KANSAS ASSOCIATION OF SCHOOL BOARDS
1420 Arrowhead Road | Topeka, Kansas | 66604-4024
785-273-3600 | 800-432-2471 | 785-273-7580 FAX
www.kasb.org

Testimony before the

Senate Committee on Education
on
SB 23 Renewal of Statewide Mill Levy

by
Mark Tallman, Associate Executive Director for Advocacy

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Mr. Chairman, Members of the Committee:

Thank you for the opportunity to testify on **SB 23**. We hope this will be a routine vote to renew the statewide property tax of 20 mills, which under a Kansas Supreme Court ruling must be done at least every two years. We appear as a proponent of this measure because, if the levy is not renewed, we understand the revenue loss to the public school system would be approximately $575 million, which is about 20 percent of school district general fund budgets, and 14 percent of the general fund, special education and local option budgets combined. Funding for current educational operations is well below 2009 levels.

School district general fund budgets are $190 million, or 6.8 percent, below the high level of funding in 2009. (Each district's general fund is determined by multiplying weighted enrollment by the base budget per pupil, and funded by the 20 mill statewide property tax, other local effort revenues, and general state aid.) School districts have partially offset those reductions by raising Local Option Budgets over $95 million, which has virtually all been borne by property taxes.

Since 2009, statewide enrollment has increased by almost 2 percent since 2009, and total weighted enrollment is up 6.8 percent, mainly due to more students qualifying for free lunch and counting for at-risk weighting. The consumer price index increased nearly 9.3 percent since 2009, so the "effective" cut in funding per pupil has been much larger than the dollar amount alone. Between 2009 and 2012, school districts reduced teachers and other instructional positions by 2.8 percent; general administration by 11.7 percent; school administration by 4.6 percent; operations and maintenance staff by 5.8 percent; and food service by 6.2 percent. A total of nearly 2,550 positions were eliminated.

Although district budgets and state aid for general education operations have been reduced, other areas have increased. Since 2009, state aid for bond and interest payments have increased $35 million (although $22 million in capital outlay aid was eliminated), and KPERS contributions for school district employees $86 million. When additional local revenues for bond payments, capital outlay, food services, students and some federal programs are included, total school district spending is higher than FY 2009. However, none of these funds are available for general education programs. School funding has declined compared to Kansas incomes.

Also since 2009, Kansas Personal Income, which is the total income of all residents and a measure of ability to support public services, increased from $108 billion to an estimated $125 billion this year. State aid to school districts dropped from 3.0 percent of state personal income to 2.6 percent– the lowest level since the state took over a larger share of school funding in the early 1990's. School operating budgets (general fund, LOB and special education aid) dropped from 4 percent to 3.5 percent - the lowest level since at least the early 1970's. Total school spending dropped from 5.2 percent of total personal income to 4.6 percent. Because personal income is expected to continue to grow in FY 2014 and 2015, further cuts to educational funding will push these percentages even lower. As we presented in earlier testimony to the committee, Kansas ranks among the top ten states in student achievement, but its spending was 27th in the nation in 2010. We believe new national data may show our spending rank has declined further. No state that spends less has better overall achievement. We do not believe we can reach our goal of being first in the nation in preparing college and career-ready students with less funding – in fact, we believe we will need additional funds to meet rising costs and target effective programs. Renewing the 20 mill statewide levy is an important step.

Thank you for your consideration.