%	6.6%	1,657	12,464	14,122
356	Conway Springs	48,533	873,263	5,489,473	6,411,269	-81.6%	0.9%	-4.6%	-6.9%	1,790	10,661	12,451
357	Belle Plaine	76,500	619,670	7,290,592	7,986,762	-66.1%	0.1%	-13.3%	-13.7%	1,060	11,097	12,156
358	Oxford	41,000	0	3,992,908	4,033,908	311.9%	-100.0%	-14.6%	-20.4%	125	12,192	12,317
359	Argonia Public	150,000	0	2,435,187	2,585,187	1127.7%	-100.0%	-2.8%	1.9%	836	13,567	14,402
360	Caldwell	325,000	355,468	2,997,134	3,677,602	74.1%	-5.0%	-2.1%	1.6%	2,908	12,808	15,716
361	Anthony-Harper	525,000	0	10,086,344	10,611,344	50.6%		2.3%	4.0%	630	12,100	12,730
362	Prairie View	1,261,000	810,355	11,358,869	13,430,224	-31.6%	0.4%	2.0%	-2.6%	2,192	12,021	14,213
363	Holcomb	1,027,522	1,281,986	9,852,467	12,161,975	80.6%	13.4%	5.6%	10.2%	2,457	10,484	12,941
364	Marysville	334,681	0	11,524,767	11,859,448	55.4%		-0.1%	0.9%	465	16,024	16,490
365	Garnett	680,933	555,300	11,023,198	12,259,431	85.8%	-0.6%	-3.4%	-0.6%	1,123	10,013	11,136
366	Woodson	25,000	0	5,581,209	5,606,209	-11.0%		6.2%	6.1%	63	14,006	14,068
367	Osawatomie	178,500	1,099,020	12,750,964	14,028,484	119.5%	-0.9%	-1.7%	-1.0%	1,123	11,210	12,333
368	Paola	1,423,656	2,392,618	35,153,659	38,969,933	161.0%	104.4%	10.1%	15.9%	1,882	17,333	19,215
369	Burton	20,000	116,297	3,425,241	3,561,538	-93.5%	1.3%	14.0%	3.9%	575	14,440	15,015
371	Montezuma	130,000	248,882	3,323,081	3,701,963	35.7%	-7.9%	10.4%	9.7%	1,548	13,575	15,122
372	Silver Lake	75,000	592,503	6,938,983	7,606,486	-51.6%	0.5%	-9.3%	-9.4%	898	9,332	10,229
373	Newton	1,100,000	3,815,683	39,783,678	44,699,361	30.9%	-9.3%	-3.0%	-3.0%	1,442	11,673	13,115
374	Sublette	715,390	547,028	5,953,881	7,216,299	153.3%	-6.5%	-0.3%	5.5%	2,638	12,443	15,081
375	Circle	1,600,000	1,994,078	15,289,968	18,884,046	-1.3%	1.2%	12.6%	10.0%	2,207	9,391	11,598
376	Sterling	115,000	857,331	6,290,751	7,263,082	-8.5%		-1.9%	11.1%	1,833	11,858	13,691
377	Atchison Co Comm	113,888	0	8,124,222	8,238,110	27.4%		-1.3%	-1.0%	171	12,224	12,396
378	Riley County	255,000	375,954	7,337,871	7,968,825	34.2%	-7.5%	-5.4%	-4.6%	922	10,720	11,642
379	Clay Center	522,462	533,000	17,917,195	18,972,657	-2.4%	-0.5%	0.8%	0.7%	779	13,228	14,007
380	Vermillion	134,400	268,063	6,063,400	6,465,863	25.0%	1.5%	3.5%	3.8%	763	11,495	12,258
381	Spearsville	70,000	275,000	4,029,963	4,374,963	-34.9%	-2.5%	11.4%	9.2%	964	11,257	12,221
382	Pratt	509,930	911,945	11,320,078	12,741,953	-69.7%	6.8%	-3.7%	-10.8%	1,282	10,204	11,485
383	Manhattan-Ogden	3,855,000	5,230,000	57,813,467	66,898,467	56.0%	145.5%	-1.9%	5.3%	1,525	9,703	11,228
384	Blue Valley	157,379	167,286	2,902,994	3,227,659	12.4%	3.3%	-2.2%	-1.3%	1,493	13,347	14,840

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## 2010 District Estimated Expenditures Compared to 2009 Actual Expenditures

2-9

USD	USD Name	2010 Expenditures				% Chg: 2010 Expenditures				2010 Expenditures Per Pupil		
		Capital	Debt Service	Operating	Total	Capital	Debt	Operating	Total	Cap & Debt	Operating	Total
385	Andover	2,215,019	7,749,201	38,307,833	48,272,053	-46.8%	5.3%	-2.5%	-5.0%	2,119	8,145	10,263
386	Madison-Virgil	152,000	0	2,885,544	3,037,544	267.4%		1.3%	5.1%	660	12,535	13,195
387	Altoona-Midway	95,000	0	2,884,037	2,979,037	313.1%		3.5%	6.0%	520	15,786	16,306
388	Ellis	350,188	0	4,252,024	4,602,212	-21.2%		1.0%	-1.1%	892	10,830	11,722
389	Eureka	124,000	819,959	7,756,065	8,700,024	51.3%	-1.6%	6.6%	6.2%	1,547	12,715	14,262
390	Hamilton	10,000	0	1,438,314	1,448,314	-87.8%		-1.2%	-5.8%	107	15,383	15,490
392	Osborne County	360,830	189,705	4,008,430	4,558,965	50.2%	-12.3%	0.9%	2.9%	1,659	12,077	13,736
393	Solomon	338,730	245,390	3,983,449	4,567,569	18676.6%	2.2%	-3.8%	4.2%	1,570	10,708	12,278
394	Rose Hill Public	505,834	2,029,745	15,006,671	17,542,250	119.8%	3.0%	2.8%	4.5%	1,470	8,701	10,171
395	LaCrosse	60,000	0	4,067,601	4,127,601	-61.9%		15.0%	11.7%	204	13,812	14,016
396	Douglass Public	194,100	630,654	8,392,438	9,217,192	-26.9%	-1.6%	1.5%	0.4%	1,114	11,337	12,451
397	Centre	200,000	80,083	3,144,688	3,424,771	1625.2%	3.6%	0.1%	6.0%	1,139	12,783	13,922
398	Peabody-Burns	109,089	364,155	3,892,060	4,365,304	-24.0%	-11.3%	-6.6%	-7.5%	1,452	11,942	13,395
399	Paradise	50,000	0	2,055,302	2,105,302	-78.7%		-11.7%	-17.8%	399	16,390	16,789
400	Smoky Valley	684,118	958,835	10,301,917	11,944,870	-21.2%	3.2%	-1.1%	-2.2%	1,647	10,326	11,972
401	Chase-Raymond	150,000	100,000	2,187,709	2,437,709	133.1%	-6.1%	-5.6%	-2.0%	1,792	15,683	17,475
402	Augusta	1,706,820	2,497,522	18,297,237	22,501,579	263.4%	-17.0%	-0.5%	2.9%	1,929	8,395	10,324
403	Otis-Bison	150,000	0	2,503,800	2,653,800	48.4%		-1.9%	0.0%	847	14,146	14,993
404	Riverton	180,000	0	9,419,179	9,599,179	-64.5%	-100.0%	1.6%	-3.7%	226	11,833	12,059
405	Lyons	250,000	406,945	12,214,444	12,871,389	68.1%	0.8%	-2.6%	-1.7%	822	15,280	16,101
406	Wathena	85,000	0	4,402,956	4,487,956	50.4%		4.8%	5.4%	207	10,713	10,920
407	Russell County	879,592	0	10,930,362	11,809,954	118.2%		8.8%	13.1%	931	11,571	12,503
408	Marion-Florence	96,904	604,293	6,548,562	7,249,759	-54.7%	13.0%	1.0%	0.2%	1,210	11,304	12,515
409	Atchison Public	425,000	1,733,425	18,314,902	20,473,327	11.8%	2.2%	-0.4%	0.0%	1,246	10,574	11,820
410	Durham-Hillsboro-Lt	405,000	341,330	6,882,250	7,628,580	106.6%	31.1%	-6.0%	-2.0%	1,271	11,722	12,994
411	Goessel	480,000	216,968	3,441,997	4,138,965	351.8%	-0.2%	9.0%	18.9%	2,707	13,367	16,074
412	Hoxie Community	260,000	0	3,955,436	4,215,436	153.4%		6.6%	10.6%	907	13,796	14,703
413	Chanute Public	220,000	2,023,356	18,853,642	21,096,998	-86.3%	0.0%	4.9%	-2.4%	1,239	10,411	11,650
415	Hiawatha	538,901	580,390	9,780,099	10,899,390	33.4%	1.3%	-0.3%	1.0%	1,337	11,679	13,016
416	Louisburg	550,000	4,514,785	15,141,985	20,206,770	31.3%	28.7%	3.4%	8.8%	3,026	9,045	12,071
417	Morris County	500,000	867,051	8,765,502	10,132,553	146.7%	484.2%	3.3%	14.6%	1,821	11,673	13,494
418	McPherson	3,503,000	1,875,046	31,334,656	36,712,702	93.0%	57.3%	10.1%	16.7%	2,377	13,851	16,228
419	Canton-Galva	150,000	322,400	4,454,140	4,926,540	-17.2%	-9.8%	-0.7%	-1.9%	1,265	11,929	13,194
420	Osage City	250,000	477,098	6,361,148	7,088,246	417.6%	-1.9%	-2.3%	0.6%	1,129	9,874	11,003
421	Lyndon	150,000	0	4,262,229	4,412,229	1362.4%		-4.2%	-1.1%	351	9,982	10,333

Compiled by Kansas Policy Institute; Source: Kansas Department of Education

Comparison to 2009 spending downloaded from the KSDE database (CFPS); total expenditures on CFPS are \$13,026,060 less than total expenditures reported by KSDE

# 2010 District Estimated Expenditures Compared to 2009 Actual Expenditures

2-10

USD	USD Name	2010 Expenditures				% Chg: 2010 Expenditures				2010 Expenditures Per Pupil		
		Capital	Debt Service	Operating	Total	Capital	Debt	Operating	Total	Cap & Debt	Operating	Total
422	Greensburg	16,680,650	0	18,562,398	35,243,048	-2.9%		474.7%	72.7%	81,848	91,081	172,930
423	Moundridge	287,264	461,355	4,719,701	5,468,320	-24.8%	8.1%	-6.4%	-6.5%	1,804	11,373	13,177
424	Mullinville	25,000	0	2,242,725	2,267,725	-42.9%		19.3%	17.9%	112	10,089	10,201
426	Pike Valley	100,000	0	3,370,118	3,470,118	-59.0%		12.8%	7.4%	405	13,644	14,049
428	Great Bend	1,523,000	1,779,153	40,051,208	43,353,361	214.9%	0.0%	9.5%	11.6%	1,083	13,132	14,215
429	Troy Public	100,000	0	4,249,048	4,349,048			-4.8%	-2.5%	287	12,192	12,479
430	South Brown County	483,273	455,735	9,169,818	10,108,826	-39.4%	11.7%	10.0%	5.9%	1,521	14,857	16,379
431	Hoisington	800,000	898,685	6,973,422	8,672,107	187.9%	0.3%	6.3%	12.2%	2,729	11,202	13,931
432	Victoria	355,000	167,838	2,962,782	3,485,620	127.2%		-7.1%	4.2%	2,034	11,528	13,563
434	Santa Fe Trail	575,398	652,318	11,998,339	13,226,055	96.8%	4.2%	-1.3%	1.1%	1,157	11,303	12,460
435	Abilene	950,000	334,216	14,942,829	16,227,045	-18.4%	3.6%	0.7%	-0.6%	837	9,737	10,574
436	Caney Valley	375,000	0	8,344,503	8,719,503	72.1%		6.7%	8.5%	452	10,057	10,509
437	Auburn Washburn	2,877,495	4,084,880	52,426,532	59,388,907	-30.4%	-8.0%	5.9%	2.2%	1,287	9,692	10,979
438	Skyline	10,505	0	3,103,780	3,114,285	-94.5%		-30.8%	-33.4%	31	9,062	9,093
439	Sedgwick Public	105,000	318,628	4,807,710	5,231,338	-37.8%	1.1%	2.7%	1.2%	764	8,670	9,434
440	Halstead	125,000	648,213	7,709,744	8,482,957	-76.6%	1.3%	3.1%	-1.9%	987	9,845	10,833
441	Sabetha	854,999	298,369	9,674,527	10,827,895	32.6%		-1.2%	3.7%	1,245	10,441	11,686
442	Nemaha Valley	653,000	272,752	7,484,648	8,410,400	-90.9%	-20.0%	16.7%	-39.7%	2,122	17,155	19,277
443	Dodge City	7,947,583	5,160,419	66,046,789	79,154,791	107.1%	0.0%	5.8%	10.8%	2,257	11,371	13,627
444	Little River	343,250	171,474	3,329,404	3,844,128	90.7%	2.4%	-8.5%	-3.5%	1,609	10,404	12,013
445	Coffeyville	720,905	1,446,181	19,517,235	21,684,321	14.6%	0.5%	1.3%	1.7%	1,194	10,752	11,946
446	Independence	550,642	1,448,020	20,198,505	22,197,167	3.6%		15.5%	23.2%	1,088	10,991	12,079
447	Cherryvale	66,829	277,924	9,069,317	9,414,070	-62.0%	1.8%	5.6%	4.1%	390	10,247	10,636
448	Inman	175,250	440,901	4,692,363	5,308,514	-0.7%	0.5%	-2.9%	-2.6%	1,351	10,290	11,641
449	Easton	233,150	650,653	8,167,726	9,051,529	-32.0%	2.3%	10.8%	8.4%	1,264	11,680	12,944
450	Shawnee Heights	2,500,000	1,749,799	32,043,681	36,293,480	32.3%	2.6%	1.2%	2.9%	1,248	9,410	10,658
451	B & B	64,768	0	2,332,405	2,397,173	-39.0%		-0.7%	-2.4%	347	12,506	12,853
452	Stanton County	567,044	0	6,051,575	6,618,619	-49.0%		11.4%	1.2%	1,226	13,084	14,311
453	Leavenworth	2,020,900	4,487,201	58,724,012	65,232,113	45.4%	155.8%	4.0%	9.5%	1,674	15,108	16,782
454	Burlingame Public S	124,057	271,006	3,634,911	4,029,974	-70.6%	1.2%	4.8%	-3.1%	1,246	11,467	12,713
456	Marais Des Cygnes	150,000	0	3,456,229	3,606,229	-38.3%		6.5%	3.4%	570	13,142	13,712
457	Garden City	2,080,225	4,199,947	73,367,020	79,647,192	12.9%	345.2%	-0.5%	4.1%	906	10,580	11,486
458	Basehor-Linwood	756,202	3,325,551	17,762,362	21,844,115	13.0%	51.2%	-0.5%	5.4%	1,915	8,333	10,248
459	Bucklin	130,000	0	3,368,035	3,498,035	-1.8%		13.6%	12.9%	531	13,764	14,295
460	Hesston	187,790	1,014,013	7,471,518	8,673,321	-27.8%	1.6%	-4.7%	-4.7%	1,480	9,201	10,681

Compiled by Kansas Policy Institute; Source: Kansas Department of Education

Comparison to 2009 spending downloaded from the KSDE database (CFPS); total expenditures on CFPS are \$13,026,060 less than total expenditures reported by KSDE

## 2010 District Estimated Expenditures Compared to 2009 Actual Expenditures

2-11

USD	USD Name	2010 Expenditures				% Chg: 2010 Expenditures				2010 Expenditures Per Pupil		
		Capital	Debt Service	Operating	Total	Capital	Debt	Operating	Total	Cap & Debt	Operating	Total
461	Neodesha	194,000	385,000	7,938,590	8,517,590	167.4%	0.8%	-1.5%	0.0%	807	11,069	11,876
462	Central	340,000	311,985	4,347,007	4,998,992	58.5%	1.0%	6.7%	8.7%	1,879	12,527	14,406
463	Udall	25,000	236,868	4,636,767	4,898,635		0.7%	8.0%	8.2%	719	12,738	13,458
464	Tonganoxie	585,000	1,599,065	16,200,536	18,384,601	-35.5%	-6.5%	-1.0%	-3.2%	1,174	8,706	9,880
465	Winfield	1,035,684	1,970,908	38,019,823	41,026,415	-10.7%	-0.8%	14.7%	13.0%	1,274	16,111	17,385
466	Scott County	607,162	1,220,268	9,573,039	11,400,469	-0.4%	1.8%	3.4%	3.0%	2,101	11,007	13,109
467	Leoti	858,762	103,976	6,731,535	7,694,273	147.5%		35.1%	44.3%	2,257	15,783	18,040
468	Healy Public	150,000	22,806	1,660,991	1,833,797	181.2%		14.6%	22.0%	1,868	17,957	19,825
469	Lansing	1,000,000	2,490,570	21,079,338	24,569,908	-43.2%	11.8%	9.7%	5.9%	1,395	8,423	9,818
470	Arkansas City	271,077	1,974,196	28,313,086	30,558,359	431.7%	-7.0%	-0.5%	-0.2%	851	10,728	11,579
471	Dexter	30,000	0	2,207,687	2,237,687	-66.0%		1.2%	-1.5%	197	14,524	14,722
473	Chapman	13,502,892	257,842	11,558,157	25,318,891	24.9%		11.7%	19.7%	14,227	11,950	26,178
474	Haviland	154,937	0	2,011,593	2,166,530	43.1%		-17.2%	-14.6%	1,093	14,186	15,279
475	Geary County	11,900,000	2,390,790	81,873,332	96,164,122	395.7%	16.8%	12.7%	24.7%	1,904	10,906	12,810
476	Copeland	250,000	203,000	1,770,940	2,223,940	441.2%	26.7%	-5.2%	7.2%	4,234	16,551	20,784
477	Ingalls	72,000	0	3,087,421	3,159,421	-13.9%		2.8%	2.4%	314	13,482	13,797
479	Crest	0	0	2,829,817	2,829,817			0.5%	0.5%	0	12,605	12,605
480	Liberal	2,311,605	1,993,908	40,806,246	45,111,759	798.8%	2.0%	-2.3%	2.6%	984	9,327	10,311
481	Rural Vista	150,000	295,626	5,198,805	5,644,431	-14.9%	0.8%	4.7%	3.9%	1,079	12,588	13,667
482	Dighton	328,896	0	3,306,887	3,635,783	143.9%		3.0%	8.6%	1,351	13,581	14,931
483	Kismet-Plains	900,000	866,420	9,492,186	11,258,606	103.4%	44.0%	14.8%	20.9%	2,436	13,093	15,529
484	Fredonia	264,987	64,987	8,726,807	9,056,781	-37.5%		8.7%	7.2%	451	11,920	12,371
486	Elwood	165,000	171,141	3,631,806	3,967,947	45.1%	-8.1%	-1.3%	-0.3%	1,108	11,974	13,083
487	Herington	85,000	0	6,784,435	6,869,435	-31.1%		17.7%	16.7%	168	13,405	13,573
488	Axtell	86,747	248,072	3,633,705	3,968,524	18.4%	1.2%	-1.0%	-0.5%	1,137	12,334	13,471
489	Hays	2,182,255	864,200	34,688,971	37,735,426	-6.6%	1.4%	-10.0%	-9.5%	1,073	12,217	13,290
490	El Dorado	940,000	1,134,960	36,483,525	38,558,485	42.3%	-0.9%	0.9%	1.5%	1,041	18,306	19,347
491	Eudora	434,048	3,043,231	15,901,335	19,378,614	-27.0%	50.1%	15.5%	18.2%	2,392	10,936	13,328
492	Flinthills	230,000	284,931	3,412,033	3,926,964	1128.1%	-7.9%	-8.2%	-3.0%	1,810	11,993	13,803
493	Columbus	652,024	14,370	12,448,959	13,115,353	58.3%	0.0%	-5.0%	-3.1%	599	11,185	11,784
494	Syracuse	217,556	738,898	6,287,522	7,243,976	-45.5%	1.2%	17.6%	11.9%	1,956	12,858	14,814
495	Ft Larned	600,000	452,945	15,303,500	16,356,445	150.2%	-5.3%	13.3%	15.0%	1,188	17,273	18,461
496	Pawnee Heights	125,000	0	2,148,174	2,273,174	67.3%		-8.0%	-5.7%	833	14,312	15,144
497	Lawrence	8,645,000	11,374,760	114,204,683	134,224,443	5.5%	4.0%	10.6%	9.7%	1,876	10,704	12,581
498	Valley Heights	40,000	249,383	5,291,187	5,580,570	-67.0%	34.3%	3.6%	3.1%	789	14,417	15,206

*Compiled by Kansas Policy Institute; Source: Kansas Department of Education  
Comparison to 2009 spending downloaded from the KSDE database (CFPS); total expenditures on CFPS are \$13,026,060 less than total expenditures reported by KSDE*

2-12

## 2010 District Estimated Expenditures Compared to 2009 Actual Expenditures

USD	USD Name	2010 Expenditures				% Chg: 2010 Expenditures				2010 Expenditures Per Pupil		
		Capital	Debt Service	Operating	Total	Capital	Debt	Operating	Total	Cap & Debt	Operating	Total
499	Galena	193,883	258,178	9,452,421	9,904,482	79.8%	-5.3%	0.4%	1.1%	598	12,495	13,093
500	Kansas City	20,198,571	9,485,136	249,855,839	279,539,546	-34.3%	1.6%	-4.1%	-7.1%	1,584	13,336	14,920
501	Topeka Public	9,000,000	7,039,424	164,888,763	180,928,187	17.3%	18.5%	9.3%	10.0%	1,213	12,473	13,687
502	Lewis	50,000	0	869,863	919,863	220.6%		-37.7%	-34.8%	459	7,980	8,439
503	Parsons	584,875	1,913,755	15,403,951	17,902,581	-8.0%	0.3%	7.0%	5.7%	2,030	12,516	14,547
504	Oswego	716,500	265,205	6,347,182	7,328,887	56.4%	-0.5%	10.8%	13.6%	2,111	13,650	15,761
505	Chetopa-St. Paul	600,797	400,226	6,006,042	7,007,065	115.7%	0.0%	-1.4%	3.5%	2,012	12,070	14,082
506	Labette County	1,000,000	529,406	16,500,630	18,030,036	135.9%	2.2%	6.0%	9.2%	951	10,265	11,217
507	Satanta	1,497,903	0	6,689,595	8,187,498	123.9%		44.9%	54.9%	4,412	19,704	24,116
508	Baxter Springs	300,522	0	9,437,090	9,737,612	-59.0%		-3.6%	-7.5%	324	10,180	10,504
509	South Haven	33,185	180,898	2,283,623	2,497,706	-48.3%	-1.6%	-25.4%	-24.6%	964	10,287	11,251
511	Attica	100,000	0	2,085,621	2,185,621	-26.0%		8.9%	6.6%	719	15,004	15,724
512	Shawnee Mission	39,484,869	24,075,693	292,294,301	355,854,863	55.7%	8.6%	5.9%	10.0%	2,394	11,010	13,404
		<b>389,650,029</b>	<b>411,263,370</b>	<b>5,185,717,010</b>	<b>5,986,630,409</b>	<b>15.9%</b>	<b>12.6%</b>	<b>4.7%</b>	<b>5.9%</b>	<b>1,766</b>	<b>11,434</b>	<b>13,200</b>
<b>Increase over FY 2009</b>		<b>15.9%</b>	<b>12.6%</b>	<b>4.7%</b>	<b>5.9%</b>							

increase	174	190
decrease <5%	77	69
decrease >5%	42	34
	293	293

Compiled by Kansas Policy Institute; Source: Kansas Department of Education  
 Comparison to 2009 spending downloaded from the KSDE database (CFPS); total expenditures on CFPS are \$13,026,060 less than total expenditures reported by KSDE



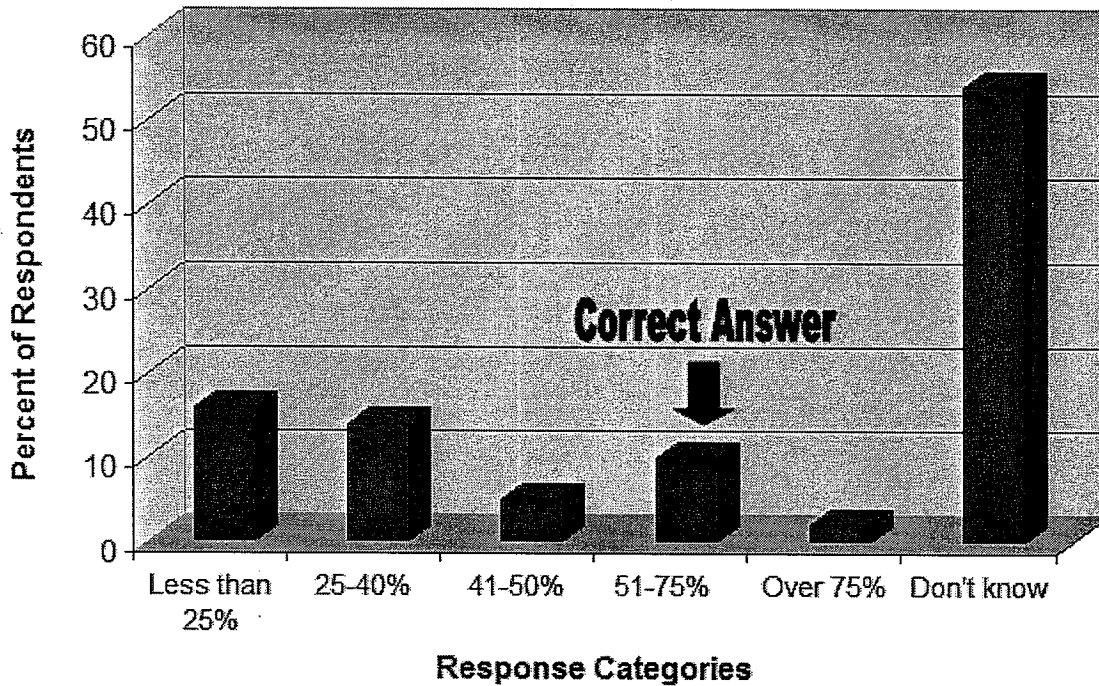
**MANAGERIAL SUMMARY**

The funding of public schools in the State of Kansas has been the subject of much discussion in recent months. The purpose of this survey is to establish a baseline of public perceptions regarding this funding issue. Throughout the survey, the phrase K-12 will be used to refer to Kansas public schools Kindergarten through 12<sup>th</sup> grade (High School).

- Public School funding (K-12 schools only) makes up what percentage of the overall budget of the State of Kansas? (Responses were categorized)

K-12 Percentage of State Budget	Percent Responding N=600
Less than 25%	16
25-40%	14
41-50%	5
51-75% (Correct Answer)	10
Over 75%	2
Don't know	54

**K-12 Percentage of State Budget**



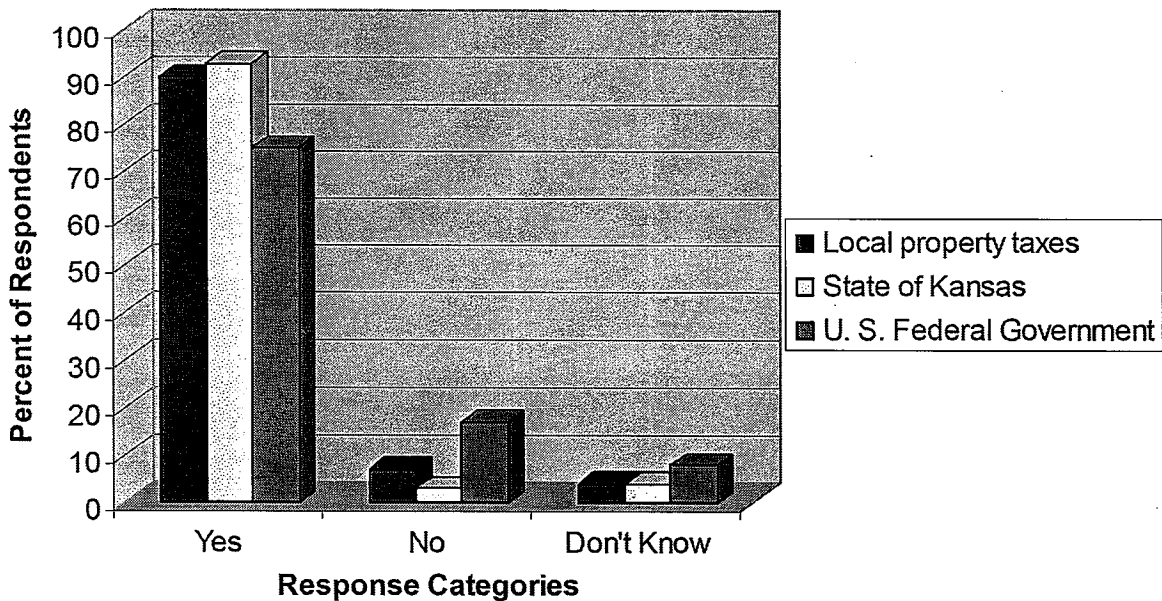
*Fifty four (54%) percent* of the respondents indicated they “did not know” what percentage public school funding made up of the overall budget for the State of Kansas. *Sixteen (16%) percent* thought public school funding accounted for less than 25% of the overall budget for the state of Kansas. *Thirty five (35%) percent* of respondents thought public school (K-12) funding made up less than 50% of the budget for the State of Kansas. Only *twelve (12%) percent* believed that funding for public schools accounted for more than 50% of the budget. The actual percentage of the State budget dedicated to K-12 education is 53%.

Of the 157 respondents with children currently attending K-12 public schools in Kansas, 43% believed the overall funding for Kansas K-12 public schools made up 50% or less of the budget for the state of Kansas. This compares to the results of the total sample surveyed where 35% believed the overall funding for Kansas K-12 public schools made up 50% or less of the budget for the state of Kansas. Only 8% of respondents with children in the K-12 Kansas public school system gave the correct answer of better than 50%.

2. Which of the following are funding sources for Kansas public schools K-12?  
(Response categories were read)

Funding Sources	Percent Responding N=600		
	YES	NO	DON'T KNOW (did not read)
a. Local property taxes	90	7	4
b. State of Kansas	93	3	4
c. U. S. Federal Government	75	17	8

**Funding Sources**



The majority of the respondents knew that local property taxes, the State of Kansas and the U.S. Federal Government were all sources of funding for the Kansas public school (K-12) system. Of the three revenue sources, significantly fewer respondents were aware that the U.S. Federal Government was a source of funding for Kansas's public schools. **Seventeen (17%)** percent of the respondents believed that the U.S. Federal Government was not a source of local school funding.

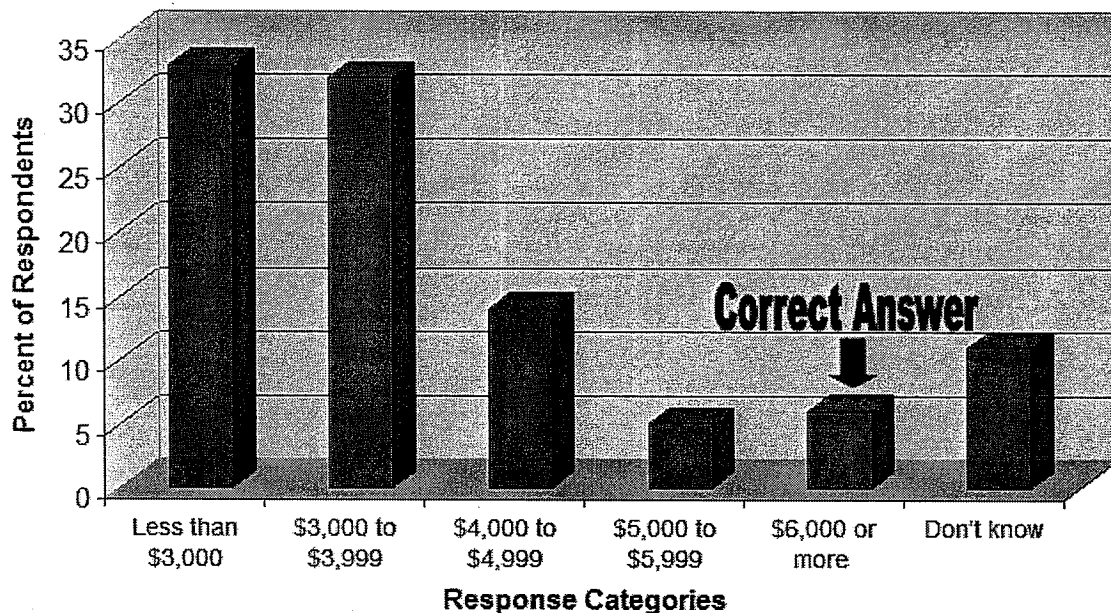
The answers given for Local Property Tax and the State of Kansas as funding sources were consistent from the overall survey respondents and those with children currently attending K-12 Kansas public school. However, **81%** of respondents with kids in the school system knew the U.S. Federal Government was also a source of funding compared to **75%** of the overall survey responses.

To compare the funding provided to larger school districts with the funding provided to smaller school districts, the amount of funding is calculated on a “per pupil” basis. This phrasing will be used in the following questions:

3. How much annual funding per pupil do you feel Kansas school districts currently receive from the State of Kansas? Is it? (Response categories were read)

State Aid Per Pupil	Percent Responding N = 600
Less than \$3,000 per pupil	33
Between \$3,000 and \$3,999 per pupil	32
Between \$4,000 and \$4,999 per pupil	14
Between \$5,000 and \$5,999 per pupil	5
\$6000 or more per pupil (Correct Answer)	6
Don't know	11

State Aid Per Pupil



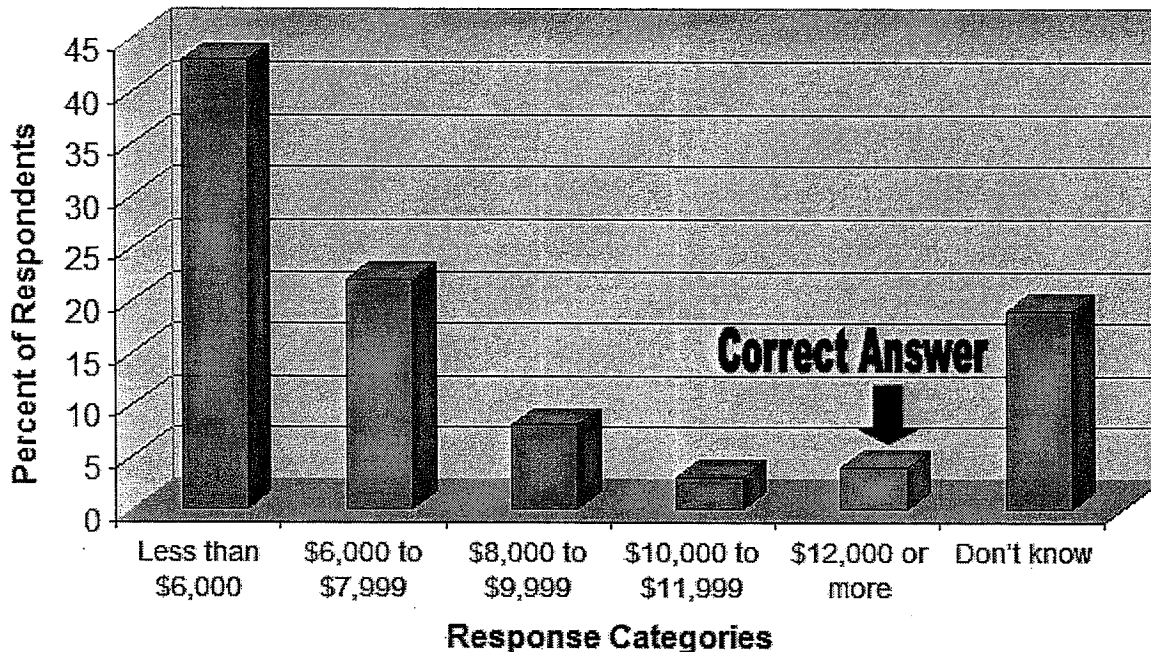
*Thirty three (33%) percent* of the respondents believed the Kansas school districts currently receive less than \$3,000 per pupil annually from the state of Kansas. Combined, **84%** of respondents believed that Kansas school districts currently receive less than \$6,000 per pupil annually from the State. The actual amount of funding received per pupil from the State of Kansas is **more than \$6000** per pupil. Only **6%** of respondents answered this correctly.

**Eighty five (85%)** percent of respondents with children currently attending K-12 Kansas public school felt the annual funding for Kansas school districts from the State of Kansas was less than \$5,000 per pupil, as compared to **79%** of the overall respondents.

4. How much annual funding per pupil do you feel Kansas school districts currently receive all together from the State of Kansas, U.S. Federal Government and local property taxes? (Response categories were read)

Total Aid Per Pupil	Percent Responding N = 600
Less than \$6,000 per pupil	43
Between \$6,000 and \$7,999 per pupil	22
Between \$8,000 and \$9,999 per pupil	8
Between \$10,000 and \$11,999 per pupil	3
\$12,000 or more per pupil (Correct Answer)	4
Don't know	19

**Total Aid Per Pupil**



**Seventy six (76%)** percent of respondents thought the amount of annual funding the Kansas school districts currently receive all together from the State of Kansas, U.S. Federal

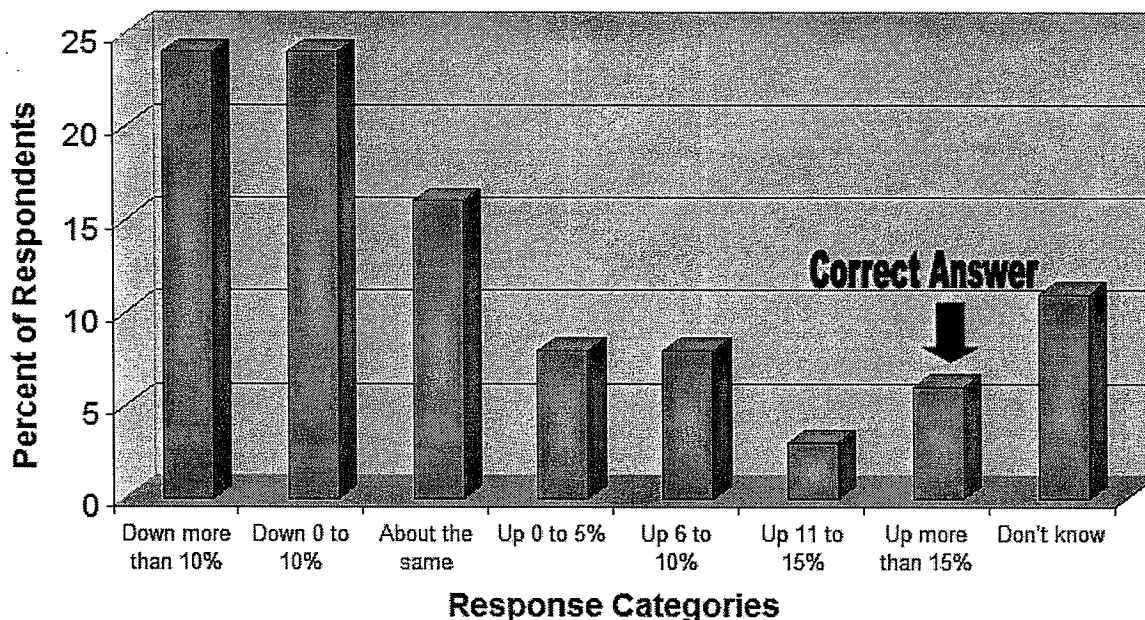
Government and local property taxes totaled less than \$12,000 per pupil. *Sixty five (65%)* percent felt the total aid was less than \$8,000 per pupil. *Nineteen (19%)* percent indicated that they did not know. The **actual** amount of funding that school districts receive per pupil from all three sources is more than \$12,000. Only 4% of those surveyed answered this question correctly.

*Eighty five (85%)* percent of respondents with children in Kansas K-12 public schools thought the amount of annual funding the Kansas school districts currently receive all together from the State of Kansas, U.S. Federal Government and local property taxes totaled less than \$12,000 per pupil. *Seventy five (75%)* percent of these respondents felt the total aid was less than \$8,000 per pupil, as compared to 65% in the total survey population. Only 3% of those surveyed with children in Kansas school districts answered this question correctly.

5. Looking back over the last 5 years, do you feel that the per-pupil school district funding from the State of Kansas is? (Response categories were read)

State Aid Per Pupil Compared to 5 years ago	Percent Responding N = 600
Down more than 10% as compared to 5 years ago	24
Down between 0% and 10%	24
About the same	16
Up between 0% and 5%	8
Up between 6% and 10%	8
Up between 11% and 15%	3
Up more than 15% as compared to 5 years ago (Correct Answer)	6
Don't know	11

**State Aid Per Pupil Compared to 5 years ago**



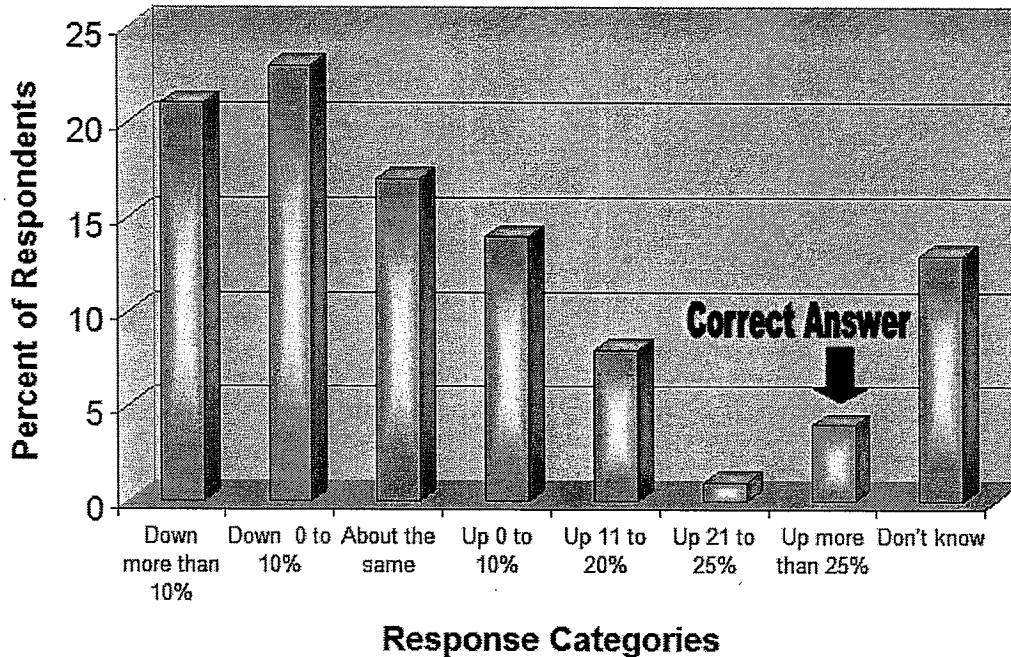
Only 6% of the respondents correctly thought that over the last 5 years, per pupil funding from the state of Kansas had increased more than 15%. The majority, 64% believed that funding was either the same or less than it had been five years ago. *Eleven (11%)* percent of the respondents indicated that they did not know what changes had occurred to the level of funding. The actual level of such funding is up 18%. Compared to the 48% of overall survey respondents who felt State funding per pupil was down as compared to 5 years ago, 54% of respondents with children in K-12 Kansas public schools felt this to be true.

6. Again, looking back over the last 5 years, do you feel that the per-pupil school district funding all together from the State of Kansas, U.S. Federal Government and local property taxes is?

(READ RESPONSES, CIRCLE ONE)

Total Aid Per Pupil Compared to 5 years ago	Percent Responding N=600
Down more than 10% as compared to 5 years ago	21
Down between 0% and 10%	23
About the same	17
Up between 0% and 10%	14
Up between 11% and 20%	8
Up between 21% and 25%	1
Up more than 25% as compared to 5 years ago (Correct Answer)	4
Don't know	13

**Total Aid Per Pupil Compared to 5 years ago**



Only 4% of respondents correctly felt the total amount of funding per pupil from the state of Kansas, the U.S. Federal Government and local property taxes had increased more than 25% over the last 5 years. *Sixty one (61%) percent* thought that the level of funding was either the same as five years ago or had decreased. Compared to the 44% of overall survey

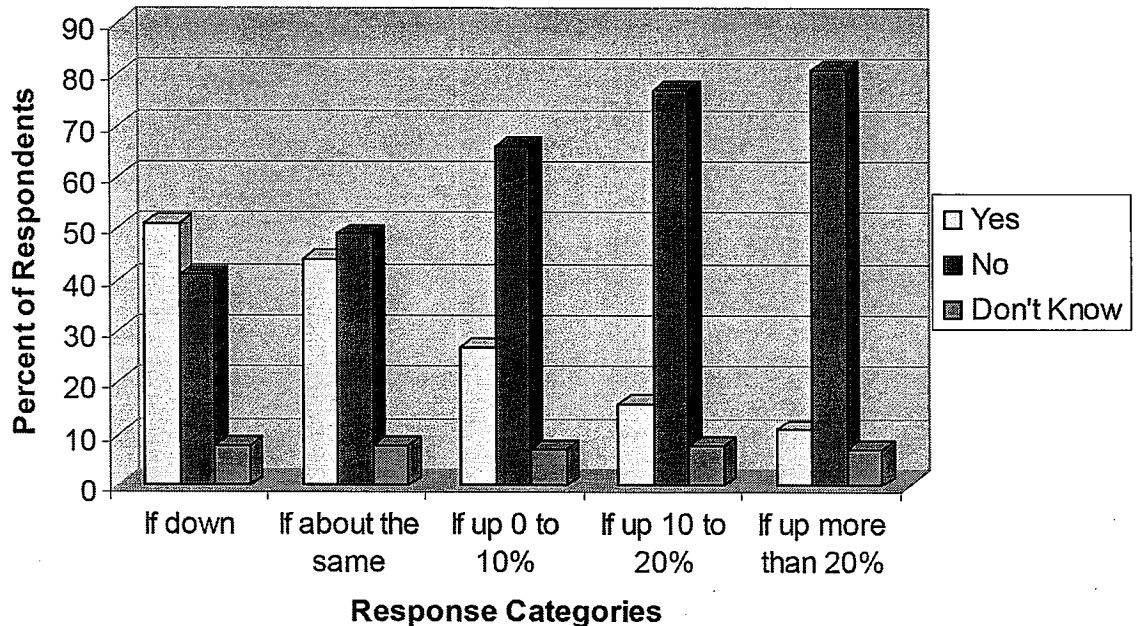


respondents who felt total funding per pupil was down as compared to 5 years ago, 50% of respondents with children in K-12 Kansas public schools felt this to be true.

7. Would you be willing to personally pay higher taxes to support Kansas School Districts-kindergarten through grade 12 (high school). . . (Responses were read)

Willingness to Pay Higher Taxes	Percent Responding N = 600		
	YES	NO	DON'T KNOW (did not read)
a. If the total funding per pupil that goes to the school districts is <u>down</u> from 5 years go?	51	41	8
b. If the total funding per pupil that goes to the school districts is <u>about the same</u> as 5 years ago?	44	49	8
c. If the total funding per pupil that goes to the school districts is <u>up</u> between 0 and 10%?	27	66	7
d. If the total funding per pupil that goes to the school districts is <u>up</u> between 10 and 20%?	16	77	8
e. If the total funding per pupil that goes to the school districts is <u>up</u> more than 20%?	11	81	7

### Willingness to Pay Higher Taxes



The majority of respondents, 51% would be willing to personally pay higher taxes to support Kansas School Districts (K-12) if the total funding per pupil that goes to the school

districts is **down** from 5 years ago. **Forty-four (44%)** percent would personally be willing to pay higher taxes if the total funding per pupil that goes to the school districts is **about the same** as 5 years ago. Only 11% of respondents would personally be willing to pay higher taxes to support Kansas K-12 schools if the total funding per pupil that goes to the school districts is up more than 20%. The actual increase in funding per pupil is up 25% as compared to five years ago.

The majority of respondents, **59%**, with children in Kansas K-12 public schools would be willing to personally pay higher taxes to support Kansas School Districts (K-12) if the total funding per pupil that goes to the school districts is **down** from 5 years ago. This compares with **51%** of the overall survey respondents. **Fifty (50%)** percent of respondents with children in the Kansas school districts were willing to personally pay higher taxes to support Kansas School Districts (K-12) if the total funding per pupil that goes to the school districts is **about the same** as 5 years ago. This compares with **44%** of those with these feeling among the total survey respondents.

If the total funding per pupil that goes to the school districts is up between **0-10%**, **35%** of respondents with children in the Kansas K-12 public schools are willing to personally pay higher taxes to support Kansas School Districts, compared with **27%** of the overall survey respondents. When asked their reactions if funding is up more than 11% from 5 years ago, the percentage of respondents willing to personally pay higher taxes is consistent between those who have children in the school system and those who do not.

8. Are there any other comments you would like to make regarding funding Kansas public schools K-12?

Response Categories	Percent Responding N = 600
No	45
Yes	56

If Yes, ASK what? \_\_\_\_\_

For a complete list of open ended responses, please see the appendix.

9. These answers come from the Kansas Department of Education.

- A. (Question 1): The percentage of the budget for the State of Kansas dedicated to K-12 education is 53%, if higher education is included it is 66%.
- B. (Question 3): The annual funding per pupil that Kansas school districts currently receive from the State of Kansas is \$6,000 or more dollars per pupil.
- C. (Question 4): The annual funding per pupil that Kansas school districts currently receive all together from the State of Kansas, U.S. Federal Government and local property taxes is \$12,000 or more dollars per pupil.
- D. (Question 5): Over the last 5 years, the per-pupil school district funding from the State of Kansas is up more than 15% as compared to 5 years ago.
- E. (Question 6): Over the last 5 years, the per-pupil school district funding all together from the State of Kansas, U.S. Federal is up more than 25% as compared to 5 years ago.

The following questions are for classification purposes only.

10. Which of the following categories describes your age?

Response Categories	Percent Responding N = 600
25 to 34	8
35 to 44	14
45 to 54	27
55 to 64	22
65 years of age and above	29
Refused	0

11. Which of the following categories best describes your highest level of education?

Response Categories	Percent Responding N = 600
High school graduate or less	24
Some college/technical school	34
College graduate/postgraduate	42
Refused	1

12. Do you currently have any children attending K-12 public schools in the State of Kansas?

Response Categories	Percent Responding N = 600
No	74
Yes	26

13. Which of the following categories best describes your annual household income?

Response Categories	Percent Responding N = 600
Under \$20,000	9
\$20,000 to \$49,999	27
\$50,000 to \$74,999	20
\$75,000 to \$100,000	16
\$100,000 and above	15
Refused	13

14. (DO NOT ASK) Respondent gender:

Response Categories	Percent Responding N = 600
Male	37
Female	63

KANSAS  
ASSOCIATION



OF  
SCHOOL  
BOARDS

1420 SW Arrowhead Road • Topeka, Kansas 66604-4024  
785-273-3600

Testimony before the  
**House Education Budget Committee**  
on  
**HB 2748**

by  
**Mark Tallman, Assistant Executive Director/Advocacy**  
Kansas Association of School Boards

**May 3, 2010**

**STATEMENT ON SCHOOL DISTRICT ENDING BALANCES  
AND TRANSFER AUTHORITY**  
*Kansas Association of School Boards*  
April 2010

Questions have been raised about the amount of cash school districts have on hand at the end of each year in various funds; the justification for those amounts and whether districts should be given more flexibility to use those funds. **HB 2748** was introduced by the House Appropriations Committee to give school districts more flexibility in spending balances for the 2010-11 school year.

**Amount of cash balances**

Some are surprised school districts are expected to have over \$1 billion in “unencumbered” cash balances at the end of the current school year, and suggest these funds can be used to address shortfalls in state funding. However, over \$700 million are constitutionally restricted to specific purposes and most of the balances are actually budgeted to meet planned expenses in the upcoming year. In other words, without these balances, districts would run out of money before expected revenues are received.

The total amount of cash in all school district funds is expected to drop significantly this year. School districts had a total of over \$1.5 billion in unencumbered cash on hand at the beginning of this fiscal year (July 1, 2009). Districts were asked to estimate revenues and expenditures from those funds during the current year. Based on those estimates, it appears district balances will fall to \$1.16 billion by June 30; a reduction of \$349.1 million, or 23 percent.

## Why districts carry cash balances

Districts carry cash balances for the same reason as families and businesses: to meet known expenses that occur before scheduled revenue arrives, to provide cash flow if revenues are delayed or reduced, to cover unexpected expenses, and to save for long term building and equipment needs. The following funds have the largest projected balances this year, and amount to over 92 percent of the total.

- Balances in **bond and interest** funds (\$365.3 million) are property taxes collected in one year to make scheduled bond payments that occur before taxes are received the next year.
- **Capital outlay** fund balances (\$280.2 million) are used for long term capital expenses such as buildings and equipment, often saved up to avoid the expense and interest costs of a bond issue.
- **Special education** balances (\$143.2 million) cover special education costs between the beginning of the school year in August and the first special education aid payment in October. The projected ending balance is equal to 17 percent of the current year expenditures – or two month’s operating costs.
- **Contingency reserve** funds (\$141.6 million) are set aside for unexpected, emergency expenses or to cover shortfalls in revenue during the budget years. Last session, the Legislature increased the maximum contingency reserve amount from 6 to 10 percent of the general fund, and encouraged districts to set aside money to cover further reductions in state aid (which occurred).
- **Special reserve** funds (\$75.4 million) pay claims, judgments and other expenses for health care, disability income benefits, group life insurance benefits and workers compensation costs. Districts have a fiduciary responsibility to maintain adequate reserves, just like insurance companies.
- **Textbook and student materials** revolving fund balances (\$35.0 million) are used to purchase textbooks and everything from physical education towels and uniforms to science and art supplies. Districts build up balances to make purchases on multi-year replacement schedules.
- Balances in the **food service** fund (\$26.7 million) go to purchase food, supplies and pay salaries prior to receiving meal charges for students or federal reimbursement.

Most of the remaining money in other funds is used to pay for the cost of programs that operate during the summer, such as summer school, driver’s education and teacher professional development.

## Do school districts need more flexibility to spend balances?

First, there is widespread agreement the Kansas Constitution requires money raised by specific, dedicated property taxes – specifically, capital outlay, bond and interest, special liability expenses and adult education – be used only for those purposes. This means over \$700 million of the projected \$1.2 billion ending balances cannot be used for other purposes.

Second, federal funds must be used for the purposes provided by the U.S. Government.

Third, school districts already have the ability to reduce the balances in various funds by reducing transfers into these funds from “flexible” spending sources and spending down the balances. Districts began the year with \$1.5 billion on hand. They expect to transfer over \$1.2 billion from their general budget, local option budget or contingency reserve funds – the three funds then can be used for virtually any purpose.

Because total expenditures in all funds exceeded the sum of these transfers plus all other revenues, total ending balances dropped. If state aid is further reduced, the same thing would be expected to happen.

Fourth, there are other revenues school districts cannot spend for general purposes because of state law. The Legislature could remove those restrictions.

### **HB 2748 as introduced by the House Appropriations Committee**

**HB 2748** would essentially allow school districts to use any balances in most school district funds on June 30, 2010, for "general education purposes" in school year 2010-11. This would not apply to revenues from property taxes specific to those funds, or federal funds. Basically, this is a "one-time" opportunity to use certain restricted funds for general educational purposes. KASB offers the following comments on this bill.

- School districts already have significant authority to reduce balances and redirect resources by reducing transfers from the general fund, LOB or contingency fund if the local school board believes this to be fiscally prudent under its fiduciary responsibilities.
- Allowing the use of state special education or state food service aid for general education purposes could conflict with federal maintenance of effort or matching requirements. Federal aid accounts for over \$300 million in these two programs.
- Allowing the use of student fees for general education purposes appears to be similar to the state "sweeping" fee funds, which has been highly controversial. Fees would likely be included in balances for textbooks and materials, driver training, food service, adult supplemental education, and extraordinary school programs.
- Using fees for general education purposes would also raise issues under the Kansas Constitution, which states: "No tuition shall be charged for attendance at any public school to pupils required by law to attend such school, except such fees or supplemental charges as may be authorized by law." Generally, fees have been defined as limited to specific purposes. If fees may be used for "general education purposes," how does this differ from tuition?
- The bill allows districts to spend balances on general education purposes without transferring the money into a different fund. As a result, districts could be paying teacher salaries out of food service, or utility bills out of driver's education. Does this advance the transparency of school district budgets?
- KASB *does* support the provision which allows districts to transfer funds transferred to capital outlay from the district general fund for the past two years to the contingency fund. This concept has already passed the House in **HB 2280**.
- If the Legislature believes additional authority for transfers is necessary, a cleaner approach would be to simply allow districts to transfer into their contingency fund the balance of any fund up to the amount of money transferred into that fund from the general fund, LOB or contingency fund during the year. In effect, that would allow districts which have transferred "flexible" money into special funds to move whatever "flexible" funding has not been spent into contingency. We encourage the Legislature to seek the opinion of the Kansas State Department of Education on this concept.

- It is important to recognize when school districts spend down balances, they are funding their budget with one-time money, just as the state has done. Unless there is a plan to replace those funds, it simply delays spending cuts and makes managing cash flow and paying bills more difficult.
- In addition, school districts will need to be extremely cautious about reducing their cash balances if the Legislature adopts a general fund budget with little or no ending balance, particularly if it counts on uncertain revenue. School districts could drop their balances to deal with reductions in state aid next year, and then face further cuts if state revenues fall short and further spending cuts are required in mid-year.





**House Education Budget Committee  
Representative McLeland , Chair**

**H.B. 2748 – District Ending Balances**

*Diane Gjerstad  
Wichita Public Schools*

May 3, 2010

Mr. Chairman, and members of the Committee:

School district funds require balances for cash flow to pay salaries and expenses during the year. Revenue into funds does fluctuate. A prime example is special education – we have a balance at year end to fund salaries until the next payment comes on October 15. The funds in special education pay three and one half months of salaries until the fall October state aid payment.

I would point out bond proceeds are sometimes quoted as ending balances available for other purposes. They are not. Cash basis law requires funds in the bank before any bond construction projects can be bid. The District has sold \$320m worth of bonds for school construction.

Districts were asked to project June 30, 2010 fund balances, WPS numbers are reflected below. Many funds are supported through grants, federal programs, student/parent fees and weighted funds to educate all student groups to the performance mandates set in federal and state law which continue to increase about 5% each year.

**Federal and fee supported fund -- \$10m**

- o Adult education \$138,000 a federal ARRA grant
- o Drivers education \$10,757 (student fees and state aid)
- o Nutrition \$2.8m (federal, student fees, state aid only 1.5% reduction of state aid would likely violate federal maintenance of effort criteria)
- o Summer school \$74,000 (student fees)
- o Gifts and grants \$3.2m donated for a specific purpose (private, federal or state)
- o Textbook fund \$3.8m
  - o Funded with student fees and transfer from general fund
  - o Administration is recommending reducing next year's transfer as part of the Superintendent's budget recommendations; the ability is already in place.

**Special education \$5.3m**

Underfunded federal and state mandate; during the current year the district transferred \$35.5m into the fund to cover expenses. Any balance on June 30<sup>th</sup> will pay over three months of salaries until state aid payment October 15<sup>th</sup>.

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**Specific mill levy for dedicated purpose -- \$48m**

- Capital outlay \$15.8
- Special liability expense fund \$2
- Bond and interest \$29.5
- Special assessment \$715,000
  - Subtotal mill levy funds: \$48m
  - This group makes up 43% of 259's projected June 30, 2010 balances.

**Other – professional development \$31,541**

- State appropriation has been eliminated past several years; this transfer helps pay for stipends and expenses associated with providing teachers information on new curriculum requirements, textbook adoptions, and soon the newest mandate “common core standards” will require extensive training on the new standards.

I would like to spend a moment on the district's “special reserve fund”.

**Special reserve fund -- \$33.2m**

- Wichita's self funded **employee health fund, workers' comp, disability and property**
  - Health benefit is negotiated with the bargaining units
  - The fund represents the premiums required to pay medical/dental/vision expenses
  - June balance is high because teachers tend to wait until summer for appointments or procedures so they miss less or no work
- Workers' compensation, disability and property and casualty
- These funds keep the plans actuarial sound and are not available for general operations.

Mr. Chairman, when we reviewed the fund balances we found over 40% in specific tax levy funds and roughly 30% in self-funded insurance (called special reserve fund); add special education and nutrition we are up to 80% of balances. Parent / student fees and other grants account for most of the remainder. Which raises the question -- does the bill intend to use student fees to be used for a purpose other than what it was paid?

We would like to remind the committee districts already have flexibility as illustrated by Superintendent Allison's recommendation last week to reduce next year's transfer to the textbook fund as one of a series of budget balancing proposals.

Contingency reserve funds are one-time funds available for general operating expenditures. Many districts, including Wichita, have relied on contingency for cash flow to pay vendors and payroll on time while state aid has been delayed. The 2009 Legislature increased contingency from 6% to 10% for three years; a clear signal the legislature wanted districts to increase (not decrease) the amount of contingency reserves during this period of financial difficulty. Wichita's contingency \$14m (about 4.5%) does not cover December's salaries of \$34m.

We support the “Otto amendment” allowing general fund transfers to Capital to be pulled back into the General Fund. H.B. 2748 does not “fix” school finance funding. Household budgets plan for on-going monthly expenses along with irregular expenses like car insurance or trash removal on 6 or 3 month billing. If we budget money for car insurance and trash pick-up, only to spend it on another bill – both will still come due. If there is no money in the car insurance account, we will be forced to “borrow” from another account, leaving that account short. The same for schools, if we spend July 1 nutrition funds on another purpose, then we won't have funds to purchase food in August.

**Wichita Eagle**

**May 3, 2010**

**Letters to the Editor**

**Don't buy claims about school funds**

It still amazes me that there is a great deal of misunderstanding surrounding school reserve funds ("School districts should use reserves," April 29 Opinion).

School districts, just like individuals or corporations, create accounts to use for certain purposes. Some of the funds for those accounts are only received at certain points in time and must be budgeted over several months or longer.

For school districts, some accounts have funds added to start the new school year, and other funds are added to sustain special education over a period of time. There are at-risk accounts, textbook accounts and so forth.

The bottom line is that some groups and individuals believe schools have sufficient funding right now. They do not understand how or why unencumbered funds are created or when they are drawn down. They do not see individual students' needs, nor do they let their claims be affected by the facts that we have more at-risk students enrolled, more students who do not speak our language and more special education students enrolled, and that the cost of everything has gone up over the past decade.

Please do not be misled. Ask our legislators and others elected to provide for our children's education to take a page from our forefathers and adequately fund education.

DAVID T. DENNIS

Member

Kansas State Board of Education



*Cash Balance/Reserves White Paper*  
*December 2009*  
*Presenters: Dr. Gary George and Gary Diener*

There has been discussion about school districts using their cash balances/reserves to help pay some of their educational costs, which would help the state through its current financial difficulties. In response to this discussion, this White Paper is prepared to help promote understanding about this issue.

Sometimes legislators and others look at June 30 end-of-the-fiscal year cash balances and see this as **extra** money that districts can use. While it is true that the end-of-the year cash balances can be large, it must be understood that across the state districts receive much of their revenue in June.

1. Districts receive (early June) the second half of property taxes. Districts will receive virtually no additional county tax revenue until January.
2. Included in this second half of the property tax payment is the money for bond and interest payments and approximately half of any capital outlay money levied.
3. Districts receive the special education transportation payment in late June. This is the only payment districts receive for special education transportation.
4. Districts also receive special education categorical aid in June. This is the last special education payment districts will receive until October 15.

All of these payments clearly raise the end-of-the-year cash balances/reserves for all school districts across the state.

The Kansas Constitution also requires that funds derived from a tax be spent as outlined in the resolution authorizing the tax. Consequently, districts cannot use levied funds for purposes other than what was proposed in the resolution.

What exactly are the cash balance/reserves and funds we are talking about?

**The operating reserves** are amounts in the Local Option Budget (LOB), Special Education and other operating funds.

**The contingency reserve** is allowed by state law (K.S.A. 72-6426) to meet emergencies. Until recently, this fund had a cap of six percent (6%) of the General Fund. In the last legislative session, the cap was raised to ten percent (10%) for three years at which time it will return to six percent (6%).

**The self insured funds** are used for workers' compensation, risk management and part-time employee health insurance claims.

**The capital outlay fund** contains reserves not spent from prior years plus new tax money that flowed into it in June. This fund is used to repair and replace roofs, parking lots, boilers, etc.

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maintaining the district's investment in its school facilities. It is also used for technology/computer replacement cycles.

**The restricted balances** are amounts that are restricted by federal or state law or regulations and can only be used for certain purposes such as Title 1, the school lunch program, etc.

**The bond and interest fund** is money that comes from property taxes. This money will be used to pay bond holders the principal and interest payments. It is important to remember these funds can only be used for bond and interest payments and not for any other purpose.

**The construction funds** come from the sale of bonds and are used to pay contractors for the bond construction projects in the district. Again, these funds can only be used for this purpose.

So where does this leave us. In Olathe, all of these funds totaled \$173,600,000 June 30, 2009.

However, when the cash balance/reserves are viewed with a discerning eye, the picture becomes clearer.

<b>Fund Category</b>	<b>Operating Reserves</b>	<b>Restricted Balances</b>
Operating Reserves	\$7,200,000	
Contingency Reserve (critical for Bond Ratings – maintain at 6%)	\$9,750,000	
Self Insured Funds		↔ \$ 3,345,000
Capital Outlay		\$ 8,656,000
Restricted/Independent Funds (Food Service, Grants & Donations, etc.)		\$ 6,805,000
Bond & Interest & Construction Bonds		\$137,844,000
<b>Totals</b>	<b>\$16,950,000</b>	<b>\$156,650,000</b>
<b>Grand Total</b>	<b>\$173,600,000</b>	

With capital outlay, restricted balances, construction, and bond and interest funds out of the picture, the district only has approximately **\$16,950,000** in reserve. A monthly payroll in the Olathe School District is \$15,800,000. In a typical month, payroll, utilities, and other expenses total \$17,800,000 - \$21,000,000.

Using cash balances to underwrite ongoing operational expenses is an unsound fiscal practice. Eventually, the balances will be exhausted and the ongoing expenses are still there. If reserves are used for these purposes, then a corresponding reduction in expenses must be made in the upcoming budget or the district could have a financial crisis the next budget year. The shortage simply compounds every year. Further, once cash balances are used, consideration must be given as to how and when the money will be replaced. Replacing these funds is always challenging, but during this critical financial crisis, it will be impossible for our district to build reserves for many years. Ideally, cash balances should only be used for one-time emergency situations.

Another critical factor to consider in this discussion is the financial condition of the state in regard to state aid payments to districts. State aid payments were late this fall, and with the current state budget crisis, this will likely occur again over the next several months and possibly over the next year. We used our reserves to meet our payroll expenses until we received our state aid payment. As you can see, using reserves for other than emergency expenses is setting the stage for possible financial disaster.

There is another important factor to consider before using the contingency reserve fund and that is its effect on the district's bond rating. Currently, the district's Moody bond rating is AA<sub>3</sub> and Standard and Poor's is AA. Typically, bond rating agencies review a district's audits and other indicators of financial strength prior to a bond sale. If a district has to use its contingency reserve fund for ongoing operational expenses, its financial strength is diminished, which can result in a lower bond rating. A high bond rating means that the district has to pay less interest because there is less risk to the bond holders. Further, if the district insures the bonds to achieve a rating of AAA, then the amount of upgrade or the premium is less. Consequences of a lower bond rating include higher interest expenses for the district, adverse publicity and the stigma of poor financial management. With the rapid growth of our district and the continuing need for new facilities, an excellent bond rating is critical if we are to sell bonds at the lowest possible interest rate in the future. This savings is passed on to property owners in the district through lower property taxes.

Given everything discussed, what options does the Olathe School District have to address further reductions, which may be sizeable?

1. The district could use some balances, but only those in the operating and contingency reserve.
2. The district could try to dramatically under spend its budget. This would allow some use of the contingency reserve, which could be replaced at the end of the year with the savings associated with under spending the budget.
3. The district could use higher cost of living (COLA) funds in the budget for 2010-2011. These funds require a levy and have to be planned when the district prepares its budget.

**Key Points:**

1. The district does have some cash balances but they are not nearly as large as the June 30 cash balances would indicate.
2. The cash reserves help with cash flow when state aid payments are late.
3. The use of all eligible cash reserves barely covers one month's payroll.
4. Cash reserves cannot be used to sustain ongoing operations without negative consequences.
5. The contingency reserve fund is closely tied to our bond rating and its use would be a detriment to the district in light of our increasing enrollment and need for new facilities for many more years.
6. If cash reserves are used, a plan should be developed to replace these funds in the near future.
7. Ideally, cash reserves should only be used for one-time, unforeseen expenses.

In conclusion, cash balances look like an easy target to avoid cuts in programs, but the implications of using these funds must be addressed if we are to maintain sound fiscal management.