

# Emerging Education Issues for 2009-10

*Kansas Association of School Boards, Updated September 24, 2009*

INCLUDES TOPICS ASSIGNED BY LEGISLATIVE COORDINATING COUNCIL AND IDENTIFIED BY COMMITTEES.

KASB POSITIONS INCLUDE RESOLUTIONS AND POLICY CHANGES RECOMMENDED BY THE KASB LEGISLATIVE COMMITTEE.

| <i>Issue and Groups Studying</i>   | <i>Description and Potential Impact on School Districts</i>  |
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| <b><i>Finance and Budget Issues</i></b>  |  |
| <ul style="list-style-type: none"> <li>• <b>FY 2010 Budget (Current Year)</b></li> </ul> | <p>The 2009 Legislature appropriated \$3.245 billion for K-12 education (excluding the Kansas State Department of Education agency budget) this year, including \$194.4 million in federal stimulus funding. It was expected to provide a base budget per pupil of \$4,280. However, after state general fund receipts fell \$119 million below estimates in May and June, the Governor ordered allotments in July, including \$39.1 million in general state aid for school districts, which reduced the base to an estimated \$4,218, a 6.1 percent reduction from last year. Total state aid is reduced \$125.5 million, or 3.8 percent from last year. If federal stimulus funding was removed, the reduction would be \$319.9 million, or 9.6 percent. Furthermore:</p> <ul style="list-style-type: none"> <li>• If tax revenues continue to fall below expectations, the state general fund will face a deficit and either the Governor or Legislature will have to reduce spending.</li> <li>• If school finance estimates are incorrect, further cuts may be necessary. For example, the recession could cause more students to qualify for free lunch, increasing the cost of the at-risk weightings. Property values could fall or tax delinquencies increase, reducing revenue from the 20 mill statewide levy. If the 2010 Legislature does not add funding, both examples would result in further reductions in the base budget per pupil this year.</li> </ul> <p><b>Possible Impact:</b> Districts could face further mid-year cuts in state aid and operating budgets.<br/> <b>KASB Position:</b> Any further reductions in state aid should not increase inequities in funding based on district wealth or student needs. (Proposed Resolution #1)<br/> <b>Upcoming Events:</b> State receipts are reported monthly. The next official estimates for receipts and school finance will be released in November.</p>  |
| <ul style="list-style-type: none"> <li>• <b>FY 2011 Budget (Next Year)</b></li> </ul>    | <p>The Kansas State Board of Education requests a \$281 million increase for 2010-11 to fund programs as set out in current law, with virtually no enhancements. The request includes:</p> <ul style="list-style-type: none"> <li>• <i>General State Aid:</i> \$173.9 million for a base budget of \$4,492.</li> <li>• <i>Supplemental General State Aid:</i> \$33.9 million for local option budget state aid.</li> <li>• <i>Special Education Aid:</i> \$34.9 million to fund at 92 percent of the excess cost formula.</li> <li>• <i>Capital Outlay Aid:</i> \$27 million to restore the state aid portion of capital outlay.*</li> <li>• <i>Parents As Teachers:</i> \$460,000 to allow 1,000 additional children to be served.</li> <li>• <i>Mentor Teacher Program:</i> \$1.8 million to fund state reimbursement for \$1,000 stipends for mentors of teachers in their first three years of service, as provided by law.</li> <li>• <i>Professional Development:</i> \$8.5 million to restore funding for state aid.*</li> <li>• <i>National Board Certification:</i> \$295,000 to restore reimbursement to districts for \$1,000 annual stipends for teachers with national certification as required by law.*</li> </ul> <p>(*For the current year, funding was eliminated for these programs.)</p> <p>However, current projections indicate the State General Fund will face a \$530 million deficit for FY 2011, requiring the Legislature to make either additional budget cuts or raise state revenues. If school district aid received 50 percent of that reduction, it would be double the cuts imposed this year.</p> <p><b>Possible Impact:</b> School districts could face reductions in state aid for next year double or more the cuts imposed in the current year.<br/> <b>KASB Position:</b> The first priority should be to restore funding to statutory levels. KASB will support steps to raise additional revenue to fund this request. No new mandates should be imposed until current programs are fully funded, and districts should be given more ability to manage resources. (Proposed Resolution #1)<br/> <b>Upcoming Events:</b> House Appropriations Committee will meet Oct. 12-13. Agenda has not been announced.</p> |

## *State and Local Tax Policy*

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| <p>• <b>Local Option Budget Formula</b><br/>Legislative Educational Planning Committee</p> | <p>As enrollment declines in many small districts, their assessed valuation per pupil increases. These districts become “wealthier” under the school finance formula. Some have proposed increasing supplemental state aid (for the Local Option Budget) for districts with high valuations and low school-aged populations, but it is difficult to determine which districts should be given special assistance. Another result is that LOB aid had to be pro-rated this year. <b>Possible Impact:</b> Changes in the formula could benefit certain districts, but without additional revenue will reduce funding for others. Sets precedent for “ad hoc” adjustments in funding. <b>KASB Position:</b> <i>An equalized LOB should continue to be available for use by local boards. (Proposed Resolution #2)</i><br/><b>Recent Action:</b> LEPC is scheduled to discuss this issue at its October meeting.</p> |
| <p>• <b>Revenue for State Programs</b></p>   | <p>Without additional revenue, the Legislative Research Department currently projects a state general fund deficit of approximately \$530 million next year, at least half of which could come from K-12 education. More cuts could occur the following year when nearly \$200 million in federal stimulus aid from the American Recovery and Reinvestment Act expires. <b>KASB Position:</b> <i>Ensure state tax policies provide adequate revenues for state services. (Proposed Resolution #2)</i></p>  |
| <p>• <b>Tax Base and Exemptions</b></p>  | <p>In recent years, the Legislature has significantly expanded the number of tax exemptions, credit and other tax breaks, which reduce the tax burden on recipients, but tend to shift the costs of government services to others. The Kansas Advisory Council on Intergovernmental Relations has released a “Tax-Base Policy Evaluation Guide” to assist legislators. It has also proposed that a number of sales tax exemptions be “sunset” for periodic review. <b>KASB Position:</b> <i>Revise state tax policy to ensure adequate revenues, restore balance and evaluate the cost and effectiveness of exemptions and credits. (Proposed Resolution #2)</i></p>   |

## *District Efficiencies and Budget Issues*

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| <p>• <b>School District Consolidation and Administrative Services</b><br/>2010 Commission<br/>House Appropriations</p> | <p>The school finance law includes incentives for school district consolidation. The number of districts has dropped from 304 to less than 295 in the past 10 years, but some argue much more is needed, especially in districts that are “small by choice,” although that term is not defined. Others have proposed incentives or requirements for combining administrative functions. <b>Possible Impact:</b> Further incentives, financial penalties such as reduced state aid, or requirements for action in certain circumstances. <b>KASB Position:</b> <i>Support incentives for voluntary consolidation and cooperation; oppose requirements or penalties. (Current policy)</i><br/><b>Recent Action:</b> House Appropriations Committee received testimony on this issue Aug. 24-25; may continue discussion Oct. 12-13.</p>  |
| <p>• <b>School District Accounting</b><br/>2010 Commission</p>   | <p>In recent years, there have been proposals requiring development of a uniform centralized accounting system all districts would use, including building-based budgeting. Legislative Post Audit Division has voiced concerns that school districts do not always follow guidance from the Department of Education. <b>Possible Impact:</b> Depending on the proposal, new requirements could add significant costs that would not be available for other education programs; and require changes in local accounting procedures, staff retraining and additional administrative costs. <b>KASB Position:</b> <i>Support efforts to improve understanding of school budgets, but oppose new mandates that increase school administrative costs. (Current policy)</i><br/><b>Recent Action:</b> LPA this summer recommended introduction of a bill requiring school district expenditure and staffing data reported to the Department of Education be audited as part of their annual financial audits.</p> |
| <p>• <b>Contingency Funds</b><br/>House Appropriations</p>   | <p>Several proposals have been made to encourage or require school districts to use funds in contingency reserves as an alternative to state funding. Last year, districts had over \$100 million in contingency funds on June 30, 2008. However, the 2009 Legislature passed a bill to increase the maximum from 6 percent to 10 percent for three years; and the Senate passed a resolution urging districts to increase reserves. <b>Possible Impact:</b> Require districts to use contingency reserves as a local effort deduction. <b>KASB Position:</b> <i>Support reasonable contingency reserves. (Current policy)</i></p>   |

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| <ul style="list-style-type: none"> <li>• <b>Efficiency Audits</b><br/>2010 Commission<br/>Legislative Post Audit Committee<br/>Legislative Educational Planning Committee</li> </ul> | <p>Legislative Post Audit released a report in July examining non-instructional spending in 121 districts in five peer groups, focusing on instances where spending seemed excessive. LPA had intended to examine those “outliers” more closely, but the 2010 Commission, which oversees the school audit team, directed this step be delayed, although four districts volunteered to have LPA review their budgets. Some legislators and others have criticized the delay.</p> <p><b>Possible Impact:</b> More scrutiny of non-instructional spending. The LPA study only looked at expenditures and did not take into account impact on student achievement or other factors.</p> <p><b>KASB Position:</b> <i>Decisions on school district expenditures should be made by local boards, with accountability based on student achievement. (Current policy)</i></p> <p><b>Recent Action:</b> The School District Efficiency Audit was presented to the LPA Committee and the 2010 Commission.</p>   |
| <p><b><i>Special Education and Special Services</i></b></p>  |  |
| <ul style="list-style-type: none"> <li>• <b>Special Education Funding Formula</b><br/>Special Education Task Force</li> </ul>  | <p>Although state law requires the Legislature to fund 92 percent of the special education excess cost formula (which was not followed this year), studies have found the percentage covered varies considerably among districts, with smaller districts tending to receive a higher percentage (as much as 200 percent). The 2008 Legislature appointed a task force to study the issue of funding over three years.</p> <p><b>Possible Impact:</b> Different allocation of funds among districts and special ed cooperatives.</p> <p><b>KASB Position:</b> <i>If changes are made in the special education formula, KASB supports using a pupil weighting system. (Current policy)</i></p> <p><b>Recent Action:</b> Prior to the 2009 session, the task force agreed any changes should be implemented so no districts lose funding; recommended more flexibility in the use of special education staff, but delayed further consideration of a change in the basic formula. To date, no further meetings have been planned.</p>   |
| <ul style="list-style-type: none"> <li>• <b>Special Education Catastrophic Aid</b><br/>Legislative Educational Planning Committee<br/>2010 Commission</li> </ul>                     | <p>State law provides additional reimbursement for districts when the cost of an individual special education student exceeds \$25,000 per year. The number of students identified and the cost of this program have increased dramatically in recent years. Because catastrophic aid is taken “off the top” of state special education aid, more catastrophic aid means less is available to reimburse districts for special education teachers. The 2010 Commission has proposed changes that would significantly raise the threshold to qualify, and requested an LPA audit of the program, expected to be released in October.</p> <p><b>Possible Impact:</b> Significantly raising the threshold would reduce reimbursement to districts which have a high number of these students, but it would tend to benefit other districts.</p> <p><b>KASB Position:</b> <i>Does not specifically address the threshold, but supports the concept of pupil weighting, supports funding based on actual costs, and a phasing in of changes that would result in loss of funding for districts. (Current policy)</i></p> <p><b>Recent Action:</b> LEPC held hearings in July; took no action. 2010 received a report on the hearings. The state special education directors are scheduled to make recommendations on this matter before the 2010 commission, on Oct. 2, and LEPC on Oct. 12.</p> |
| <ul style="list-style-type: none"> <li>• <b>Restraint and Seclusion</b></li> </ul>   | <p>Special education advocates at both the state and federal level have been advocating new requirements regarding the use of restraints and seclusion for special education students who appear to be a danger to themselves or others. The State Board has adopted guidelines but not regulations. A new push is expected this year in Kansas and nationally.</p> <p><b>Possible Impact:</b> Could require additional training, reporting and other costs; less ability for educators to determine how to safely deal with disabled and non-disabled students and staff.</p> <p><b>KASB Position:</b> <i>Oppose state mandates for students with disabilities that exceed federal requirements under the Individuals with Disabilities Education Act (IDEA). (Current policy)</i></p>  |
| <ul style="list-style-type: none"> <li>• <b>Services for Autism</b><br/>Legislative Educational Planning Committee</li> </ul>  | <p>A special task force held two years’ study of services for the rapidly growing population with autism spectrum disorders. It recommended much more intensive – and expensive – service to children identified with autism; however, no legislation or regulations were introduced.</p> <p><b>Possible Impact:</b> Increased costs to school districts; more demand on state special education aid, more need for specialized teachers already in short supply.</p> <p><b>KASB Position:</b> <i>Oppose state mandates for students with disabilities that exceed federal requirements under the Individuals with Disabilities Education Act (IDEA); increase funding for early intervention for all students. (Current policy)</i></p>   |

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| <ul style="list-style-type: none"> <li>• <b>Dyslexia and Related Disorders</b><br/>Kansas State Board of Education</li> </ul>                            | <p>The Kansas House passed a resolution directing the State Board to develop ways to improve services to students with dyslexia and other reading disorders.</p> <p><b>Possible Impact:</b> New testing and service requirements for school districts.</p> <p><b>KASB Position:</b> <i>Oppose state mandates for students with disabilities that exceed federal requirements under the IDEA. Support funding to allow all districts to bring all students to reading proficiency. (Current policy)</i></p> <p><b>Recent Action:</b> Presentations were made to the State Board in October and November of 2008.</p>   |
| <p><b>Early Childhood Issues</b></p>   |   |
| <ul style="list-style-type: none"> <li>• <b>Early Childhood Education</b><br/>Children’s Cabinet<br/>Legislative Education Planning Committee</li> </ul> | <p>The 2008 Legislature shifted oversight of the “pre-K pilot” program to the State Board, but did not adopt recommendations to shift special education infants and toddlers and Early Head Start programs. State early childhood programs are currently coordinated through the Early Learning Coordinating Council.</p> <p><b>Possible Impact:</b> Changes in relationships among school district and community-based programs such as Head Start; new program standards.</p> <p><b>KASB Position:</b> <i>Establish quality standards for local programs; coordinate pre-school programs through the State Board. (Proposed Resolution #3)</i></p> <p><b>Upcoming Events:</b> LEPC will receive a report on early childhood programming Oct. 12.</p>  |
| <ul style="list-style-type: none"> <li>• <b>Funding for Early Education</b><br/>Children’s Cabinet</li> </ul>  | <p>The 2008 Legislature provided \$11 million to begin an early childhood education block grant program, funded by tobacco settlement revenues (Children’s Initiatives Fund), a level maintained for FY 2010. New federal funding may be available through the proposed Early Childhood Challenge Grant program, which passed the U.S. House this month.</p> <p><b>Possible Impact:</b> Enhanced funding could serve more children; increase school success.</p> <p><b>KASB Position:</b> <i>Expand funding for early childhood; including Parents as Teachers, Pre-K and all-day kindergarten. (Proposed Resolution #3)</i></p>  |
| <p><b>Teacher and Leadership Issues</b></p>  |   |
| <ul style="list-style-type: none"> <li>• <b>Notice Date</b></li> </ul>   | <p>Under current law, school boards must notify teachers and administrators by May 1 if their contracts will not be renewed, and employees must notify boards by May 15 if they plan to return. The United School Administrators has proposed delaying that date if school funding has not been settled by that time.</p> <p><b>Possible Impact:</b> Could avoid having to non-renew teachers who will be reemployed if funding becomes available; could delay district staffing until after the school year ends.</p> <p><b>KASB Position:</b> <i>Support maintaining the current dates. (Current policy) The KASB Legislative Committee has proposed Resolution #7, which would support USA’s proposal.</i></p>   |
| <ul style="list-style-type: none"> <li>• <b>Licensure</b><br/>Kansas State Board of Education</li> </ul>   | <p>Although the State Board has adopted several changes in regulations in the teacher licensure system, some believe it requires too many hours of Kansas college courses to receive a license, especially for teachers moving from other states or countries, or from one area or level of teaching to another. However, the current economy has reduced concerns about the teacher shortage, at least temporarily.</p> <p><b>Possible Impact:</b> Makes it easier to hire teachers who meet state licensure requirements.</p> <p><b>KASB Position:</b> <i>Provide more flexibility for educators to receive licensure based on demonstrated ability to improve student achievement; limit requirements imposed by teacher training institutions. (Proposed Resolution #4 and current policies)</i></p>  |
| <ul style="list-style-type: none"> <li>• <b>Salaries, Bonus Incentives</b><br/>Kansas State Board of Education</li> </ul>                                | <p>Nationally, Kansas teacher salaries rank low, and many believe raising salaries is critical to the supply of teachers; although the teacher shortage has eased at least temporarily. There have been calls to target more dollars based on shortage areas or performance. The Obama administration has advocated linking teacher pay to performance. Kansas NEA has traditionally opposed any efforts to allow differential pay that is not negotiated, and local unions often oppose this step.</p> <p><b>Possible Impact:</b> Helps districts attract and retain more teachers.</p> <p><b>KASB Position:</b> <i>Increase the base budget per pupil to a level that supports higher teacher salaries; allow more flexibility for pay and incentives. (Proposed Resolution #4 and current policies)</i></p> <p><b>Recent Action:</b> The State Board has created a committee on performance pay.</p> |

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| <p>• <b>Mentoring, Professional Development</b><br/>Kansas State Board of Education</p>  | <p>The Legislature created programs to help districts train and pay experienced teachers to mentor new teachers, and to provide on-going staff development to help teachers be more effective.<br/><b>Possible Impact:</b> Provide more support for district programs to support teachers.<br/><b>KASB Position:</b> Fund state mentoring and professional development at the authorized level. (Proposed Resolutions #1 and #4)<br/><b>Recent Action:</b> All funding for professional development was eliminated for FY 2010. For FY 2011, the State Board request would fully fund the state mentoring (\$1.5 million) and professional development (\$8 million) programs.</p>  |
| <p>• <b>Probationary Teachers</b></p>  | <p>Currently, teachers receive due process rights or “tenure” after three years teaching in a district. The United School Administrators has proposed lengthening the probationary period when teachers can be non-renewed without full due process.<br/><b>Possible Impact:</b> School leaders would have more time to assess the effectiveness of new teachers before granting procedural rights that make it very difficult to remove them.<br/><b>KASB Position:</b> Supports a longer probationary period. (Proposed Resolution #4 and current policy)</p>   |
| <p>• <b>Retirement Issues</b><br/>Joint Committee on Pensions, Benefits and Investments<br/>Legislative Educational Planning Committee</p> | <p>The 2009 Legislature passed a three-year exception to the \$25,000 earnings limit allowing licensed educators to return to work with the same employer, if the employer pays a 20 percent salary surcharge. However, last year’s decline in the stock market has left the KPERS system significantly underfunded. KPERS staff say only an increase in employer contributions and benefit changes can bring the system into long-term balance.<br/><b>Possible Impact:</b> The need for additional employer contributions will compete with additional funding for current education expenditures, and could create pressure to require school district contributions.<br/><b>KASB Position:</b> Make no changes in working after retirement for three years, maintain the state’s responsibility for funding KPERS; look for ways to reduce state general fund support while maintaining adequate retirement benefits. (Proposed Resolution #4 and current policies)<br/><b>Recent Action:</b> KPERS funding issues have been presented to the Legislative Budget Committee and House Appropriations. KPERS staff and board are developing proposals to address the situation.</p> |
| <p><b>School Reform and Restructuring</b></p>  |   |
| <p>• <b>Common Standards</b><br/>Kansas State Board of Education</p>   | <p>The State Board has approved participating in a national effort to develop common academic standards for all states. The first part of this effort, a draft of college- and career-readiness standards, has been released by the National Governor’s Association and Council of Chief State School Officers.<br/><b>Possible Impact:</b> Advocates of national standards say they will help provide a benchmark for student achievement across all states.<br/><b>KASB Position:</b> Supports high standards for all students, but must be adopted with clear understanding of cost and adequate revenue. Standards should not be imposed by federal mandate. (Proposed Resolutions #5 and #6)</p>   |
| <p>• <b>Race to the Top</b><br/>Kansas State Board of Education<br/>2010 Commission</p>  | <p>Race to the Top is a \$4.3 billion federal program making competitive grants to the states to support school reform efforts around four broad goals: (1) high standards and assessments; (2) effective educators; (3) improved data system; and (4) turning around struggling schools. State applications will be judged both on demonstrated progress and plans for improvement.<br/><b>Possible Impact:</b> RTTT could provide Kansas with additional federal funding as state resources are reduced. The plan could also lead to new requirements on schools, and potentially limit school board authority in efforts to address persistently low performing schools.<br/><b>KASB Position:</b> KASB supports federal initiatives to increase resources when they don’t result in new mandates that conflict with traditional local school board purview. (Proposed Resolution #6)<br/><b>Recent Action:</b> The Governor and State Board are responsible for the application. The 2010 Commission plans to review the issue Oct. 2.</p>  |

## *Other Issues*

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| <ul style="list-style-type: none"> <li>• <b>Kansas State High School Activities Association</b><br/>Legislative Educational Planning Committee</li> </ul>                            | <p>Legislative Post Audit in July released an audit of the Kansas State High School Activities Association’s governance and certain policies. School districts have expressed concern about many policies, especially those which may discourage school consolidation or cooperation. It made no particular recommendations.</p> <p><b>Possible Impact:</b> More flexibility for local school activities.</p> <p><b>KASB Position:</b> <i>Change KSHSAA board to include a majority of local school board members; change rules that limit consolidation, cooperation and efficiency. (Current policy)</i></p>   |
| <ul style="list-style-type: none"> <li>• <b>Charter Schools, Vouchers, Tax Credits</b><br/>Kansas State Board of Education</li> </ul>  | <p>State and national advocates for “school choice” continue to promote public funding for private schools or charter schools independent of local school boards. However, research shows no systemic academic benefit from such programs. Under the Race to the Top grant program and additional federal funding for School Improvement Grants, charters schools are to be an option for changing the management of low performing schools.</p> <p><b>Possible Impact:</b> Public funding of schools without public oversight; shift in school oversight from locally elected boards.</p> <p><b>KASB Position:</b> <i>Support Kansas Constitution’s provisions that require public schools be under locally elected boards and prohibit public education funding for religious organizations. (Current policy)</i></p> <p><b>Recent Action:</b> The State Board is reviewing charter school laws after a private, religious school requested charter school funding. The Department of Education is creating a new charter school advisory committee.</p> |
| <ul style="list-style-type: none"> <li>• <b>State Bid Law</b></li> </ul>   | <p>Under current law, school districts must accept the “lowest responsible bid” for construction, remodeling, and goods under a sealed bid process. Wichita USD 259 is proposing that districts be allowed to use a competitive sealed proposal process.</p> <p><b>Possible Impact:</b> Allow boards to better evaluate and select among different proposals to address districts needs, rather than select by price alone.</p> <p><b>KASB Position:</b> <i>The KASB Legislative Committee supports this proposal. (Policy Proposal #5)</i></p>  |
| <ul style="list-style-type: none"> <li>• <b>State Transportation Plan</b><br/>Governor’s T-LINK Task Force<br/>Special Committee on New Comprehensive Transportation Plan</li> </ul> | <p>The current 10-year comprehensive transportation plan is expiring and efforts are underway to develop a new plan.</p> <p><b>Possible Impact:</b> Budget consequences on state funding available for education; impact on school district transportation needs.</p> <p><b>KASB Position:</b> <i>No position at this time; monitoring developments for possible impact.</i></p>   |
| <ul style="list-style-type: none"> <li>• <b>Local Primary Elections</b></li> </ul>   | <p>The 2008 Legislature changed the election laws for school boards and other local elections so primary elections would only be held if more than three candidates filed for a position. This past session, the Senate passed a bill to return to primaries when more than two candidates file. The bill will carry over.</p> <p><b>KASB Position:</b> <i>The KASB Legislative Committee is proposing that KASB support returning to the previous law. (Policy Proposal #2)</i></p>   |
| <ul style="list-style-type: none"> <li>• <b>Public Interest Advocacy</b><br/>KASB Legislative Committee</li> </ul>   | <p>Recent proposals would limit or prohibit local governmental entities, such as school districts, from lobbying at the state level although the state actively lobbies at the federal level.</p> <p><b>Possible Impact:</b> School districts could be prohibited from lobbying on issues affecting them in state government either individually or through associations.</p> <p><b>KASB Position:</b> <i>KASB opposed restrictions on school board advocacy. (Current Policy)</i></p>   |