MINUTES

EDUCATION FUNDING TASK FORCE

February 24, 2025
Room 582-S—Statehouse

Committee Members Present

Senator Renee Erickson, Chairperson
Representative Susan Estes, Vice-chairperson
Senator Pat Pettey
Representative Jason Goetz
Representative Scott Hill
Representative Nikki McDonald
Representative Kristey Williams
Corey Gibson
Frank Harwood
Bert Moore
Brad Neuenswander
Jim Porter
Adam Proffitt
Melissa Rooker

Members Absent

Senator Beverly Gossage – Absent

Staff Present

Nicole Fielder, Kansas Legislative Research Department (KLRD)
Julia Kofoid, KLRD
Jennifer Light, KLRD
Elaina Rudder, KLRD
Matthew Willis, KLRD
Jason Long, Office of Revisor of Statutes
Tamera Lawrence, Office of Revisor of Statutes
Cyndie Rexer, Committee Assistant

Monday, February 24
Morning Session

Welcome

Chairperson Erickson called the meeting to order and welcomed members of the Task Force. She stated the purpose of the meeting was to provide members with a solid knowledge of the State's current education finance formula and an understanding of the formula's weightings. She stated future meetings would address what other education funding models exist and what is being implemented in other states; take a deep look into special education funding, including special education funding in Kansas; and determine what "suitable provision in the Constitution" means so the Task Force can ensure it is abiding by its legislative charge.

Overview of KSEEA Weightings and LegalMax

Jennifer Light, Fiscal Analyst, Kansas Legislative Research Department (KLRD), gave an overview of the Kansas School Equity and Enhancement Act (KSEEA) weightings and the Kansas Department of Education's (KSDE) LegalMax document. The LegalMax document provides the calculations used to determine the general fund and supplemental general fund budgets for school districts. Budget calculators are used to determine both budgets. The document is updated throughout the school year and breaks down the calculations to provide information as needed. Additional tabs in LegalMax provide more information, weightings, and local option budgets.

Ms. Light stated that there are six weightings based on student populations and services for those students: at-risk, high-density at-risk, bilingual, special education, career and technical education, and transportation. Additionally, there are five weightings based on school district characteristics: low enrollment, high enrollment, ancillary facilities, new school facilities, and cost-of-living. She also discussed how the funding formula utilizes a full-time equivalent (FTE) count of students, in which each student counts for the portion of a six-hour day the student spends at school. An FTE count is different from a headcount, which counts each student enrolled, regardless of how much time the student is attending the school. Ms. Light noted that the use of FTE means headcount enrollment can go down or remain flat but FTE enrollment increases. She noted the terms "FTE" and "headcount" should not be used interchangeably because they do not have the same meaning. (Attachment 1) (Attachment 2) (Attachment 3) (Attachment 4)

At-risk and High-density At-risk Weightings

Matthew Willis, Senior Research Analyst, KLRD, provided an overview of the at-risk and high-density at-risk weightings included in KSEEA. The formula takes the number of student FTEs in a school district who qualify for the National School Lunch Program and multiplies that number by .484 to determine the district's at-risk weighting. Mr. Willis stated there is a difference in how at-risk funding is generated versus how it is expended, and there are approximately 12 different qualifiers a student could meet to be qualified as at-risk for expenditure purposes. Additionally, eligibility for free lunch is not a qualifier for a student to be eligible for at-risk services.

For high-density at-risk weighting, the district determines the percentage of student FTEs who qualify for free lunch for the district as a whole and the percentage who qualify for each building. The district then takes the greater of the two weightings using the following calculations: For a district or building that has between 35.0 and 50.0 percent of students qualifying for free lunch, the district takes the percentage number and subtracts 35, multiplies by 7, and then multiplies that number by the number of at-risk students. If the district or building has more than 50.0 percent at-risk students, it multiplies that number by 0.105. If the district or building has less than 35.0 percent at-risk students, it does not receive high-density weighting. (Attachment 5) (Attachment 6) (Attachment 7) (Attachment 8)

The Committee discussed concerns of lingering deficiency in providing the necessary help to teachers and other staff; the need for clarification on the criteria for receiving at-risk funding, especially for preschool; and frustration with the funding formula not aligning with the student population being served.

Members requested Committee staff provide them with the following:

- A review of other weightings in the current formula;
- Information on special education funding and suitable provision in the *Kansas Constitution*;
- An update to the School Finance memo and LegalMax enrollment;
- Clarification on the relationship between FTE enrollment and headcount enrollment;
- Analysis on the effectiveness of the at-risk weighting since 1992;
- The year when legislation was passed to include at-risk weighting at the building level;
- The list of criteria to receive at-risk funding for preschool;
- The mechanics of determining whether a student is at academic grade level for at-risk purposes;
- Information regarding mobility for at-risk students;
- The percentage of students who qualify for at-risk services compared with the percentage of students eligible for free lunch; and
- Evaluation of the correlation between poverty and risk factors in student performance.

The Committee also discussed the following items to consider regarding a modified or new school funding formula:

- Other states' models for education funding;
- Simplifying the funding formula for at-risk students;
- Separating the funding distribution mechanism from the weighting factors for at-risk services;
- Concerns about funds not being used for actual at-risk students;
- The possibility of using digital tracking to collect data on at-risk students; and
- Including primary at-risk factors in data collection.

Bilingual Weighting

Jennifer Light, KLRD, stated that the bilingual weighting is determined by taking the greater of a district's enrollment of bilingual students or the number of contact hours bilingual students receive and multiplying by a specific factor. The four districts with the highest percentage of weighted FTE from bilingual weighting are USD 483 (Kismet-Plains Southwestern Heights), USD 443 (Dodge City), USD 507 (Satanta), and USD 480 (Liberal). There are 78 districts with no bilingual weighting and 165 districts with a small percentage of their total weightings from bilingual weighting. (Attachment 9) (Attachment 10)

Following discussion, the Committee requested staff provide a breakdown of districts using the different formats of bilingual weighting (headcount versus contact hours).

Career and Technical Education Weighting

Elaina Rudder, Senior Research Analyst, KLRD, stated the career and technical education (CTE) weighting is determined by multiplying the FTE enrollment in approved CTE programs by a factor of 0.5. The FTE enrollment is determined by taking the sum of the CTE contact minutes, dividing by 60 to get the contact hours, and then dividing said hours by six. The calculated FTE is then multiplied by the weighting factor of 0.5 to get the weighted FTE for CTE. Ms. Rudder noted that for programs to be eligible for the weighting, they must be approved by KSDE through the Pathways process. (Attachment 11) (Attachment 12)

Melissa Rooker noted that cost studies were done when crafting KSEEA to determine specific amounts of funding for each pathway based upon costs. However, it was determined the additional complexity was not worth the differences between individual funding amounts and a universal weighting factor of 0.5.

Transportation Weighting

Matthew Willis, KLRD, stated the transportation weighting formula calculates state aid based on density and student transportation distance. State law requires districts to transport students who live 2.5 miles or more away from their attendance center. Furthermore, districts cannot receive more than 110.0 percent of the prior year's transportation expenditures in state aid per state law. The transportation weighting formula utilizes a curve of best fit to adjust per

capita transportation allowances based upon a district's density of transported students. The transportation formula is not a reimbursement of costs incurred and does not account for factors like gas prices or road closures. Additionally, some districts have hazardous transportation conditions where 2.5 miles is not walkable for students, which is not accounted for in the formula. (Attachment 13) (Attachment 14)

During Committee discussion, Chairperson Erickson noted that her understanding is the 2.5 miles is calculated from a school's flagpole to a student's home and is done by distance traveled. The Committee also discussed the impact the transportation weighting has on districts and the potential impact of eliminating or altering the current formula.

The Committee requested staff provide the following information:

- Whether transportation for sporting events and field trips is included in the transportation formula; and
- Actual expenses from school districts, to better understand costs and reimbursement models.

- Low- and High-enrollment Weighting

Julia Kofoid, Legislative Fellow, KLRD, explained how low- and high-enrollment weightings are calculated. There are four different weighting formulas, three for low enrollment and one for high enrollment. These formulas are based on the FTE enrollment of a district, not the headcount enrollment. All districts receive a low- or high-enrollment weighting from one of the formulas. The enrollment ranges for each formulas are as follows:

- Districts with less than 100 FTE;

- Districts with more than 100 FTE but less than 300 FTE;

- Districts with at least 300 FTE but less than 1,622 FTE; and

- Districts with more than 1,622 FTE.

Ms. Kofoid also explained that if a school district closes and the students are received by another district, the district can choose to take the closed district's weighting for the next three years or they can take their own weighting and reevaluate every year for three years. (Attachment 15) (Attachment 16)

Ancillary and Cost-of-living Weightings

Nicole Fielder, Research Analyst, KLRD, provided the Committee with an overview of the ancillary and cost-of-living weightings. She explained that both weightings are funded by local property taxes, and a district's FTE weighting for each is calculated by dividing the tax amounts raised by the BASE Aid to determine the FTE weighting.

Ancillary school facilities weighting is granted to districts that have opened new school facilities and are experiencing enrollment growth. A school district can apply to the State Board of Tax Appeals for authority to levy local property taxes for the purpose of financing costs attributable to commencing the operation of a new school facility that exceed the amount financed by any other source. The amount to be levied is reduced over a period not to exceed six years. (Attachment 17) (Attachment 18)

The cost-of-living weighting is only available to districts whose average appraised value of a single-family residence is 125.0 percent or more of the state's average appraised value of a single-family residence. If a district qualifies, it is then able to adopt an additional local property tax that cannot exceed a percent of the district's State Foundation Aid established in law. (Attachment 19) (Attachment 20)

The Committee requested staff provide the following information:

- Determination of why the school facilities weighting was taken off and information on its replacement, the ancillary weighting; and
- Verification of which districts are actually levying the tax for the cost-of-living weighting and information on why some districts that qualify may choose not to take advantage of the weighting.

The Committee discussed the following items as elements to consider regarding a modified or new school funding formula:

- Conversations with the four school districts that qualify for the ancillary school facilities weighting to gather feedback on how well the process is working and any suggestions for improvement; and

- Simplifying the bilingual weighting calculation and potential changes to make it more consistent.

Adjournment

Chairperson Erickson encouraged members to contact staff as they have questions or ideas. She also asked members think of how weightings can best serve education in Kansas, and reminded them of upcoming meeting topics.

Chairperson Erickson adjourned the meeting at 11:26 a.m.

Prepared by Cyndie Rexer

Edited by Matthew Willis and Julia Kofoid

Approved by the Committee on:

August 14, 2025
(Date)