

Testimony on **Department of Education Budget**
before the
House Education Budget Committee

by

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Mr. Chairman, Members of the Committee:

Thank you for the opportunity to comment on issues regarding the budget for the Kansas State Department of Education. First, we want to acknowledge the increased funding provided by the Legislature during the last two sessions. We believe these efforts are making the successful Kansas public education system even stronger; helping more students succeed; making Kansans better educated and more economically competitive.

In October, at our 10 regional meetings held across the state, school board members and administrative leaders held in-depth discussions on school finance issues in light of the “three-year plan” accepted by the Courts as a resolution to the *Montoy* lawsuit. In November, members of our Board of Directors and Legislative Committee, each of which include 10 representatives by geographic KASB region and five representatives from the five largest member school districts, drafted the attached resolution. In December, it was overwhelmingly adopted by our Delegate Assembly.

Based on this resolution, we want to offer recommendations for your subcommittee report that address the education and economic benefits of education (*why* you spend the money); specific budget and policy recommendations (*how* you spent the money); and the long-term budget and revenue outlook.

First, the resolution notes our support for increased funding for education to increase student achievement; the Legislative Post Audit cost study finding of a strong relationship between funding and achievement, and that most of the new funding provided in response to *Montoy* was targeted for special programs to help students who have not been successful. We suggest you use the subcommittee report to acknowledge the high achievement of Kansas schools, the increased performance in recent years, and the economic and social benefits of education. Kansas has adopted extensive educational accountability measures: let’s use them.

Although the resolution supports increased funding provided by the three-year plan and therefore measures such as **SB 30** to keep that commitment, our members made clear they do not believe that school funding is yet “suitable” as required by the Kansas Constitution.

Among the specific enhancements endorsed is state funding for students in all-day kindergarten, such as the Governor's proposal to begin a five-year phase-in of state funding for all-day kindergarten.

- There is a growing consensus about the academic benefits of all-day kindergarten, which we believe has helped produce the significant increase in student performance at the lower grade levels. Early education intervention makes it more likely that students will succeed later; and potentially result in savings in other programs; and helps more students reach higher levels of educational attainment.
- Although districts are now allowed to use at-risk funding for all-day kindergarten, the greatest academic challenges remain at the high school level. Funding all-day kindergarten would allow districts to redirect at-risk and other funding to high school programs.
- Funding all-day kindergarten will help the majority of districts that either already provide such programs or wish to add them.

Our resolution also specifically supports continuing to use student poverty measures, such as free lunch, as a basis for at-risk funding; but it also supports the use of additional factors such as the Non-Proficient Weighting. We understand that funding for this weighting was included in appropriations for the three-year plan, and we believe it should be maintained.

Among other issues raised by the Governor's Budget is a proposed Leadership Commission to "promote increased student and staff performance and to create a cohesive and comprehensive educational leadership plan for the state." KASB is committed to strengthening school leadership. We operate a leadership development program for school board members and superintendents, we are creating a new division to provide expanded support for school administrators, and we provide a quarterly forum for college professors of school administration. We would seek to be formally involved in any state initiatives for school leadership.

In addition to these specific budget recommendations, our members are deeply concerned about long-term trends toward greater reliance on local option budgets (and the resulting increase in local property taxes) and upon increasing use of weightings as a means to target funds to particular school districts. We believe both of these trends result from an inadequate base. Some state leaders are calling for a "rolling" multi-year plan. Frankly, we don't support a plan that just adds another \$50 to the base every year and continues the same long-term trends. We recommend that the Legislature begin work on developing a new plan that seeks to correct these "structural" problems in the current formula before they result in a new lawsuit. Such a charge could be given to the 2010 Commission or other special body.

We are concerned about the long-term budget outlook for the state. We believe that the problem is NOT excessive growth in government spending, which has been remarkably constant as a share of Kansas personal income. The problem is that trends in state tax policy cause revenues to lag behind economic growth and public needs. Our resolution calls for a comprehensive evaluation of state and local tax policies to ensure the cost of funding education and other state policies is appropriately balanced and economically responsive, perhaps through a special commission appointed by the Governor and legislative leaders.

We hope you will consider these suggestions as you develop your recommendations to the Appropriations Committee.

Thank you for your consideration.

2007 Legislative Resolutions

*Adopted by the KASB Delegate Assembly
December 2, 2006*

School Finance Resolution

KASB supports increased state funding for public schools to sustain the high levels of achievement by Kansas students and meet increasing state and national achievement goals. Legislative studies demonstrate a close correlation between funding and student achievement.

Most of the new funding enacted in response to the Kansas Supreme Court decision was targeted toward students not reaching high levels of academic achievement. KASB supports those increases and will oppose any efforts to reduce them.

Although the Supreme Court found the Legislature had complied with its orders, it did not rule the amended school finance system provides constitutionally suitable funding; saying only that such a determination would require a new lawsuit.

KASB believes the system remains “unsuitable” for the following reasons:

- The base budget per pupil is far below the actual cost of a suitable education as measured by every study requested by the Legislature. The base will fall further behind as student performance requirements and operating costs increase over the next two years.
- Although increased funding will help bring more special needs students to proficiency, the inadequate base budget limits districts’ ability to support regular education programs and promote excellence.
- As a result, districts must continue to increase the Local Option Budget and other local revenues, shifting the burden to unequal local sources, especially the property tax; and causing a proliferation of increasingly complex and controversial weighting factors.

Therefore, KASB supports the following provisions:

- The base should be increased to allow all districts to maintain current performance and program requirements, and be adjusted for any additional requirements. With an appropriate base, a substantial portion of LOB funding would be eliminated; allowing districts to “start over” in using LOB for enhancements, reducing local property taxes and increasing tax equity.
- Weighting factors should be used to adjust for actual cost differences after an adequate base is provided, not to compensate for an inadequate base.
- Full state funding should be provided for students in full-day kindergarten programs.
- At-risk funding based on criteria in addition to student poverty should be continued.
- All districts should receive some level of per pupil funding increase because all districts face increasing costs and performance requirements.

KASB also believes the following issues should be considered:

- Efforts to improve clarity and understanding of the school finance system and budget process provided these changes do not increase unfunded costs.
- Incentives and technical assistance to foster efficiency in school district operations including voluntary local choices for cooperation, consolidation, and/or budget reallocation.
- A comprehensive evaluation of state and local tax policies to ensure the cost of funding education and other state responsibilities is appropriately balanced between all tax sources and responsive to economic changes.