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Kansas State Department of Education

Budget Appeal to the Legislature

FY 2012 and FY 2013

**KANSAS STATE DEPARTMENT OF EDUCATION
BUDGET APPEAL TO THE LEGISLATURE**

FISCAL YEAR 2012

	<u>Agency Request</u>	<u>Governor's Recommendation</u>	<u>Amount of Appeal</u>	<u>Page No.</u>
<u>State Operations – State General Fund</u>				
1. Development of Uniform Accounting System for LEAs	\$ 102,521	\$ 0	\$ 50,000	1
Total	\$ 102,521	\$ 0	\$ 50,000	

State Aid to Local School Districts

State General Fund

1. Supplemental General State Aid	395,473,000	339,223,833	56,249,167	4
Total	\$ 395,473,000	\$ 339,223,833	\$ 56,249,167	

FISCAL YEAR 2012

STATE OPERATIONS – DEVELOPMENT OF UNIFORM ACCOUNTING SYSTEM FOR LEAs

2011 Senate Bill 21 creates the Uniform Financial Accounting and Reporting Act. The new law requires KSDE to develop and maintain a uniform reporting system for the revenue and expenditures of local school districts. Accounting records maintained by each school district must be coordinated with the new system. Each school district must record its revenues and expenditures in accordance with a uniform classification of accounts or charts of accounts, as prescribed by the State Board.

The new reporting system must provide records showing by funds, accounts and other pertinent classifications, the amounts appropriated, the estimated revenues, actual revenues or receipts, the amounts available for expenditure, the total expenditures, the unliquidated obligations, actual balances on hand and the unencumbered balances of allotments or appropriations for each school district. The system must allow individuals to search the data and allow for the comparison of data by school district. School districts must report the financial information required under the new law to the State Board beginning July 1, 2012.

Although the Department had indicated there would be a fiscal consequence to implementing the system the 2011 Legislature failed to include adequate funding to cover these costs. KSDE has sustained over \$1.5 million in combined budget reductions to its state general fund appropriation for operating expenditures during FY 2010, 2011 and 2012. The 2011 Legislature also eliminated 22 positions from the department's budget. Without additional funding, as well as ongoing funding in FY 2013, we do not believe we can develop and maintain a new uniform accounting and reporting system for local school districts within the timeline established by the Legislature.

At this time, the agency is requesting additional resources to hire 1.0 FTE (Applications Developer II) to develop the system along with additional funds to purchase a server to house the data utilized by the system. Provided below is a table outlining the current estimated costs necessary to develop the system.

Salaries and Wages	\$ 36,000
Other Operating Expenditures	
Personal Computer	2,000
Applications Server	<u>12,000</u>
Total Requested	\$50,000

For FY 2012, we are requesting \$50,000 from the state general fund to implement this legislative mandate.

STATE GENERAL FUND

FY 2012 <u>Request</u>	Governor's <u>Recommendation</u>	Amount of <u>Appeal</u>
\$102,521	\$0	\$50,000

may renew the authority to make such levy for periods of time not to exceed two years.

(d) The state board shall provide to the state court of tax appeals such school data and information requested by the state court of tax appeals and any other information deemed necessary by the state board.

(e) There is hereby established in every district a fund which shall be called the declining enrollment fund. Such fund shall consist of all moneys deposited therein or transferred thereto according to law. The proceeds from the tax levied by a district under authority of this section shall be credited to the declining enrollment fund of the district. The proceeds from the tax levied by a district credited to the declining enrollment fund shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state school district finance fund.

(f) *In determining the amount produced by the tax levied by the district under authority of this section, the state board shall include any moneys which have been apportioned to the declining enrollment fund of the district from taxes levied under the provisions of K.S.A. 79-5101 et seq. and 79-5118 et seq., and amendments thereto.*

Sec. 4. K.S.A. 2010 Supp. 72-8254 is hereby amended to read as follows: 72-8254. ~~In order to achieve uniform reporting of expenditures by school districts in school district budgets, districts shall report expenditures in the manner required by the state board.~~

(a) *This section shall be known and may be cited as the Kansas uniform financial accounting and reporting act.*

(b) *As used in this section:*

(1) *"Reporting system" means the uniform reporting system, including a uniform chart of accounts, developed by the state board as required by this section.*

(2) *"School district" means any school district in the state.*

(3) *"State board" means the state board of education.*

(c) *The state board shall develop and maintain a uniform reporting system for the receipts and expenditures of school districts. The accounting records maintained by each school district shall be coordinated with the uniform reporting system. Each school district shall record the receipts and expenditures of the district in accordance with a uniform classification of accounts or chart of accounts and reports as shall be prescribed by the state board. Each school district shall submit such reports and statements as may be required by the state board. The state board shall design, revise and direct the use of accounting records and fiscal procedures and prescribe uniform classifications for receipts and expenditures for all school districts. The reporting system shall include all funds held by a school district regardless of the source of the moneys held in such funds, including, but not limited to, all funds funded by fees or other sources of revenue not derived from tax levies. The state board shall prescribe the necessary forms to be used by school districts in connection with such uniform reporting system.*

(d) *The reporting system developed by the state board shall be developed in such a manner that allows school districts to record and report any information required by state or federal law.*

(e) *The reporting system shall provide records showing by funds, accounts and other pertinent classifications, the amounts appropriated, the estimated revenues, actual revenues or receipts, the amounts available for expenditure, the total expenditures, the unencumbered cash balances, excluding state aid receivable, actual balances on hand and the unencumbered balances of allotments or appropriations for each school district.*

(f) *The reporting system shall allow a person to search the data and allow for the comparison of data by school district.*

(g) *Each school district shall annually submit a report to the state board on all construction activity undertaken by the school district which was financed by the issuance of bonds and which such bonds have not matured. Such report shall include all revenue receipts, all expenditures of bond proceeds authorized by law, the dates for commencement and completion of such construction activity, the estimated cost and the actual cost of such construction activity. The information provided in the report shall be in a form so as to readily identify such information with a specific construction*

project. Such report shall be submitted in a form and manner prescribed by the state board in accordance with the provisions of this section.

(h) From and after July 1, 2012, the board of education of each school district shall record and report the receipts and expenditures of the district in the manner prescribed by the state board in accordance with this section.

(i) Each school district shall annually publish on such district's internet website a copy of form 150, estimated legal maximum general fund budget, or any successor document containing the same or similar information, that was submitted by such district to the state board of education for the immediately preceding school year. A copy of such document shall also be annually published by the department of education on its internet website. Publications pursuant to this subsection shall be conducted in such manner as to make the document readily accessible to the public.

(j) The department of education shall annually publish on its internet website the following expenditures for each school district on a per pupil basis: (1) Total expenditures; (2) capital outlay expenditures; (3) bond and interest expenditures; and (4) all other expenditures not included in (2) or (3).

New Sec. 5. (a) The board of education of Fort Leavenworth, U.S.D. No. 207 may provide transportation for any pupil in grades 10 through 12 who resides on Fort Leavenworth military reservation, but who is enrolled in and attends high school in Leavenworth, U.S.D. No. 453.

(b) Solely for the purpose of computation of transportation weighting, as provided by this section, any pupil provided transportation pursuant to this section shall be counted as regularly enrolled in and attending school in U.S.D. No. 207 on September 20 of the current school year.

Sec. 6. K.S.A. 2010 Supp. 72-6441, 72-6449, 72-6451 and 72-8254 are hereby repealed.

Sec. 7. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the SENATE, and passed that body

SENATE adopted
Conference Committee Report _____

President of the Senate.

Secretary of the Senate.

Passed the HOUSE
as amended _____

HOUSE adopted
Conference Committee Report _____

Speaker of the House.

Chief Clerk of the House.

APPROVED _____

Governor.

FISCAL YEAR 2012

SUPPLEMENTAL GENERAL STATE AID

Supplemental general state aid is based on an equalization feature designed to treat each district as if its assessed valuation per pupil (AVPP) were equal to that of the district at the 81.2 percentile of the AVPP. Each year the districts are ranked low to high based on their assessed valuation per pupil. The Kansas State Department of Education then determines the district at the 81.2% level. The calculation uses the prior year AVPP, which is the latest data available. For example, the 2010-11 AVPP is used to determine the supplemental general state aid for 2011-12. To determine the state aid, each district's AVPP is compared to the district at the 81.2 percentile. If a district's AVPP exceeds that amount, then the district is not entitled to state aid. If a district has an AVPP less than that amount, a calculation is completed to determine their supplemental general fund state aid rate. For each district that has a lower AVPP than the district at the 81.2 percentile and which uses all or a portion of its Local Option Budget (LOB) authority, the department divides the district's AVPP in the preceding year by the 81.2 percentile AVPP and subtracts the computed ratio from 1.0. The district's adopted LOB is then multiplied by the result to determine the district's LOB supplemental general state aid entitlement.

During the previous years, the AVPP for the district at the 81.2% has gradually gone up. Listed below are the amounts over the last three years.

School Year	AVPP at 81.2%
2010-11	\$104,228 *
2009-10	\$99,359
2008-09	\$107,548
2007-08	\$93,544
2006-07	\$91,570

* Used for computing FY 2012 supplemental general state aid

During 2008-09, many of the districts that fell at the 81.2% experienced a decline in enrollment and a significant increase in the assessed valuation due to a jump in oil and gas producing property. Since the AVPP for those districts increased at a higher rate than most other districts, the amount of state aid districts were entitled to receive increased considerably. Due to a decline in valuation during 2009-10, the amount of state aid districts were entitled to receive was down in FY 2011. The AVPP for the 2010-11 school year has increased once more as a result of a decline in enrollment and increased valuation in certain districts

Funding at the level recommended by the Governor will result in an estimated proration in state aid of 85.8 percent. This will result in dis-equalization to those school districts qualifying for Supplemental General State Aid.

STATE AID PAYMENTS

	FY 2011 <u>Actual</u>	FY 2012 <u>Revised Request</u>	Governor's <u>Recommendation</u>	Amount of <u>Appeal</u>
SGF	\$385,298,517	\$395,473,000	\$339,223,833	\$56,249,167

Note: The FY 2011 Actual expenditure includes approximately \$46.09 million in delayed FY 2010 payments.

**KANSAS STATE DEPARTMENT OF EDUCATION
BUDGET APPEAL TO THE LEGISLATURE**

FISCAL YEAR 2013

	<u>Agency Request</u>	<u>Governor's Recommendation</u>	<u>Amount of Appeal</u>	<u>Page No.</u>
<u>State Operations – State General Fund</u>				
1. Kansas Educator Evaluation Protocol	\$0	0	\$350,000	1
2. State Accreditation Model	0	0	150,000	3
3. Increased FMS Development Fee	65,663	0	65,663	4
4. Development of Uniform Accounting System for LEAs	92,411	0	50,000	5
Total	\$158,074	\$0	\$615,663	
<u>State Aid to Local School Districts</u>				
<u>State General Fund</u>				
1. General State Aid *	\$2,397,240,680	\$1,888,411,728	\$479,918,000	8
2. Supplemental General State Aid	398,761,000	339,212,000	59,549,000	14
3. Special Education Services Aid	446,510,974	427,717,630	18,793,344	15
4. Capital Outlay State Aid	25,000,000	0	25,000,000	18
5. Professional Development Aid	8,500,000	0	8,500,000	19
6. Mentor Teacher Program Grants	3,000,000	1,100,000	1,900,000	21
7. School Food Assistance State Aid	3,480,875	2,510,486	970,389	23
8. Juvenile Detention Facilities	7,144,975	6,012,355	1,132,620	24
9. Governor's Teaching Excellence Awards	350,000	0	350,000	25
Total	\$3,289,988,504	\$2,664,964,199	\$596,113,353	
<u>Other Funds</u>				
1. Parent Education Program (CIF)	7,567,000	5,023,541	2,543,459	26
2. Pre-K Pilot Program (CIF)	4,799,812	3,323,750	1,476,062	28
Total	\$12,366,812	\$8,347,291	\$4,019,521	
<u>Revenue Transfers</u>				
1. State Safety Fund Transfer to SGF	\$0	\$1,500,000	\$1,500,000	29

* The Governor's recommendation does not include \$28.9 Million for the Tech Ed weighting. Instead, the Governor recommends a separate appropriation for this expenditure.

FISCAL YEAR 2013

STATE OPERATIONS – KANSAS EDUCATOR EVALUATION PROTOCOL (KEEP)

On September 23, 2011, the U.S. Department of Education invited each State Educational Agency (SEA) to request flexibility on behalf of itself, its local educational agencies, and schools, in order to better focus on improving student learning and increasing the quality of instruction. This voluntary opportunity will provide educators and State and local leaders with flexibility regarding specific requirements of the federal No Child Left Behind Act of 2001 (NCLB) in exchange for rigorous and comprehensive State-developed plans designed to improve educational outcomes for all students, close achievement gaps, increase equity, and improve the quality of instruction.

As part of Kansas' flexibility waiver the Department of Education has committed to developing, adopting and implementing an educator evaluation and support system that requires on-going professional learning that is both designed to enhance personal expertise and strengthen the expertise that supports the district's theory of instruction. Educators rated at the lowest performance level are required to receive very specific professional learning resulting in improved movement along a rating performance rubric.

To fulfill this requirement the Department is proposing a pilot program in FY 2013 that will use the Classroom Assessment Scoring System (CLASS) in a trainer of trainer methodology. CLASS is an observational instrument designed to assess classroom quality in PK-12 classrooms. It describes multiple dimensions of teaching that are linked to student achievement and development and has been validated in over 2,000 classrooms. CLASS informs professional learning, teacher-student relationships and predictive academic gains. This budget cost includes the professional learning customized for pilot participants which is designed to address specific needs for teachers, building leaders, district leaders and local board members.

Another component of KEEP would expand mentoring KSDE provides for "just qualified candidates" in the teacher, building leader and district leader ranks. Over the past three years KSDE has partnered with the New Teacher Center (NTC), and Kansas Educational Leadership Institute (KELI) to provide mentoring to a select group teachers and leaders to fulfill the NCLB "support" requirement. These programs have been customized for the contextual needs of Kansas, using student longitudinal data and Kansas' licensure standards from which educator preparation programs derive. By using the standards from licensure, connections from student performance to preparation are well articulated. KSDE proposes expanding the provision of these mentoring services to reach more teachers and school leaders across the state. It is anticipated that these additional funds will assist KSDE in an effort to increase participation by thirty percent, which will significantly reach a greater number of teachers and leaders. Currently, approximately over one hundred educational leaders and two hundred fifty teachers have participated in the state mentoring pilots.

Lastly, the proposed KEEP pilot will require regional training, the development of a 360° Survey, which will generate quantitative school community perception data related to family engagement, student and educator perception data, the Multiple Measures Index (MMI), a formal validity study and a series of participant face-to-face debrief meetings. The Kansas State Department of Education staff will facilitate the development of the survey and the growth information in the MMI.

Development will include convening a group of stakeholders nominated by a number of professional organizations such as, Parent Teacher Association, KNEA, KASB, United School Administrators, Urban League, etc. to research existing 360° instruments. The result of the work could result in developing a survey unique to Kansas. Educational Testing Services (ETS) will conduct a validity study before KEEP is recommended for adoption. ETS will also provide on-going consultative services throughout the process. This service is critical to the continued high-quality content embedded in KEEP. Guided, purposeful conversations between participants, has proven to be very valuable during the pilot. It is the intention of KSDE to continue to fund regular face-to-face as well as virtual meetings connecting pilot district members across the state.

KSDE has sustained over \$1.5 million in combined budget reductions to its state general fund appropriation for operating expenditures during FY 2010, 2011 and 2012. No funding exists to facilitate the implementation of the KEEP pilot project.

Item	FY 2013
Classroom Assessment Scoring System (CLASS)	\$75,000
District Leader Professional Development	\$78,000
Building Leader Professional Development	\$52,000
KEEP Pilot training of Districts	\$145,000
Total Requested	\$350,000

FISCAL YEAR 2013

STATE OPERATIONS - STATE ACCREDITATION MODEL

Among the primary functions of the Kansas State Board of Education is the accreditation of schools, a process that provides official recognition of the school as having met a defined set of standards. The current accreditation standards in Kansas are set through Quality Performance Accreditation (QPA), which relies on a combination of the school's performance on state assessments and its ability to meet 11 Quality Assurances. The system was developed in 1992 and was modified in 2005.

At the end of 2010, the Kansas Education Commission made a series of recommendations related to education in the state. One of them was for the State Board of Education to review the current accreditation process. In May 2011, the State Board adopted new goals and objectives that included a review of the accreditation system for Kansas schools. The new model the State Board of Education is considering maintains an emphasis on the results that schools achieve, but places a larger emphasis on the systems and practices that schools use to gain their results. The new model uses the 21st Century themes of: Relationships, Relevance, Responsive Culture, Results and Rigor (five R's) as a way to focus on the quality characteristics of a school system.

KSDE has sustained over \$1.5 million in combined budget reductions to its state general fund appropriation for operating expenditures during FY 2010, 2011 and 2012. No funding exists to facilitate the implementation and transition to a new state wide accreditation model as well as provide the needed professional development for school districts.

At this time, the agency is requesting additional resources to facilitate the implementation and transition to a new accreditation model. Furthermore, the Department seeks funding to provide Statewide professional development to school districts and Kansas service centers/service providers, as well as a Pilot project of the new accreditation system with an estimated 40 school districts across the state. The funds will be used to bring representatives from the Pilot districts together 6 times during the 2012-13 school year to continue the design of the new accreditation framework, as well as building the language under the 21st themes that guide districts through systems change and school improvement. These funds will also be used to train service providers across Kansas in assisting school districts in the implementation of the new accreditation model.

Provided below is a table outlining the current estimated costs necessary to develop the system.

Item	FY 2013
System Development and Implementation	\$128,000
Pilot 40 Districts	\$ 12,000
State wide Professional Development	\$ 10,000
Total	\$150,000

FISCAL YEAR 2013

STATE OPERATIONS – INCREASED FMS DEVELOPMENT FEE

Included in this year's Division of Budget Cost Indices for FY 2013 is a 50 percent increase in the fee assessed by the Department of Administration to state agencies to support the development of the state's new Financial Management System. The fee is scheduled to increase from \$0.67 to \$1.01 per transaction. For our agency, we anticipate that increase to be \$65,663.

KSDE has sustained over \$1.5 million in combined budget reductions to its state general fund appropriation for operating expenditures during FY 2010, 2011 and 2012. Without additional funding to pay the increased FMS Development fee, the department will have to make further cuts to other areas of its operating budget. More than likely those cuts will affect salaries and wages.

For FY 2013, we are requesting that our operating budget be increased by \$65,663 from the state general fund.

STATE GENERAL FUND

FY 2013	Governor's	Amount of
<u>Request</u>	<u>Recommendation</u>	<u>Appeal</u>
\$65,663	\$0	\$65,663

FISCAL YEAR 2013

STATE OPERATIONS – DEVELOPMENT OF UNIFORM ACCOUNTING SYSTEM FOR LEAs

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Although the Department had indicated there would be a fiscal consequence to implementing the system the 2011 Legislature failed to include adequate funding to cover these costs. KSDE has sustained over \$1.5 million in combined budget reductions to its state general fund appropriation for operating expenditures during FY 2010, 2011 and 2012. The 2011 Legislature also eliminated 22 positions from the department's budget.

For FY 2013 the agency is requesting funding to hire 1.0 FTE (Applications Developer II) to maintain the system. We do not believe we can maintain a new uniform accounting and reporting system for local school districts without additional resources.

Provided below is a table outlining the current estimated costs necessary to maintain the system.

Salaries and Wages	\$ 50,000
Other Operating Expenditures	
Personal Computer	0
Applications Server	0
Total Requested	\$50,000

For FY 2013, we are requesting \$50,000 from the state general fund to finance this legislative mandate.

STATE GENERAL FUND

FY 2013 <u>Request</u>	Governor's <u>Recommendation</u>	Amount of <u>Appeal</u>
\$92,411	\$0	\$50,000

may renew the authority to make such levy for periods of time not to exceed two years.

(d) The state board shall provide to the state court of tax appeals such school data and information requested by the state court of tax appeals and any other information deemed necessary by the state board.

(e) There is hereby established in every district a fund which shall be called the declining enrollment fund. Such fund shall consist of all moneys deposited therein or transferred thereto according to law. The proceeds from the tax levied by a district under authority of this section shall be credited to the declining enrollment fund of the district. The proceeds from the tax levied by a district credited to the declining enrollment fund shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state school district finance fund.

(f) *In determining the amount produced by the tax levied by the district under authority of this section, the state board shall include any moneys which have been apportioned to the declining enrollment fund of the district from taxes levied under the provisions of K.S.A. 79-5101 et seq. and 79-5118 et seq., and amendments thereto.*

Sec. 4. K.S.A. 2010 Supp. 72-8254 is hereby amended to read as follows: ~~72-8254. In order to achieve uniform reporting of expenditures by school districts in school district budgets, districts shall report expenditures in the manner required by the state board.~~

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project. Such report shall be submitted in a form and manner prescribed by the state board in accordance with the provisions of this section.

(h) From and after July 1, 2012, the board of education of each school district shall record and report the receipts and expenditures of the district in the manner prescribed by the state board in accordance with this section.

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(b) Solely for the purpose of computation of transportation weighting, as provided by this section, any pupil provided transportation pursuant to this section shall be counted as regularly enrolled in and attending school in U.S.D. No. 207 on September 20 of the current school year.

Sec. 6. K.S.A. 2010 Supp. 72-6441, 72-6449, 72-6451 and 72-8254 are hereby repealed.

Sec. 7. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the SENATE, and passed that body

SENATE adopted
Conference Committee Report _____

President of the Senate.

Secretary of the Senate.

Passed the HOUSE
as amended _____

HOUSE adopted
Conference Committee Report _____

Speaker of the House.

Chief Clerk of the House.

APPROVED _____

Governor.

FISCAL YEAR 2013

**GENERAL STATE AID
(FUNDS CURRENT STATE LAW)**

In response to the Supreme Court's ruling in the *Montoy v. State of Kansas* school finance lawsuit, the legislature approved a multi-year funding plan. Included in the plan were incremental increases in the base state aid per pupil amount, which is currently set at \$4,492 by state law. Based on the November 1, 2011 consensus estimates for school finance, a total of \$2,397,240,680 is required to fund the law from the state general fund. Based on the Governor's recommendation of \$1,888,411,720, it would be necessary to pro-rate General State Aid to school districts. In effect, this would reduce the base state aid per pupil amount by \$712, from \$4,492 to \$3,780. The total reduction would amount to approximately \$479.9 million.

During the 2005 legislative session, an amendment was enacted which lowered enrollment weighting and raised the base state aid per pupil by \$244 but resulted in no additional funding for schools. When taking into consideration this adjustment, a base state aid per pupil amount of \$3,780 ($\$3,780 - \$244 = \$3,536$) actually represents a significantly smaller base than the amount approved for the 1992-93 school year (\$3,600). Although funding has increased since that time, much of the increase has been targeted to specific areas other than the general fund operating budget of schools, e.g., special education, capital improvements and KPERS.

As a result of the reductions enacted by the legislature since FY 2010, school districts have cut their budgets significantly. School districts have achieved these cuts by eliminating over 2,549.4 non-certified and licensed personnel, reducing educational services and improving the efficiency of their operations. Some school districts also increased fees to offset a portion of the reductions.

In recent years, the achievement of Kansas students across all grades has been phenomenal. The percentage of students reading at the proficient level or above has risen from 59% in 2000 to 87.6% in 2011. Math has risen from 50% to 84.7%. The gains have been just as strong in history/government and science. Additionally, the achievement gaps among various groups of Kansas students in reading, mathematics, history/ government and science are closing. We believe this success is directly attributable to the significant increase in resources provided by the state in recent years, as well as the sustained, relentless efforts of our teachers to challenge each and every student to do his or her very best. As explained above, a reduction of these resources will impede our schools' ability to focus on the success of all students to the point where performance levels begin to level out and, eventually, decline. For this reason, we are appealing the Governor's recommendation and request that the Legislature fully fund general state aid in the budget year, as provided by state law.

STATE GENERAL FUND

FY 2013 BSAPP = \$4,492

	<u>FY 2011 Expenditures</u>	<u>FY 2012 Revised Request</u>	<u>FY 2013 Estimate</u>	<u>Governor's Recommendation</u>	<u>Amount of Appeal</u>
SGF	\$1,908,027,654	\$1,927,437,932	\$2,397,240,680	\$1,888,411,728	\$479,918,000
ARRA	52,757,297	0	0	0	0
Ed Jobs	92,377,698	1,365,577	0	0	0
Total	\$2,053,162,649	\$1,928,803,509	\$2,397,240,680	\$1,888,411,728	\$479,918,000

Note:

1. The FY 2011 Expenditures includes \$32.6 million in delayed FY 2010 payments.
2. The Governor's recommendation does not include \$28.9 Million for the Tech Ed weighting. Instead, the Governor recommends a separate appropriation for this expenditure.

School Finance Act Calculations (Dollars in Thousands)

Fall 2011 Estimates for FY 2012 and FY 2013

	Actual FY 2006	Actual FY 2007	Actual FY 2008	Actual FY 2009	Actual FY 2010	Actual FY 2011	Estimated FY 2012	Estimated FY 2013	
GENERAL STATE AID									
Budget per Pupil	4,257	4,316	4,374	4,400	4,012	3,937	3,780	4,492	3743.454006
Weighted FTE Enrollment	568.6915	592.1956	613.4640	636.0000	655.1230	666.0850	674.0430	674.0430	
Special Ed Weighted Enrollment	67.3533	76.0401	90.4067	97.2166	90.0269	96.9790	110.9995	93.3132	
Total Weighted Enrollment	636.0448	668.2357	703.8707	733.2166	745.1499	763.0640	785.0425	767.3562	
Estimated Obligation	2,707,643	2,884,105	3,078,730	3,226,153	2,989,541	3,004,183	2,967,461	3,446,964	
Percentage Change	8.7%	6.5%	6.7%	4.8%	-7.3%	0.5%	-1.2%	16.2%	
Deductions (Local Effort)									
Tax Levy	490,596	523,525	552,788	570,937	549,762	541,242	550,779	562,260	
Special Ed Services Aid	286,723	328,189	395,439	427,753	361,188	381,811	419,578	419,163	
Motor Vehicle/Rec. Vehicle	--	--	--	--	--	--	--	--	
Cash Balance	1,075	1,523	1,236	1,380	1,023	912	1,000	1,000	
Federal Impact Aid (P.L. 874)	12,237	10,371	11,161	11,500	13,540	15,152	14,500	14,500	
M+E "Return to Locals" (Slider)	--	--	3,142	7,400	--	--	--	--	
Other	6,314	6,544	6,952	6,800	3,600	5,543	5,500	5,500	
Less: Local Remittance	(4,526)	(6,170)	(3,700)	(1,850)	(4,449)	(2,733)	(1,700)	(1,700)	
Total Deductions (Local Effort)	792,421	863,982	967,018	1,023,920	924,664	941,927	989,657	1,000,723	
Net State Cost	1,915,222	2,020,123	2,111,713	2,202,233	2,064,877	2,062,256	1,977,804	2,446,241	
SDFP Balance	--	--	--	--	--	--	--	--	
SDFP Exp. (Local Remittance)	41,888	31,021	29,487	26,649	37,040	50,113	49,000	49,000	
ARRA State Fiscal Stabilization Funds	--	--	--	--	138,694	52,757	--	--	36.54599407
Education Jobs Funds	--	--	--	--	--	92,378	1,366	--	
Delay Payment to Following Year	3,561	6,408	3,136	--	--	--	--	--	
Child. Init. Fund (4 yr-old at-risk)	--	--	--	--	--	--	--	--	
Required General State Aid-SGF	1,876,895	1,995,509	2,085,362	2,175,584	1,889,143	1,867,008	1,927,438	2,397,241	
Adjustment from Budget							24,632	494,465	
State Aid Change from Previous Yr.	123,689	118,614	89,853	90,222	(286,441)	(22,135)	60,430	469,803	
LOCAL OPTION BUDGETS									
Estimated Obligation	659,520	760,709	838,196	901,535	929,170	957,871	962,221	970,221	
Estimated Local Taxes	439,855	491,185	530,013	579,687	636,203	535,733	566,748	571,460	
Delay Payment to Following Year	816	1,315	199	--	--	--	--	--	
Prorated Amount									Budgeted Amounts
ARRA State Fiscal Stabilization Funds					85,949	--			
Net State Cost-SGF	218,850	268,210	307,985	321,848	292,967	369,738	395,473	398,761	
Adjustment from Budget							56,249	59,549	
State Aid Change from Previous Yr.	59,122	49,360	39,775	13,863	(28,881)	76,771	25,735	3,288	
CAPITAL IMPROVEMENT AID									
Estimated State Cost	57,488	63,697	69,128	75,591	87,662	96,141	104,825	107,500	
Adjustment from Budget							--	--	
State Aid Change from Previous Yr.	5,313	6,209	5,431	6,464	12,071	8,479	8,684	2,675	
CAPITAL OUTLAY AID									
Estimated State Cost	19,294	20,492	23,124	22,339	--	--	--	--	
Adjustment from Budget							--	--	
State Aid Change from Previous Yr.	19,294	1,198	2,632	(785)	(22,339)	--	--	--	
Total Adj. from Previous Year-GSA, LOB	182,811	167,974	129,628	104,085	(315,322)	54,636	86,165	473,091	
Total Adjustment from Budget							80,881	554,014	
General and Supp. State Aid-SGF	2,095,745	2,263,719	2,393,347	2,497,432	2,182,110	2,236,746	2,322,911	2,796,002	

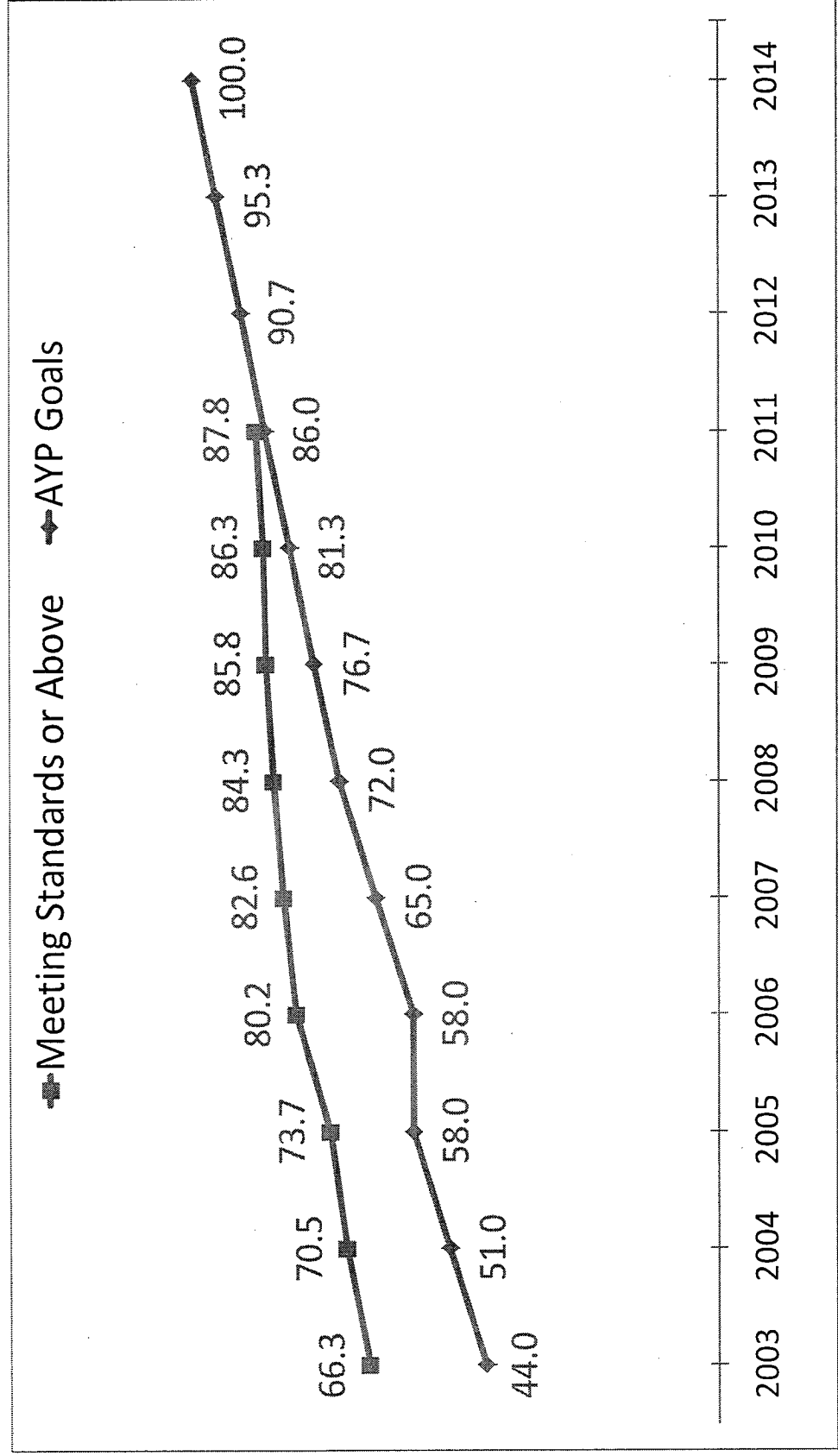
BASE STATE AID PER PUPIL (BSAPP)

<u>SCHOOL YEAR</u>	<u>BSAPP</u>	<u>ADJUSTED BSAPP*</u>
2000-01	\$3,820	\$3,820
2001-02	\$3,870	\$3,870
2002-03	\$3,863	\$3,863
2003-04	\$3,863	\$3,863
2004-05	\$3,863	\$3,863
2005-06	\$4,257	\$4,013
2006-07	\$4,316	\$4,072
2007-08	\$4,374	\$4,130
2008-09	\$4,400	\$4,156
2009-10	\$4,012	\$3,768
2010-11	\$3,937	\$3,693
2011-12	\$3,780	\$3,536
2012-13	\$3,780	\$3,536

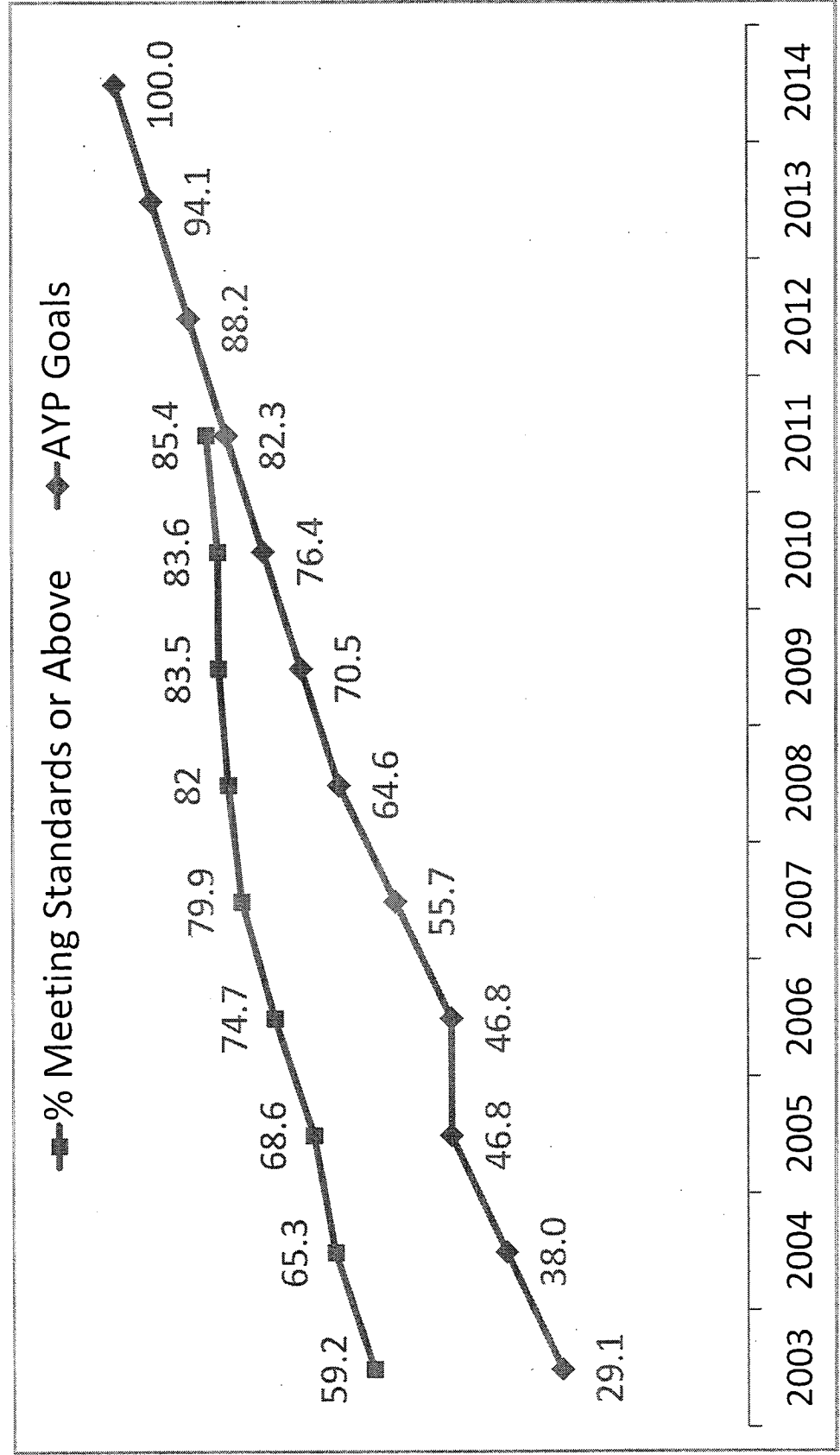
* During the 2005 legislative session, HB 2247 was enacted which lowered enrollment weighting and placed the funding attributable to this weighting into the BSAPP. This had the effect of increasing the BSAPP by \$244; however school districts received no additional spending authority.

Kansas AYP Reading Trends

All Students, 2003-2011



Kansas AYP Math Trends All Students, 2003-2011



FISCAL YEAR 2013

**SUPPLEMENTAL GENERAL STATE AID
(LOCAL OPTION BUDGET)
(FUNDS CURRENT STATE LAW)**

In addition to the general state aid a school district is entitled to receive, the state school finance formula authorizes school districts to approve additional spending in the form of a local option budget. When enacted, the law was designed to allow school districts to utilize the local option budget to provide enhanced educational services to their students. However, to keep up with inflation, remain competitive with teacher salaries, and offset recent reductions in general state aid, school districts have placed greater reliance on the local option budget in order to fund their ongoing operating costs. All school districts have adopted a local option budget, utilizing the adjusted base state aid per pupil amount of \$4,433, which averaged 28.4 percent statewide for the 2010-11 school year. The maximum percentage authorized under law is 31 percent.

KSA 72-6433d allows for supplemental general state aid to be computed utilizing a higher base state aid per pupil amount of \$4,433. While this measure has helped to offset a small portion of the reduction in general state aid, the State Board of Education is recommending that supplemental general state aid be computed utilizing the base state aid per pupil amount of \$4,492, as provided by state law. The Division of the Budget's recommendation pro-rates supplemental state aid at approximately 85.1 percent.

Without funding general and supplemental state aid, as provided under state law, school districts will be required to continue to cut their budgets, eliminate educational services to their students, and increase fees. Approval of this request will help provide the funding required by schools to improve student performance, eliminate the achievement gap, and supply an educated and trained workforce required by business and industry to help turnaround our state's economy.

STATE GENERAL FUND

	FY 2011	FY 2012	FY 2013	Governor's	Amount of
	<u>Expenditures</u>	<u>Revised Request</u>	<u>Revised Request</u>	<u>Recommendation</u>	<u>Appeal</u>
SGF	\$385,298,517	\$395,473,000	398,761,000	\$339,212,000	\$59,549,000
ARRA	0	0	0	0	0
Total	\$385,298,517	\$395,473,000	\$398,761,000	\$339,212,000	\$59,549,000

Note: The FY 2011 Expenditures includes \$46.1 million in FY 2010 delayed payments.

FISCAL YEAR 2013

SPECIAL EDUCATION SERVICES AID (FUNDS CURRENT STATE LAW)

The federal Individuals with Disabilities Education Act (IDEA) requires states to provide a free appropriate public education to all children with disabilities between the ages of 3 and 21. This Act defines "children with disabilities" as those children who need special education and related services because of conditions such as mental retardation, hearing or visual impairment, emotional disturbance, or autism. The Kansas Special Education for Exceptional Children Act augments federal law by requiring school districts to provide special education services to gifted children as well.

In response to the Supreme Court's ruling in the Montoy v. Kansas school finance court case, the legislature made several adjustments in the funding formula including those aimed at increasing funding for special education and at-risk students. Specifically, the legislature amended K.S.A. 72-978, which mandates that state aid for special education be equal to 92 percent of the estimated excess costs of educational services provided to students with disabilities.

On November 1, 2011, staff from the Division of the Budget, Legislative Research Department and Kansas State Department of Education met to compute estimated special education excess costs for Fiscal Years 2012 and 2013. The projected cost to fund 92 percent of special education excess costs for FY 2013 is \$446,510,974, or an additional \$18,793,344 over the amount recommended by the Governor. The Governor's recommendation provides no increase in funding over the current year and is expected to fund special education at 88.1 percent of excess costs.

The State Board's mission for the 2012-13 school year is to ensure that all students in the state meet or exceed high academic standards and are prepared to succeed in the next steps of their life. In order to meet the needs of special education students, the State Board is recommending that funding for special education be funded at 92 percent of excess costs, as mandated by state law. The percentage of excess costs not funded by the state must be financed by school districts from their general fund or supplemental general fund, thereby reducing the amount of money available to fund general education.

Federal Maintenance of Effort Requirements

FY 2010

In July, 2010, the Governor and Commissioner of Education submitted a revised request to the Office of Special Education Programs (OSEP) of the U.S. Department of Education seeking a waiver of the state's maintenance of effort (MOE) requirements under the federal Individuals with Disabilities Education Act (IDEA). The request was necessary as the FY 2010 approved SGF appropriation for special education services did not meet maintenance of effort requirements as specified in IDEA. Under IDEA, if a state fails to maintain its level of financial support for providing special education services from one year to the next, the Secretary of the U.S. Department of Education is required to reduce the state's federal allocation in future years by the amount by which the state failed to meet the requirement or, in other words, by the amount of the shortfall.

Although OSEP had ruled on an earlier waiver request, subsequent discussions necessitated a revised waiver request to be calculated and submitted. In the earlier ruling, OSEP determined that the state's maintenance of effort requirement would be waived by the same percentage reduction as was experienced by the state's overall reduction in state general fund spending. For example, the total SGF appropriation declined approximately 12.3 percent between FY 2009 and FY 2010. OSEP determined in the earlier ruling that the MOE requirement for special education services could be reduced by a similar 12.3 percent in FY 2010 and the state's federal allocation would not be reduced. Under the revised waiver request calculation, it was determined that state support for special education services was reduced by 12.8 percent between FY 2009 and FY 2010.

The U.S. Department of Education granted a partial waiver of the State's maintenance of effort requirements for FY 2010. Originally, OSEP had indicated the State's FFY 2011 federal special education funding allocation

would be reduced by \$2,186,454. However, in a letter to the State dated August 8, 2011, OSEP determined that the penalty would be delayed until FFY 2012 in order to provide the State enough time to prepare for the reduction in funding.

FY 2011

On August 22, 2011, the Governor submitted a waiver request for the State's FY 2011 maintenance of effort requirement. Under IDEA, when a state fails to meet MOE requirements in one year, the following year's MOE requirement is calculated on the level of state funding in the year preceding the fiscal year the state first failed to meet MOE requirements. For Kansas, the State's MOE requirement for FY 2011 was based on the FY 2009 SGF appropriation for special education funding. Although additional funds were appropriated in FY 2011 for special education, the funding levels still did not reach the FY 2009 target.

However, assuming the U.S. Department of Education approves the waiver request and follows the same methodology for determining the amount that may be waived; the State should not incur a penalty for failing to meet MOE in FY 2011. This is due to the fact that when comparing FY 2011 to FY 2009, total SGF spending was reduced 7.93%. Whereas the funding levels for special education were reduced 7.89%. As such, OSEP should grant a full waiver of the State's FY 2011 MOE requirement.

STATE GENERAL FUND and ARRA IDEA FUNDS

	<u>FY 2011 Expenditures</u>	<u>FY 2012 Revised Request</u>	<u>FY 2013 Estimate</u>	<u>Governor's Recommendation</u>	<u>Amount of Appeal</u>
Expenditures	\$443,436,072	\$428,537,317	\$446,510,974	\$427,717,630	\$18,793,344
Funding:					
State General Fund	\$388,982,076	\$ 428,140,397	\$446,510,974	\$427,717,630	\$18,793,344
ARRA Special Education Funds	\$ 54,453,996	\$ 396,920	\$0	\$0	\$0

Estimated Special Education Costs FY 2012 - FY 2013

FY 2011 Actual Expenditures **\$ 773,590,853**

FY 2012 Estimate

FY 2011 Actual **\$ 773,590,853**

Percent Change (Based on teacher salary increase ave.) 1.0% 7,735,909

Added Teachers No./Amount 25 62,521 1,563,025

Estimated Total FY 2012 Expenditures **\$ 782,889,787**

Excess Cost Computation:

Projected Total Expenditures 782,889,787

Less Ave per Pupil Cost of Regular Ed. \$ 6,540

times FTE special ed pupils exc. SRS residents 27,058 176,959,320

Less Federal Aid 104,700,000

Less Medicaid Reimbursements 25,000,000

Less SRS Administrative Costs (State Hospitals) 300,000

FY 2012 Excess Costs **\$ 475,930,467**

State Aid at 92.0% **\$ 437,856,030**

FY 2013 Projection

FY 2012 Estimate 782,889,787

Percent Change (Based on teacher salary increase ave.) 1.00% 7,828,898

Added Teachers No./Amount 25 \$ 63,146 1,578,650

Estimated Total FY 2013 Expenditures **\$ 792,297,335**

Excess Cost Computation:

Projected Total Expenditures 792,297,335

Less Ave per Pupil Cost of Regular Ed. \$ 6,540

times FTE special ed pupils exc. SRS residents 27,058 176,959,320

Less Federal Aid 104,700,000

Less Medicaid Reimbursements 25,000,000

Less SRS Administrative Costs (State Hospitals) 300,000

FY 2013 Excess Costs **\$ 485,338,015**

State Aid at 92.0% **\$ 446,510,974**

FISCAL YEAR 2013

**CAPITAL OUTLAY STATE AID
(FUNDS CURRENT STATE LAW)**

K.S.A. 72-8801 authorizes local school districts to assess additional property taxes for capital expenditures outside the general fund. In order to correct an inequity for less wealthy school districts in which lower valuations produce less revenue from the mill rate, the legislature amended the law by imposing a cap of 8 mills and equalizing state aid in the same manner as capital improvement state aid. The Legislature established this program in response to the Kansas Supreme Court's opinion in the Montoy v. Kansas school finance lawsuit. This program was funded from FY 2006 through FY 2009; however, the legislature elected not to fund it beginning in FY 2010.

For FY 2013, the State Board of Education recommends full funding of the Capital Outlay State Aid Program at a cost of \$25 million. Funding for this program is generated through a demand transfer from the state general fund, pursuant to K.S.A. 72-8814.

STATE GENERAL FUND

<u>FY 2011</u> <u>Expenditures</u>	<u>FY 2012</u> <u>Revised Estimate</u>	<u>FY 2013</u> <u>Request</u>	<u>Governor's</u> <u>Recommendation</u>	<u>Amount of</u> <u>Appeal</u>
\$0	\$0	\$25,000,000	\$0	\$25,000,000

FISCAL YEAR 2013

PROFESSIONAL DEVELOPMENT AID (FUNDS CURRENT STATE LAW)

Professional development activities help educators improve their teaching skills and enhance student achievement. Teachers must continually be challenged and stimulated to grow and develop their skills and abilities. The success of our state's school improvement initiatives is highly dependent on quality professional development training of teachers and administrators.

Today, even the best-trained teachers need to keep up with changes in their subject field. They must:

- Keep abreast of changes in statewide student performance standards and learn how to incorporate the standards into their teaching;
- Become up-to-date on new research on how children learn;
- Become familiar with new methods of teaching reading, mathematics and other subjects;
- Become familiar with new curriculum resources;
- Learn how to make the most effective instructional use of computers and other technology in their classrooms; and,
- Adapt their teaching to shifting school environments, and to a changing and increasingly diverse student population.

Research studies show that between 20 to 40 percent of the variation in student achievement is attributable to teacher expertise. Put simply, the better the teacher, the more successful the student. High-quality professional development includes rigorous and relevant content, strategies, and organizational supports that ensure the preparation and career-long development of teachers and other educators whose competence, expectations and actions significantly influence the learning environment. The bar for maintaining effective professional development programs for teachers has been set even higher with the No Child Left Behind Act. This law requires states to have a highly qualified teacher in every public school classroom.

The state's current professional development program is designed to allow school districts to use local money and receive matching state aid. All requests for state aid must be preceded by a written plan submitted by the school district and approved by the State Board of Education. Expenditures must be incurred for professional development activities for licensed personnel. The amount of state aid that a school district may receive is limited to $\frac{1}{2}$ of one percent of the district's general fund budget or 50 percent of actual professional development expenditures, whichever is less.

The Legislature has not approved funding for professional development beginning in FY 2010. For FY 2013, the State Board recommends that professional development be fully funded at a cost of \$8.5 million.

The State Board believes that ongoing professional development related to academic standards and instructional methods is paramount to improved educational opportunities for all students and elimination of the achievement gap.

In light of the fact that the State Board of Education has adopted the Common Core Standards for English language arts and mathematics, it is even more critical that professional development funds be made available to school districts to train teachers on the new standards and the curriculum that districts will be implementing to attain those standards. The new standards are internationally benchmarked and aligned to college and career readiness standards.

STATE GENERAL FUND

<u>FY 2011</u> <u>Expenditures</u>	<u>FY 2012</u> <u>Approved</u>	<u>FY 2013</u> <u>Request</u>	<u>Governor's</u> <u>Recommendation</u>	<u>Amount of</u> <u>Appeal</u>
\$0	\$0	\$8,500,000	\$0	\$8,500,000

FISCAL YEAR 2013

MENTOR TEACHER PROGRAM GRANTS (FUNDS CURRENT STATE LAW)

The Mentor Teacher Program is authorized pursuant to K.S.A. 72-1412. It was established by the 2000 Legislature for implementation beginning with the 2001-2002 school year. It is a voluntary program maintained by local school boards for providing probationary teachers (under the teacher due process law) with professional support and continuous assistance by an on-site mentor teacher. A mentor teacher is a certificated teacher who has completed at least three consecutive school years of employment in the district, has been selected by the school board as having demonstrated exemplary teaching ability, and has completed training provided by the school district in accordance with criteria established by the State Board of Education.

To receive a grant, a school district must submit an application to the State Board. Within available appropriations, the State Board of Education will provide grants in amounts not to exceed \$1,000 for each mentor teacher. Fiscal Year 2002 was the first year the Mentor Teacher Program was funded. It was not funded during Fiscal Years 2003, 2004 and 2005; however, the Governor recommended funding to resume this program beginning in Fiscal Year 2006.

During Fiscal Years 2006 and 2007 funding was provided only to support beginning teachers in their first year of teaching. During FY 2008 through FY 2010, sufficient funding was available to provide \$1,000 grants to teachers supporting first year teachers and a pro-rated amount to teachers supporting second year teachers. In FY 2008 and FY 2009, the pro-rated amount paid to teachers mentoring second year teachers was \$500 and in FY 2010 it increased to \$700. For FY 2011, the appropriation for the Mentor Teacher Program was set at \$1,450,000. The appropriation provided \$1,000 grants to teachers mentoring first year teachers and \$800 grants to teachers mentoring second year teachers. No funding was available for teachers mentoring beginning teachers in their third year of teaching.

Based on an evaluation that was completed following the end of the 2001-2002 school year, participating school districts strongly agreed that mentors fulfilled their roles and responsibilities and that the program achieved its goals of providing support and continuous assistance to new teachers.

New teachers, whose first few first years on the job include quality mentoring, develop the skills they need to teach successfully and gain the support and confidence they need to remain in the teaching profession. Mentoring programs have thus become a key strategy in not only improving teaching skills, but also in retaining high quality teachers.

Indicated below are some of the areas where mentoring programs prove extremely useful to beginning teachers:

- Setting up a classroom for the first time;
- Learning school routines and procedures;
- Designing lesson plans;
- Developing classroom management skills;
- Responding effectively to behavior and discipline problems;
- Monitoring students and engaging them in class activities;.
- Working effectively with English-language learners and learning disabled and special needs students;

- Understanding social and environmental factors that may contribute to student behavior and performance;
- Assessing student performance;
- Understanding district and state standards and assessments and how they impact teaching strategies;
- Understanding curriculum adoption;
- Learning to communicate with and involve parents;
- Developing organization and time management skills; and,
- Connecting theories and teaching methods learned in college to classroom practice.

Research shows that benefits for students and schools that have successful mentoring programs include higher student achievement and test scores; higher quality teaching and increased teacher effectiveness; stronger connections among the teaching staff, leading to a more positive and cohesive environment for students; and, fewer resources expended on recruiting and hiring replacements. Mentoring programs also provide veteran teachers with an opportunity to increase their professional competency, renew their teaching commitment, engage in reflective practice, enhance their self-esteem and increase their leadership capacity.

For FY 2013, the Governor has recommended \$1.1 million for this program. Funding at this level would require grants to be prorated to \$880 for teachers mentoring 1st year teachers. The Kansas State Board of Education recommends fully funding current law which provides \$1,000 grants annually to mentor teachers to support new teachers during their first three years of teaching at a total cost of \$3,000,000.

STATE GENERAL FUND

<u>FY 2011</u> <u>Expenditures</u>	<u>FY 2012</u> <u>Approved</u>	<u>FY 2013</u> <u>Request</u>	<u>Governor's</u> <u>Recommendation</u>	<u>Amount of</u> <u>Appeal</u>
\$1,417,423	\$0	\$3,000,000	\$1,100,000	\$1,900,000

FISCAL YEAR 2013

**SCHOOL FOOD ASSISTANCE STATE AID
(FULLY FUNDS CURRENT STATE LAW)**

The National School Lunch Act requires states to provide matching funds to help subsidize the cost of school lunch programs. Under federal law, states must appropriate funds each school year equal to at least 30 percent of the federal funds received under section four of the national school lunch program for the 1980-81 school year. Since FY 1983, the Legislature has appropriated \$2,510,486 annually to meet this match. However, this was cut back to \$2,435,171 beginning in FY 2010. The appropriation was increased to \$2,487,458 in FY 2012 to meet federal maintenance of effort requirements.

Indicated below are the amounts of federal and state funds distributed for the school lunch program since FY 2000.

Amount of Federal National School Lunch Funds
Distributed by the Kansas State Department of Education

State Fiscal Year	Federal Funds	State Funds
FY 2013 recommendation	\$108,881,364	\$2,510,486
FY 2012 approved	\$105,745,380	\$2,487,458
FY 2011	\$102,700,505	\$2,435,171
FY 2010	\$94,937,441	\$2,435,171
FY 2009	\$89,429,372	\$2,510,486
FY 2008	\$81,729,387	\$2,510,486
FY 2007	\$78,126,923	\$2,510,485
FY 2006	\$70,395,161	\$2,510,486
FY 2005	\$69,027,791	\$2,510,486
FY 2004	\$62,754,488	\$2,510,295
FY 2003	\$59,992,319	\$2,510,471
FY 2002	\$57,023,222	\$2,510,486
FY 2001	\$53,295,814	\$2,510,454
FY 2000	\$52,572,093	\$2,510,461

Between FY 2000 and FY 2011, the amount of federal funds distributed by the state to fund the national school lunch program in state and private schools increased by \$50.1 million, or 95%. As mentioned previously, there has been no increase in the state match since FY 1983.

K.S.A. 72-5512 *et seq.* states, "Each board shall be entitled to receive, from appropriations from the state general fund, six cents for each type A-meal served under an approved school lunch program. In the past ten years, the amount paid per meal has steadily declined from five cents per meal to 4.16 cents per meal.

For FY 2013, the State Board of Education is requesting a total of \$3,480,875 to fully fund current state law and provide state funding equal to 6 cents per each meal served. This additional funding will help reduce the transfer school districts must make from their general fund to subsidize the school lunch program as well as to reduce fees charged to their patrons.

STATE GENERAL FUND

FY 2011 <u>Expenditures</u>	FY 2012 <u>Approved</u>	FY 2013 <u>Request</u>	Governor's <u>Recommendation</u>	Amount of <u>Appeal</u>
\$2,435,171	\$2,487,458	\$3,480,875	\$2,510,486	\$970,389

FISCAL YEAR 2013

**JUVENILE DETENTION AND OTHER AUTHORIZED FACILITIES
(FUNDS CURRENT LAW)**

K.S.A. 1999 Supp. 72-8187 authorizes state grants to reimburse school districts for the cost of providing educational services to students who reside at the Flint Hills Job Corps Center, are confined in juvenile detention facilities or are housed in psychiatric residential treatment facilities. The law provides that school districts are to be reimbursed at two times the base state aid per pupil amount or actual expenses, whichever is lesser. Districts are permitted to base their state aid on the highest pupil count taken on September 20, November 20 or April 20.

Shown below are the educational costs for this program and the number of students served. Providing adequate educational opportunities to detained juvenile offenders has consistently been linked to reduced recidivism rates and successful reintegration into society. Failure to provide these students with the necessary job training and work skills required to succeed in life will no doubt result in increased demands on our state's public assistance programs and correctional systems.

	Actual FY 2011	Estimated FY 2012	Recommended FY 2013	Appeal
State Aid	\$6,012,355	\$6,012,355	\$6,012,355	\$1,132,620
Students Served	784.2	795.3	795.3	---
Maximum State Aid per Pupil	\$7,874	\$7,560	\$7,560	\$8,984

The State Board's FY 2013 request utilizes a base state aid per pupil amount of \$4,492 to fund the formula for this program.

STATE GENERAL FUND

<u>FY 2011</u> <u>Expenditures</u>	<u>FY 2012</u> <u>Estimated</u>	<u>FY 2013</u> <u>Request</u>	<u>Governor's</u> <u>Recommendation</u>	<u>Amount of</u> <u>Appeal</u>
\$6,012,355	\$6,012,355	\$7,144,975	\$6,012,355	\$1,132,620

FISCAL YEAR 2013

**GOVERNOR'S TEACHING EXCELLENCE AWARDS PROGRAM
(NATIONAL BOARD CERTIFICATION)
(FUNDS CURRENT LAW)**

Funding for this program was approved beginning in FY 1999 and supports teachers who attain national board certification. A certificate awarded by the National Board attests that a teacher has been judged by his or her peers as one who meets high rigorous professional standards and has demonstrated the ability to make sound professional judgments about students' best interests and to act effectively on those judgments.

To become certified, a \$2,500 fee must be paid to the National Board and the teacher must successfully complete a two-part assessment. K.S.A 72-1398 sets the scholarship fee at \$1,100 for initial certification and \$500 for recertification (\$1,150 fee). A teacher who attains National Board Certification is issued a master teacher's certificate by the State Board of Education which is valid for ten years.

Kansas teachers who have attained National Board Certification are paid an annual incentive bonus of \$1,000 by their employing school district for up to ten years, as long as the teacher retains a valid master teacher's certificate. The state pays state aid to reimburse each school district, within available appropriations, for any bonuses paid to teachers.

During FY 2011, scholarships totaling \$24,500 were paid by the department. No funds were approved by the Legislature for FY 2012. However, a re-appropriation of \$66,694 is available to fund the Governor's Teaching Excellence Program in the current year. Under the department's FY 2013 allocated budget, no money is available.

In order to fully fund this program for FY 2013, the department is requesting a total appropriation of \$350,000, including \$35,000 for scholarship payments and \$315,000 to reimburse local school districts for bonus payments paid to teachers who have successfully attained nation board certification. Full funding of this program will increase the number of highly trained teachers in our state, improve job satisfaction and increase teacher retention, and improve student achievement.

STATE GENERAL FUND

<u>FY 2011</u> <u>Expenditures</u>	<u>FY 2012</u> <u>Estimate</u>	<u>FY 2013</u> <u>Request</u>	<u>Governor's</u> <u>Recommendation</u>	<u>Amount of</u> <u>Appeal</u>
\$24,500	\$66,694	\$350,000	\$0	\$350,000

FISCAL YEAR 2013

PARENT EDUCATION PROGRAM (FUNDS CURRENT STATE LAW)

Parents As Teachers (PAT) is a primary prevention program. It is designed to maximize children's overall development during the first three years of life, thus laying the foundation for school success and minimizing developmental problems that might interfere with learning.

As a child's first and most influential teacher, parents deserve and can benefit from practical information and support, particularly during the crucial early years of birth to age 3. PAT is designed to serve all parents from single, teenage mothers to two-parent, well-educated families. The program is not targeted to income level or category of risk. Experience has shown that parents want to be good parents and welcome the kind of support that PAT offers.

The Parents As Teachers curriculum is based on the most current brain research and is designed to strengthen the foundations of later learning including language and intellectual development, curiosity, and social skills. To achieve this goal, PAT provides the following services:

- Personalized home visits by specially trained parent educators who offer timely information about stages of child development and suggest practical ways for parents to encourage children's development. Parent educators also offer general guidance and tips on home safety, effective discipline, constructive play activities and other topics.
- Group meetings with parents of like-aged children where parents can share their experiences, common concerns, frustrations and successes.
- Periodic monitoring and formal screening to assure that youngsters do not reach age 3 with an undetected health problem, handicap or developmental delay.
- A referral network that helps parents who need special assistance (medical or financial help, for example) that is beyond the scope of PAT.

The program is voluntary for parents. Ideally, the program reaches first-time parents, but all families are eligible to participate, regardless of the number or age of other children.

Research shows that PAT programs can be an important component in supporting and developing healthy relationships between infants and toddlers and their parents, setting the stage for success in school and beyond. A number of studies have been conducted in Kansas and Missouri in the past 15 years assessing the impact of PAT programs. Results include:

- Children who participate in parent education programs are more likely to attend preschool than children who do not participate in parent education programs.
- The academic achievement of children who participate in parent education programs is higher in comparison to children who do not participate in parent education programs.
- Parents who participate in parent education programs read more frequently to their children at home and visit classrooms more often than parents who do not participate in parent education programs. (Reading and parent involvement are two of the strongest indicators for success in school.)

- Children who participate in parent education programs demonstrate increased verbalization and socialization skills in comparison to children who do not participate in parent education programs. Children who participate in parent education programs also often have a higher degree of self-esteem with regard to their academic achievement.
- Low income children who participate in parent education programs and early childhood programs are better prepared to enter kindergarten ready to learn than low income children who have no involvement in either program. Low income children who participate in parent education and early childhood programs also score higher on state assessments than do low income children who do not participate in either program.

Due to financial constraints on the Children's Initiatives Fund, the legislature approved a budget cut to this program in the amount of \$180,370 for FY 2011. An additional reduction of \$121,495 was imposed for FY 2012, bringing the total cuts to \$301,865. As a result of cuts to the base state aid per pupil amount over the past four years, school districts have also had to reduce their local match for this program by approximately \$900,000. These combined cuts have already resulted in the elimination of services to over 5,000 children and their parents since the 2007-08 school year.

Under the Governor's FY 2013 recommendation, this program would sustain an additional budget reduction of \$2,214,094. Funding at this level would eliminate services to an additional 4,500 students and their parents. To help ensure that children are prepared to enter school and minimize developmental problems that can interfere with learning, the State Board is requesting \$2,543,459 to restore funding for Parent Education to \$7,567,000, or the level it was during the 2007-08 school year before major cuts were imposed on school districts. Under the State Board's recommendation, an estimated 19,250 children would receive services under this program as opposed to an estimated 9,520 children under the Governor's plan.

CHILDREN'S INITIATIVES FUND

<u>FY 2011</u> <u>Expenditures</u>	<u>FY 2012</u> <u>Revised Request</u>	<u>FY 2013</u> <u>Request</u>	<u>Governor's</u> <u>Recommendation</u>	<u>Amount of</u> <u>Appeal</u>
\$7,359,130	\$7,237,635	\$7,567,0000	\$5,023,541	\$2,543,459

FISCAL YEAR 2013

PRE-K PILOT PROGRAM

At the recommendation of the Governor, the Pre-K Pilot Program was transferred to the Kansas State Department of Education in FY 2009 with an appropriation of \$5 million. The purpose of the Pre-K Pilot Program is to ensure that students enter kindergarten ready to succeed. There are currently twelve local Pre-K Pilot programs operating in 14 counties across the state providing early childhood educational services to approximately 1,500 four-year olds. Approximately half of the students are served in public school sites with the remainder of students served in child care and Head Start programs. Specific program requirements based upon the National Institute of Early Education Research (NIEER) program standards are used to ensure high-quality programs.

Due to financial constraints on the Children's Initiatives Fund, the legislature approved a budget cut to this program in the amount of \$119,630 for FY 2011. An additional cut of \$80,558 was approved for FY 2012. Under the Governor's FY 2013 recommendation, this program would sustain an additional budget reduction of \$1,476,062. Funding at this level would eliminate services to approximately 450 students.

In order to avoid a significant reduction in the level of early childhood education services provided under this program, the State Board is requesting an additional \$1,476,062 from the Children's Initiatives Fund. This would restore funding to the amount appropriated for this program for FY 2012.

CHILDREN'S INITIATIVES FUND

FY 2011	FY 2012	FY 2013	Governor's	Amount of
<u>Expenditures</u>	<u>Revised Request</u>	<u>Request</u>	<u>Recommendation</u>	<u>Appeal</u>
\$4,880,000	\$4,799,812	\$4,799,812	\$3,323,750	\$1,476,062

FISCAL YEAR 2013

**STATE SAFETY FUND
(FUNDS CURRENT STATE LAW)**

The State Safety Fund was established by the Legislature in 1969, pursuant to K.S.A. 8-272, for the purpose of providing state aid to local school districts and non-public schools to provide driver education courses. Certain percentages of driver license fees are deposited into the State Safety Fund to fund driver education courses, pursuant to K.S.A. 8-267. K.S.A. 8-272 specifically states, "No moneys in the state safety fund shall be used for any purpose other than that specified in this subsection or for the support of driver improvement programs." The statute further specifies that the distribution of funds is to occur on or before November 1.

Prior to July 1, 2006, K.S.A. 8-272 imposed a maximum limitation of \$1,540,000 that could be distributed annually. However, due to increases in driver license fees, larger than normal balances began accumulating in the fund and during the 2005 session the Legislature removed the limitation. At the same time, rather than making significantly larger amounts of funding available to support driver education courses, the Legislature began approving transfers from the State Safety Fund to improve the financial condition of the state general fund.

Indicated below is a summary of the distributions and transfers from the State Safety Fund in recent years, as well as the number of students participating in programs and the amount of state aid per student. Under the State Board's request, an estimated \$1,175,000 would be available to support the cost of driver education programs in FY 2013.

Fiscal Year	Distribution	Enrollment	Amount Per Student	Transfer
2005	\$1,520,973	18,381	\$81.00	\$0
2006	\$1,597,939	17,647	\$91.00	\$2,600,000
2007	\$1,594,257	17,486	\$91.50	\$2,000,000
2008	\$1,789,076	16,278	\$110.00	\$1,700,000
2009	\$596,330	15,992	\$38.00	\$1,550,574
2010	\$722,854	14,470	\$50.00	\$0
2011	\$1,025,162	13,862	\$74.00	\$3,150,201
2012	\$1,094,380	11,799	\$94.00	\$1,800,000
(Actual)				
2013 (Revised)	\$1,175,000	11,868	\$99.00	\$1,500,000

Safety is the main reason school districts and non-public schools offer driver education courses to their students. Nationally, automobile accidents continue to be the number one killer of teenagers. Statistics show that not only do students completing a driver education course have a better chance of staying alive than students who do not, they also receive fewer traffic citations, are more likely to wear their seatbelts, and are less likely to drink and drive. Many insurance companies also offer financial incentives for students completing an approved driver education program.

For FY 2013, the Governor is recommending to transfer \$1.5 million from the State Safety Fund to the state general fund. Since the transfer is made in the latter part of the fiscal year, the FY 2013 distribution would be \$1,175,000. The true impact of a transfer in FY 2013 would not be felt until FY 2014 when funding levels would once again remain flat.

Considering the significant budget reductions already imposed on local school districts, approval of the Governor's recommendations for FY 2013 will force schools to continue to increase fees to students participating in driver education programs or eliminate programs altogether. In fact the FY 2012 distribution was impacted because a school district dropped its driver's education program. This resulted in a significant drop in the number of students enrolled in driver's education courses.

In order to maintain driver education programs currently in place and help protect Kansas drivers, the State Department of Education is requesting that the Legislature restore all funding for this program and eliminate the transfer to the state general fund.

STATE SAFETY FUND

Revenue Transfers

FY 2011 <u>Actual</u>	FY 2012 <u>Budgeted</u>	FY 2013 <u>Budgeted</u>	Governor's <u>Recommendation</u>	Amount of <u>Appeal</u>
\$3,150,201	\$1,800,000	\$0	\$1,500,000	\$1,500,000

