

# **2015 Special Committee on K-12 Student Success**

## **MINORITY REPORT**

**SUBMITTED BY:**

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After the enactment of 2015 House Substitute for Senate Bill No. 7, we believe there is a need to begin work on developing a permanent school finance formula. The majority party members of The Special Committee on K-12 Student Success failed to do that.

We also believe the Special Committee should have reviewed the school finance formulas in other states, particularly surrounding states and states with similar demographics as Kansas. One state's formula that would have proven useful to review is Pennsylvania's *Basic Education Funding Commission Report and Recommendations* - dated June 18, 2015. This Commission was created by the Pennsylvania General Assembly in 2014 and involved public hearings held across the state and solicited testimony from educators, business leaders, parents, and other education stakeholders. The Special Committee did not conduct such hearings.

Moving forward, the process of developing a permanent school finance formula should be as open and transparent as possible, which was NOT the process followed in the creation of 2015 House Substitute for Senate Bill No. 7.

The Special Committee also failed to review the history of our state's school finance formula, including judicial decisions. We believe that such a review would have resulted in the following conclusions reached by both the plaintiffs and the District Court in the *Gannon* case:

“First, there is simply no need to wholly rewrite a new formula. The SDFQPA had existed since 1992. During its existence, the Supreme Court thoroughly evaluated the formula at least six times: in *U.S.D. 229*, in *Montoy I*, in *Montoy II*, in *Montoy IV*, in *Montoy V*, and again when this Court issued its first decision in *Gannon*. These decisions all resulted in the careful vetting and fine-tuning of the formula; a formula that, when

fully funded, would arguably provide Kansas students with a suitable education in a manner that this Court suggested was constitutional.” Plaintiffs’ *Gannon v. State of Kansas* brief, January 12, 2016, page 36

“First, we would say that the School District and Quality Performance Act, K.S .A. 72 - 6405 *et seq.*, as it currently stands , has not been shown to, itself, be unconstitutional at this point and on this record. All the problems raised by Plaintiffs in our view have not been shown to flow from the Act, but from a failure by the State to follow the Act's tenets and fully fund it as it directs. The unconstitutionality attendant here is due to underfunding, not the Act itself or, at least, not yet.” District Court’s January 2013 Opinion, pages 242-243

Finally, the Special Committee did not choose to review several important factors in consideration of a new formula including but not be limited to:

- Multi-Year Funding
- Enrollment
- Differential for size of school districts (the median size school district in Kansas is 550 students)
- Transportation tied to cost and density
- Differential for poverty and non-English speaking students
- Wealth as related to a district’s tax base
- Cost-of-living increases
- Hold harmless provision so that no USD loses funds during implementation phase

- Differential related to career and technical education, i.e. differences in costs for differing types of career fields
- Special education costs

We wholeheartedly concur with the “fundamental requirements” of a new formula the United School Administrators/ Kansas School Superintendents Association school finance task force recommended in testimony to the Special Committee:

- Every student in Kansas’ public schools will have an equal opportunity to be college and career ready, as defined by the Rose Standards;
- Some students will require greater supports to meet standards;
- Any formula must meet constitutional requirements for equity and adequacy;
- The formula should recognize local control and provide funding of educational services; and,
- The Legislature and school districts need budgeting predictability.

In addition, we strongly urge the House and Senate education committees to give consideration to the following other recommendations:

### **Honoring Local Control**

The people of Kansas have long supported the concept of “local control” under which local citizens make the decisions that impact their communities. Nowhere is this concept more sacred than in the governance of our public schools. Decisions are best made by the policy makers closest to the voters.

In the name of “efficiency” or perhaps “lowering costs” there are many who recommend the consolidation of all services. Yet such recommendation is contradictory to the tradition of local control. The state should encourage such

agreements among districts but the decision to participate must be made by local elected school boards considering the needs of their local community.

The state can assist school districts in making good decisions by providing stability in the funding mechanism, so that schools can plan for future years confident that the resources necessary will be available. This would also assist in making decisions about consolidation of services as districts would know what funding was available to them going forward.

Further, the state should refrain from imposing any unfunded mandates on school districts. Employee compensation, staffing, and curriculum decisions should be left solely to the local school board in partnership with employees, parents and patrons, particularly local business people.

We strongly oppose the Majority Report recommendation for a special committee of the Legislature to oversee and approve bond issues of local school districts prior to being placed on a ballot before local voters. This recommendation is not only contrary to “local control,” it is an insult to the intelligence of every local elected school board member and local school district voter in Kansas. We, along with other Kansas legislators who believe in the power of the people through the democratic process, put our trust in local policy makers and voters to think for themselves and to make decisions and take actions that are in the best interests of the children, parents and taxpayers in their local community.

### **Supporting Individual Student Needs**

Any proposed changes to school funding in Kansas must take into consideration the individual needs of students.

At-risk funding should be available to reduce the achievement gaps of at-risk students. Kansas and a number of other states use poverty as a proxy for at-risk status because research shows a strong correlation between poverty and low achievement in school. The Legislature has debated many times whether this should be based on poverty or actual student performance and has failed each time to find a better way to provide this

funding. We believe at-risk funding should continue to be based on poverty.

We also continue to support the conclusion reached by Legislative Post Audit in its 2006 K-12 Education Cost Study, page 40. LPA found “a strong association between the amount districts spent and outcomes they achieved. In the cost function results, a 1.0% increase in district performance outcomes was associated with a 0.83% increase in spending – almost a one-to-one relationship.”

Special education funding is largely governed by federal law. The state’s obligation is to meet maintenance of effort requirements, and to ensure that total resources are sufficient to meet the needs and services detailed in the child’s Individualized Education Plan.

Kansas has an increasing population of English Language Learners (ELL) in our schools. These students present significant challenges to schools and any funding formula must take these challenges into consideration. Additional personnel with specialized training in modifying instruction for ELL students as well as classroom support through staff development and materials are needed.

The needs of Gifted and Talented Students also must be accounted for. Currently, these students receive funding through the state’s special education program. But we know that their needs are also addressed in highly specialized, low-enrollment classes including Advanced Placement and Dual Credit opportunities. The importance of these low-enrollment classes cannot be overlooked in the name of efficiency.

Career and Technical Education programs have widely varying costs generally related to the needed equipment or limitations on class size for safety purposes. The job market demands that we provide the resources necessary to provide these programs for our students.

### **Responding to Student, School and District Needs**

Any proposed changes to school funding in Kansas must take into consideration the ability to respond to changing conditions.

Enrollment fluctuates. There is a mistaken notion that all new students arriving in a school or school district can easily be absorbed into existing classes. This is not always the case. Increases in student populations require additional resources. Declining enrollment must also be taken into consideration. The 1992 formula adjustments took this into consideration when designed to adjust funding decreases based on a rolling average.

All students in Kansas deserve access to a robust curriculum. In order to provide such opportunities, efficiencies of scale must be considered. School districts that are very small by necessity must have access to resources to support necessarily small class sizes as well as distance learning opportunities that require significant investments in technology.

Changes in student demographics also have consequences for school districts. Such changes happen when new businesses move into communities bringing ELL students or when businesses close putting families in stress and poverty. Such demographic changes bring new or increasing challenges to our schools and must be taken into account.

The difference and disparity in wealth as related to a district’s tax base must also be taken into account. For example, for the 2015-16 school year, one mill of property tax in USD 499 Galena raises \$17,338, or \$24 per student, while one mill in USD 244 Burlington raises \$449,704, or \$550 per student.

### **Subject Matters Not Included in Special Committee’s Charge**

Finally, there are subject matters in the Majority Report that were not included in the charge of the Special ,and therefore, should not be included in the report.

Merit pay for teachers is a matter for collective bargaining, best left to the local school board in negotiation with its employees. While a school finance formula should provide adequate resources in order to pay teachers well, the state should not interfere in local control regarding teacher pay.

The recommendation in the Majority Report for a financial literacy curriculum requirement is clearly outside the charge of the

Special Committee. Moreover, it was never part of Committee discussions.

Finally, any consideration of KPERS was outside the scope of the Special Committee. While teachers are part of the KPERS system, this is a separate issue from school finance. The

Legislature has an obligation to fund KPERS regardless of the various components in a school finance formula.