

# Comparison of HB 2986, SB 584 and KASB Positions

March 27, 2006

HB 2986 as passed by House	SB 584 as recommended by Senate Education Committee	KASB position and comments
<b>Total Funding</b>		
Three-year plan; increases state aid: \$193.1 million in FY 2007; \$191.4 million in FY 2008; and \$173.9 million in FY 2009. Three-year total: \$558.4 million.	Three-year plan; increases state aid: \$180.4 million in FY 2007; \$150.0 million in FY 2008; and \$150.0 million in FY 2009. Three-year total: \$480.4 million.	KASB believes that state funding is at least \$568 million below suitable now; a three-year plan should increase the total for inflation and higher achievement standards.
<b>Base Budget Per Pupil</b>		
\$50 in FY 2007 (\$28.5 million) \$49 in FY 2008 (\$28.8 million) \$35 in FY 2009 (\$20 million)	\$50 in FY 2008 (\$28.4 million) \$50 in FY 2009 (\$28.2 million) \$70 in FY 2010 (\$40.6 million)	\$100 per year is needed to equal inflation.
<b>Regular At-Risk Increase (Currently 0.193)</b>		
0.268 in FY 2007 (\$44.5 million) 0.368 in FY 2008 (\$60 million) 0.482 in FY 2009 (\$68.4 million)	0.268 in FY 2007 (\$43.5 million) 0.318 in FY 2008 (\$28.9 million) 0.368 in FY 2009 (\$29 million)	KASB supports at-risk funding of at least 0.25.
<b>Additional At-Risk</b>		
<ul style="list-style-type: none"> <li>• Districts with 40-49.9% free lunch additional 4%.</li> <li>• Districts with 50% or more free lunch additional 8%.</li> <li>• Districts with enrollment density of at least 212.1 students per square mile and at least 35.1% free lunch additional 0.8 in FY 2007; 0.9 in FY 2008 and 0.1 in FY 2009.</li> </ul> FY 2007 (\$22.7 million) FY 2008 (\$3.4 million) FY 2009 (\$3.5 million) (35 districts would qualify.)	A new weighting called the “high at-risk pupil weighting” of 0.045 would be created for the five school districts which rank the highest in the percentage of students who receive free meals. FY 2007 (\$10 million) FY 2008 (\$200,000) FY 2009 (\$200,000)	KASB supports adding factors for at-risk funding in addition to free lunch eligibility.
<b>All-day Kindergarten</b>		
Full-time kindergarten students are counted as 0.65 in FY 2007 (\$15.4 million) 0.8 in FY 2008 (\$23 million) 1.0 in FY 2009 (\$30.8 million)	School districts would be authorized to use money received for at-risk students for all-day kindergarten programs, regardless of whether the kindergarten students qualify for services for at-risk students. (This provision pertains to regular at-risk funding, not preschool-aged at-risk or high at-risk students.)	KASB supports funding all-day kindergarten.
<b>Correlation Weighting</b>		
Changes name to “high enrollment weighting” and lowers threshold to 30 students per year, for three years. FY 2007 (\$14.2 million) FY 2008 (\$14.2 million) FY 2009 (\$14.2 million)	Lowers threshold to 25 students in school year 2008-09 only. FY 2009 (\$11.8 million)	KASB has supported correlation weighting as the appropriate way to adjust difference in funding by size.
<b>Special Education</b>		
Plan proposes funding special education at 92% each of three years, which is current law. (Appropriations are not in the bill.) FY 2007 (\$30.3 million) FY 2008 (\$25.0 million) FY 2009 (\$25.0 million)	Statutory requirements for funding special education excess cost increases from 89.3% to: 92% in FY 2007 (\$30.3 million) 95% in FY 2008 (\$36.8 million) 98% in FY 2009 (\$37 million)	KASB supports funding special education at 100% of excess cost.
<b>Vocational Education</b>		
Creates a grant program to assist districts with vocational education start-up costs. (Subject to appropriations)		

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<b>Bilingual Education</b>		
Creates a grant program to assist districts in getting teachers trained in ESOL. (\$500,000 proposed, subject to appropriations)		KASB supports full funding of the additional costs of bilingual education.
<b>New Facilities Weighting</b>		
	Any district would qualify for the school facilities weighting if the district has adopted a local option budget which equals the lesser of the state maximum or 25%.	
<b>Spending Flexibility</b>		
Districts could spend money received for at-risk, preschool-aged at-risk, bilingual, and vocational programs for other programs. All expenses for these programs must be reported.	Districts could spend money received for at-risk, preschool-aged at-risk, bilingual, and vocational programs for other programs. All expenses for these programs must be reported. Districts would be required to report to the State Board on these programs, including information about the number of children served and the type of services provided.	KASB supports greater spending flexibility. We believe accountability should be based on improved academic results, and oppose additional reporting requirements that would add cost and paperwork unless clearly used to support state funding decisions.
<b>Local Option Budget</b>		
State LOB maximum is raised to 30% in FY 2007 and 33% in FY 2008. The cost of additional LOB aid is: FY 2007 (\$37 million) FY 2008 (\$37 million) FY 2009 (\$12 million)	State maximum LOB is lowered to 26.5% in FY 2007, 25% in FY 2008 and 24% in FY 2009, but an equal mandatory fund is created and with the same equalization. FY 2007 (\$30 million) FY 2008 (\$15 million) FY 2009 (\$15 million)	
<b>Mandatory Local Spending</b>		
Local option budget state aid money must be used to meet accreditation and state requirements for programs and services, and to improve student achievement.	Districts must adopt a Mandatory Student Performance Improvement Budget (MSPIB) equal to 2.5% of the school district general fund in FY 2007, 5% in FY 2008, and 6% in school year 2008-09, and which would be equalized to the 81.2 percentile. All revenues would be transferred to the district general fund for programs mandated by state law or for programs and services that improve student performance. Funds would be equalized to the 100 percentile and additional state aid equal to the difference between equalization at the 81.2 percentile and the 100 percentile would be added to the school district general fund as additional spending power. FY 2007 (\$38.2 million) FY 2008 (\$40.4 million) FY 2009 (\$16.5 million)  The Senate position asserts this mandatory local spending should be counted as additional state funding for a constitutionally suitable education. The total funding under this concept is: FY 2007 (\$70.7 million) FY 2008 (\$72 million) FY 2009 (\$37 million)	KASB believes most LOB funding is already being used to meet state requirements and improve student performance.  KASB believes the distribution of state aid for the MSBIP is disequalizing. Funds are not used to equalize tax rates, and are not distributed on the basis of cost or need. Generally, districts that have higher wealth, except for those at the very top of valuation, receive more under the Senate plan than poorer districts.

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<b>Additional Local Spending Authority</b>		
<ul style="list-style-type: none"> <li>Beginning in 2010-11, according to the bill (but intended to be 2008-09), boards may adopt a local mill levy to finance a new fund called a "local supplemental aid fund," subject to protest petition. There is no limit on this amount of this levy, and no state aid is provided.</li> <li>The new aid fund is only authorized "in any school year in which it is determined by law that the legislature has appropriated sufficient money to meet its constitutional duty to make suitable provision for finance." The determination is to be based on a cost study analysis.</li> <li>The cost study shall be done by Legislative Post Audit in 2008-09 and every three years thereafter, using the same definitions and methods as in the 2005 study.</li> <li>The bill does not indicate how such studies will actually be interpreted. <i>Note that LPA actually provided at least four possible determinations of what the Legislature will have to provide.</i></li> </ul>	<ul style="list-style-type: none"> <li>Boards would be authorized to adopt a local option budget which exceeds the state maximum by 2.5% in FY 2007, by 5% in FY 2008, and by 6% in FY 2009.</li> <li>This part of the local option budget would not be equalized and would be funded from a local property tax levy. It would be subject to protest petition and election provisions and would have to be expended on programs and services which are not mandated by the state.</li> <li>When combined with the MSPIB, the effective maximum LOB would be: <ul style="list-style-type: none"> <li>31.5% in FY 2008</li> <li>35% in FY 2009</li> <li>36% in FY 2010</li> </ul> </li> </ul>	KASB opposes any additional spending authority which is not equalized.
<b>Other Policy Issues in HB 2986 – School Districts</b>		
<b>Flexibility and Accountability.</b> Contains statement that school districts should have the "greatest flexibility" in carrying out their responsibilities, but also says the bill is to require more accountability.		This is a "policy statement" that would be unlikely to have a direct impact on school districts.
<b>Local Reallocation.</b> Boards are required to reallocate funds if the district is not accredited or able to offer state mandated programs; and required to use "benchmarks" from Standards and Poor's Education Resource Management study of March 2006.		KASB believes that an outcomes based education system requires reallocation of resources, if necessary. It is unclear whether the requirement to use S&P would be a guideline for local boards or somehow enforced by the state.
<b>Uniform Reporting.</b> Requires uniform reporting of expenditures.		KASB believes this is already required, and supports efforts to make school budgets easier to understand.
<b>Unfunded Mandates.</b> States that neither the state nor school districts are required to pay for the costs of federal laws or regulations unless the Legislature deems federal funding adequate; however, the new bill exempts IDEA requirements.		KASB believes this provision will not protect districts from the cost of complying with No Child Left Behind if it continues to be part of school accreditation requirements.
<b>State Approval of Buildings.</b> Requires that the Joint Committee on State Building Construction approve building plans for districts with extraordinary declining enrollment in order to receive state capital improvement aid.		This provision would require lower-wealth districts with declining enrollment receive state approval for bond issues, while wealthier districts that receive no state aid would not be affected.
<b>Contingency Fund.</b> Maintains an increase in the maximum contingency reserve fund from 4% to 6% for next school year.		KASB supports reasonable school district contingency fund authority.

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<b>School-based Needs Assessments.</b> Requires that districts conduct an annual needs assessment for each attendance center, and directs local boards to consider the school needs assessments in developing the district budget.		KASB does not object to an annual needs assessment as part of the school improvement and accreditation process, but would oppose state mandates on how to implement the needs assessment.
<b>Cost of Remedial Courses.</b> Requires that the school district where a student last attended be charged the excess cost of attending remedial classes if a student completes the Regents' recommended curriculum and requires remedial classes in English, reading and mathematics.		KASB opposes charging school districts if students need remedial courses. State universities are not required to provide remedial courses. The bill is extremely vague on how this provision would work.
<b>Other Policy Issues in HB 2986 – State Board and Legislature</b>		
<b>State Funding.</b> All state aid programs to be considered part of state funding for K-12 education.		This does not appear to make any significant change.
<b>State Aid and Proficiency.</b> Requires the State Board annually report to the Legislature on improvement in student proficiency attributable to increased state aid.		The Legislative Post Audit study demonstrated a strong relationship between funding and student achievement.
<b>Early Graduation.</b> Provides incentives for early high school graduation.		KASB does not object to this provision, but suggests it receive further study.
<b>Severability.</b> Contains a severability clause.		A severability clause means that the courts could strike down some provisions of this act and uphold others.
<b>Budget Forms.</b> Directs that Post Audit make recommendations for school budget forms used by the Kansas State Department of Education.		This adds LPA input to the development of school budget forms. It does not require any changes.
<b>65% for Instruction.</b> Maintains current law setting a state policy goal of 65% of funding for instruction, but removes language from last year specifying that increased funding must go to instruction.		KASB opposes the 65% goal or any legislative enactment that requires districts to spend funds on particular programs, as long as performance outcomes are met.
<b>CPI Adjustment.</b> Amends current law requiring that state aid must increase at least equal to the consumer price index by stating that the funding increase over three years in this bill shall be deemed to satisfy the requirement.		This does appear to change the intent of current law.

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