



**Senate Education Committee
Hearing on the SB 361, the Excellence in Education Act**

**Testimony by
Mike Mathes, President, Kansas School Superintendents' Association
On Sections 1-30 of the EEA (finance)**

Madam Chair and distinguished members of the Committee, I want to thank you for the opportunity to come before you today to provide testimony on the Governor's EEA bill.

After reviewing the bill, our membership feels the best solution for funding K-12 education would be to fund the current formula over 3-4 years while allowing an increase in the LOB and/or cost of living cap.

However, if that is not an acceptable solution, the following concerns should be addressed in EEA Senate bill # 361.

1. There must be a mechanism to fund additional at-risk or ELL students, and enrollment weightings.

Solution: Create a Qualified Assistance for Student Needs program. This fund would be appropriated to the State Board, which would distribute dollars to districts to address additional costs in the following areas: At-Risk, Bilingual, enrollment weightings, and innovative programs. The amount would be limited by the appropriation. Recommended amount: **\$20 million**. (This is about the same amount as now).

Promotes educational improvement by providing resources for districts with demonstrated increases in higher cost students and innovative programs.

2. The new hold harmless formula creates too many winners and losers. True hold harmless should keep everyone at the current level.

Solution: The baseline or "hold harmless" amount should be zero for all districts. No district should gain or lose due to the change in formula. This would **eliminate \$45 million** from the new formula that could be distributed equally to every district.

Promotes educational improvement by giving all districts a more equitable opportunity to enhance their budget and promote excellence.

3. The 106% PVEF Payment Cap does not equalize dollars to all districts. There should be state equalization on any local mill rate effort. All districts should be able to increase their mill rate without a protest petition.

Solution: Provide a fixed amount of dollars for equalization of local mill levy increases, distributed by the Department of Education. The maximum aid provided would be for 3% per year of the operating budget. The amount would be limited by the appropriation. There would be **no limit on the increase in local mill levies, and no equalization paid above the 3% percent threshold.**

Recommended amount: 3% of the proposed total operating budget (the baseline total of approximately \$3.47 billion) would require maximum state aid of **\$45 million** at the 81.2% equalization formula currently used.

Elected local school boards should be able to increase the levy without protest or election.

Promotes educational improvement by giving all districts a more equitable opportunity to enhance their budget and promote excellence.

4. Full day kindergarten should be funded, not simply counted.

Solution: The baseline amount should be modified to phase-in funding for all-day kindergarten over a 5-year period. Each district would receive a .1 increase per year in their baseline amount for students in all day kindergarten programs.. Those charging may continue to charge for the unfunded amount. Cost would be **\$15 million** per year.

Promotes educational improvement by funding early learning programs, supporting the Governor's goal of improving fourth grade reading.

5. Cost of living increases should be included

Solution: An automatic cost of living amount should be included in the formula. That increase could be set by the legislature.

Recommended amount: 2% maximum each year.

Provides districts the ability to meet cost of living increases.

6. Contingency Funds should remain at 10%.

Solution: Allow each district to carry over up to 10% of their general fund.

Bond companies recommend having 2 months budget in cash balances or bond ratings could be affected.

The above suggestions address the major issues with the bill. Other suggestions as requested by the Governor include:

7. There should be some equalization of bond and interest. By not providing some type of state aid for bond issues, poorer districts will never be able to maintain or replace their facilities without a massive property tax increase.

Solution: The current system of bond and interest aid could be continued with two changes. First the amount would be capped at a level set by the state. Second, to receive state funding, projects would have to approved by the State Board of Education after a needs review. The Board would allocate funding based on available funding.

Recommended funding level: **\$5 million**

8. Funding for capital outlay equalization should be restored.

Solution: Funding for capital outlay could be restored, funded by using one mill of the 20 mill statewide levy, and capped at that amount going forward. Funds would be prorated if necessary. State aid would replace the 1 mill amount, making a net cost of around **\$25 million**, but no further general state aid would be required going forward.

Seven and eight promote educational opportunities by allowing all districts more equitable funding for facilities and equipment. Without these revenues, districts must divert resources from the classroom for these purposes.

In closing we would again like to state that the current formula could be salvaged by committing to a multi-year approach to funding it and making some minor adjustments to it. By raising the LOB and/or cost of living cap and making some other adjustments, we think we can address many of the concerns without completely re-vamping the school finance formula.

Thank you for your time and attention.