

Testimony before House Ed. Budget Committee HB 2346 – State Board allocation of school funds Mike O'Neal, O'Neal Consulting, LLC Feb. 17, 2017

Mr. Chairman and members of the Committee

Thanks for the opportunity to appear again before your committee on the issue of school finance. HB 2346 is the product of a Committee member request for a bill introduction on the concept I briefed the Committee about on Feb. 6, 2017. I will not endeavor to repeat the testimony I presented on that date. Other than what I presented, I have not provided any input or direction regarding how specific legislation would or could be drafted. I did not, for example, suggest the specific about of the line item appropriation. That is intended to be a variable subject to discussion and debate. Suffice it to say that this bill serves as a baseline for Committee discussion should there be interest in pursuing the concept of bifurcating the respective duties of the Legislative branch and Board of Education in accomplishing the goals now in statute and mandated by the Kansas Supreme Court in its *Gannon* decision.

The concept, as reflected in this baseline bill, has the Legislature appropriating a block amount of school district state aid, making provision for districts being able to access additional local funding and requiring the State Board of Education to allocate those funds in a manner calculated to have individual districts target resources toward achieving the outcomes reflected in the statutory *Rose* standards. (I would actually use the exact language of the *Gannon* decision where the Court gave a legal definition of "adequacy", i.e., "reasonably calculated....")

I have had a few members ask if the Legislature can make such a delegation to the State Board. The answer to that question is "yes". See Article 6, Sec. 2 of the Kansas Constitution, the Education Article. By state constitution, the Legislature must provide for a state board of education which shall have general supervision of public schools. Specific language is included as follows: "The state board of education shall perform such other duties as may be provided by law." Indeed, when one looks at various school finance proposals there are countless references to direction that the Legislature gives to the State Board, especially in the realm of making calculations. The Legislature relies heavily on Department of Ed calculations and would continue to do so, but now the Board and, accordingly, the Department, would have responsibility for those calculations and allocation decisions. With responsibility comes the motivation and necessity of achieving results. Responsibility breeds accountability.

HB 2346 appears to contain the minimum set of provisions to give voice to the concept of having the Legislature appropriate and the State Board allocate. Any number of variables and additional

provisions could be added, depending on the degree of control the Legislature wishes to retain. With regard to accountability in an environment where outcomes are inextricably tied to the concept of "adequacy", I would recommend more oversight by the State Board over at-risk programming. As currently worded, Sec. 15, which deals with curriculum standards, assessments and accreditation requirements, does not have real teeth. If a school fails to meet accreditation requirements, e.g., the school leadership is notified and "encouraged" to reallocate resources to alleviate all deficiencies. This should be a requirement. Allocating resources by the Board to drive outcomes should be the overriding goal and, indeed, responsibility. It should be the responsibility of the State Board to determine the methodology for accomplishing the statutory goals through, presumably, a system of "carrots and sticks". This should not be the responsibility of the Legislature, which is not in a position to and lacks the expertise to accomplish specific educational outcomes.

As the Court pointed out in oral arguments in *Gannon*, roughly 2/3 of Kansas children are succeeding and roughly 1/3 are not. Resources should be allocated in a manner reasonably calculated to lift the 1/3 up to their academic potential. This, in essence, is what at-risk programs should be designed to do and actually accomplish. Some programs work and some don't. Those that don't, after given time to succeed, should be abandoned in favor of ones that work. For example, Kansas participates in the Jobs for America's Graduates program (JAG-KS). I know of their phenomenal success stories and graduation rate excellence by virtue of serving on their Board. They are a classic at-risk program and, yet, they receive no at-risk school finance funding. Identify or have the State Board identify the at-risk programs that truly work and incorporate them into the K-12 system! Outcomes will improve!

While providing the ultimate in local control and avoiding mandates to the extent possible, the expectation should be that efficiencies, outcomes, reforms, innovation, teacher excellence, etc. would be the natural by-product when the education system itself is a full partner in the discussion of how to best utilize resources toward the goal of instruction. If, after implementation of this concept, more money is not allocated toward instructional pursuits, including teacher compensation and recognition of best practices and teaching excellence, then attention will be appropriately focused on the local boards and state board. Instead of teaching professionals getting the budget leftovers after all administrative and non-instructional costs are first allocated, the budget priorities should shift to being classroom-based as opposed to institution-based. That change must happen from within and this concept is the first step toward achieving that.