February 6, 2012

Good Afternoon. I am Dr. Julie Ford, Superintendent of Topeka Public Schools, and I am here to advocate for the patrons of Shawnee County, especially the students in our school district. Our urban district has 14,000 students, of which 77% are free and reduced lunch, 14% Special Education and 8% ELL. The School Finance Bill – SB 361--presents many problems and challenges for our district in its current form. We would like to address four key issues today and share how they will impact students in our district.

1. **Elimination of Weightings**: Funding is necessary that is proportionate to the percentage of at-risk students in our district combined with the cost of educating those students. There is a clear correlation between free and reduced lunch status and at-risk designation. The current funding levels have been inadequate to address our at-risk student population. We currently utilize general funds and at-risk funds together to provide programming for at-risk students, including Hope Street Academy, a smaller alternative school that assists many at-risk students to be successful and graduate. We are proud that Hope Street Academy has made AYP the past several years by providing interventions and personal attention to their students. Our preschool programs provide early intervention for at-risk students before they enter kindergarten. Please remember that under the current version of the bill, Topeka Public Schools will receive no new dollars after being cut the past few years. Our ELL population in Topeka is growing and ELL weighting, in combination with general funds, allows us to provide training for teachers and services for students and their families. Inflation and now the elimination of weighting for at-risk and ELL will make it very inequitable for the students in Topeka Public Schools. Low income urban students are Kansas students and cannot be forgotten.

2. **7.5% Cash Balance Requirement:** There are so many unanswered questions about this requirement and more importantly, how this will impact districts, schools, classrooms and students.
    - Would we be required to pay anything above the 7.5% of the general fund balance to KPERS? The majority of our carryover funds are LOCAL dollars, so local taxpayers would subsidize the KPERS unfunded liability?
    - What happens to our self-insured health plans? These have produced savings on health care costs to our district, and we have been working toward total self-insured medical, which would yield savings on health insurance. Our understanding is these funds would be swept due to this requirement. We also have structured our workman's compensation fund, which is self-insured, in order to ease the impact on the general fund.

- What about our special liability expense fund that we rely on when we have to defend lawsuits? These are 100% local funds.
- What about our adult education program that assists residents with job training and building marketable skills to gain employment?
- How will the district support professional development, which is currently funded out of the general fund?
- How will we finance technology needs to ensure our students are prepared to compete for jobs that require even basic skills?
- How do we handle late state aid payments? Special Education funds are not received until October. With this requirement we will not be able to make payroll in September.
- Is the message to tell districts to shift money away from the classrooms and use year - end funds to pay other debts?

3. **Local Property Tax Impact:** 1 mill in USD 501 raises $610,000. Not only will the cost of education grow as the cost of living inevitably increases, but the cash balance requirement will force the district to shift direct education costs to our local taxpayers. In order to make up for what we have to pay into KPERS due to the cash balance requirement and still maintain federal funding requirements and matches, we will have to dramatically raise property taxes. This would also impact our share of public private partnership school programs such as our robotics program and the Stormont Vail partnership. It would also affect our cost saving, self-insured health insurance plans, our workers comp fund and our debts to the community from the special activity funds. This is to maintain funding at current levels and does not include further investment in the classroom. Our property tax base cannot support that burden on its own.

4. **Elimination of Capital Outlay and Bond and Interest State Aid:** This creates yet another local property tax burden to maintain and improve facilities over years.

In conclusion, our school board and district administrators are proud of what we have done financially during this recession. This plan institutes an ongoing, unending recessionary state in our school system and at the local level. Our local business and community partners will suffer from our inability to maximize our partnership opportunities to better the community. Our schools are our nucleus and produce tomorrow's workforce. This plan paralyzes our ability to meet the needs of this and the next generation. Thank you.