

MINUTES OF THE EDUCATION BUDGET COMMITTEE

The meeting was called to order by Chairwoman Lana Gordon at 3:30 pm on Feb 17, 2011, in Room 159-S of the Capitol.

All members were present.

Committee staff present:

Reagan Cussimano, Kansas Legislative Research Department
Bernadine Lloyd, Committee Assistant

Conferees appearing before the committee:

Dr. Dale Dennis, Commissioner of Education, Department of Education
Dr. Kevinsinger, Superintendent, Topeka Public schools
Mark Tallman, Associate Executive Director, KASB
Mark Desetti, Director Legislative Advocacy, KNEA
Diane Gjerstan, Wichita Public Schools
Cheryl Semmel, Executive Director, USA Kansas K-12, written testimony only

Others Attending:

See attached list.

Reagan Cussimano presented a draft copy of the overview of the Department of Education's budget from FY 2002 to FY 2012 and a summary of the FY 2011 and FY 2012 School Finance Estimates. (Attachment 1)

Conferees:

Dr. Dale Dennis, Commissioner of Education, Department of Education, submitted and presented testimony on IDEA language related to allocations, Budget Appeal to the Legislature FY 2011 and FY 2012, and Kansas State Department of Education Budget Appeal to the Legislature FY 2011 and FY 2012. (Attachment 2)

Dr. Kevinsinger, Superintendent of the Topeka Public Schools submitted and presented testimony on the Budget Reduction Stakeholder Committee Report: Administrative Recommendations to the Board 2-17-11 Draft. (Attachment 3)

Mark Tallman, Associate Executive Director, KASB, submitted and presented testimony on the Kansas State Department of Education Budget. (Attachment 4)

Mark Desetti, Director of Legislative Advocacy, KNEA, submitted and presented testimony on Making Schools Great for Every Child. (Attachment 5)

Diane Gjerstan, Wichita Public Schools, submitted and presented testimony on Fiscal 12 Education Budget. (Attachment 6)

Cheryl L. Semmel, Executive Director, USA Kansas K-12, did not appear but submitted written testimony on FY 2012 Education Budget. (Attachment 7)

A question and answer session followed each agency presentation.

The next meeting is scheduled for February 21, 2011 in 159-S.

The meeting was adjourned 5:15 pm.

EDUCATION BUDGET COMMITTEE

3:30pm

Room 159S, State Capitol

GUEST LIST

DATE: 2-17-11

NAME	REPRESENTING
MARK DESETTI	KNEY
Mark Tallman	KASB
Lee Stern	KS BOE
Tracy Russell	SQE
Bob Vanceum	BVSD 229
JEFF NOFAVER	PCED
Jeff Arpin	Division of the Budget



Expenditure	Actual FY 2010	Agency Est. FY 2011	Gov. Rec. FY 2011	Agency Req. FY 2012	Gov. Rec. FY 2012
Operating Expenditures:					
State General Fund	\$ 2,709,551,484	\$ 3,177,419,110	\$ 3,019,278,324	\$ 3,573,557,762	\$ 3,010,888,775
Other Funds	874,009,001	752,971,072	859,959,232	594,649,538	611,973,938
TOTAL	\$ 3,583,560,485	\$ 3,930,390,182	\$ 3,879,237,556	\$ 4,168,207,300	\$ 3,622,862,713
Percentage Change:					
Operating Expenditures:					
State General Fund	(6.7)%	17.3%	11.4%	12.5%	(0.3)%
All Funds	(2.1)	0.1	8.3	6.1	(6.6)
FTE Positions	210.3	210.3	210.3	210.3	173.0
Non-FTE Perm.Uncl.Pos.	0.0	0.0	0.0	0.0	0.0
TOTAL	210.3	210.3	210.3	210.3	173.0

AGENCY OVERVIEW

The State Board of Education is a ten-member elected board established by the Kansas Constitution. It is responsible for the general supervision of public school and all other educational interests of the state that are not under the jurisdiction of the State Board of Regents. Its duties include accrediting elementary and secondary schools, establishing standard courses of study in the public schools, certifying teachers and administrators, approving public and private teacher education programs and administering a variety of state and federal aid and other assistance programs.

MAJOR ISSUES FROM PRIOR YEARS

2002 Interim. The Governor reduced the statutory Base State Aid Per Pupil (BSAPP) for FY 2003 from \$3,890 to \$3,863, a decrease of \$27. The reduction was part of the allotment process intended to avert a State General Fund revenue shortfall. BSAPP remained at the reduced level for FY 2004 and FY 2005. The 2005 Legislature increased BSAPP to \$4,257 for school year 2005-06.

2003 Interim. The Governor announced that the administration would exercise the option to accelerate the payment date for the second half of the prior year's property taxes from June 20 to May 10. The intent of the Legislature in authorizing the accelerator was to create a one-time "windfall" in property tax revenues so that General State Aid to school districts could be reduced in

2004. The 2004 Legislature was able to lapse \$158.8 million as a result of the acceleration. The acceleration is permanent unless changed by the Legislature.

School Finance Lawsuit: Montoy et al. v. State of Kansas

2005 Session. On January 3, 2005, the Kansas Supreme Court issued a decision in Montoy et al. v. State of Kansas which found that the Legislature had failed to meet its burden to make a suitable provision for the finance of public schools as required by the Kansas Constitution. The Court retained jurisdiction and gave the Legislature until April 12, 2005, to enact corrective legislation.

The 2005 Legislature enacted House Bill (HB) 2247, HB 2259, and Senate Bill (SB) 43, which amended portions of the school finance formula or affected the distribution of state aid, and appropriated \$141.1 million from the State General Fund in additional funding for elementary and secondary schools.

2005 Interim. On June 3, 2005, the Supreme Court issued a supplemental opinion in which it found that funding approved by the 2005 Legislature (during regular session) did not satisfy the Legislature's constitutional obligation to adequately fund schools. The Court retained jurisdiction and told the Legislature it had until July 1, 2005 to increase funding for school year 2005-06 by an additional \$143.0 million.

2005 Special Session. In June 2005, the Legislature convened a special session and enacted House Substitute for SB 3, which made further revisions to the school finance formula, and added an additional \$148.4 million from the State General Fund for school finance, resulting in a total increase of \$289.5 million in funding for school year 2005-06.

In July 2005, the Supreme Court ruled that the Legislature had complied with its June order with regard to providing additional funding for the 2005-06 school year. The Court continued to retain jurisdiction in the case, pending completion of a study of educational costs by the Legislative Division of Post Audit.

2006 Session. The Legislature, upon reviewing a cost study analysis issued by the Division of Legislative Post Audit, enacted SB 549, a \$466.2 million (from the State General Fund), three-year school finance plan which appropriated increased funding of \$194.5 million in school year 2006-07, \$149.0 million in school year 2007-08, and \$122.7 million in school year 2008-09. The bill:

- Increased BSAPP from \$4,257 to \$4,316 in FY 2007, to \$4,374 in FY 2008, and \$4,433 in FY 2009;
- Increased at-risk weighting from 19.3 to 27.8 in FY 2007, to 37.8 in FY 2008, and 45.6 in FY 2009;
- Increased the Local Option Budget (LOB) authority from 27.0 percent to 30.0 percent in FY 2007 and to 31.0 percent in FY 2008 and thereafter;
- Created new weighting categories for high density at-risk pupils and for pupils who are not proficient on the basis of state assessments but who are not eligible for free lunches;

- Included funding for action taken by the 2005 Legislature (House Substitute for SB increase the level of special education excess costs funding from 81.7 percent to 89.5 percent in FY 2006 and to 92.0 percent in FY 2007 and thereafter;
- Clarified that the Capital Outlay State Aid Program, created by the 2005 Legislature (House Substitute for SB 3), is a demand transfer; and
- Continued the School District Capital Improvement State Aid Program as a revenue transfer for FY 2006 and FY 2007, and provided that beginning in FY 2008, funding for the program would come from a demand transfer.

Staff Note: The 2006 Legislature appropriated \$10.0 million, all from the State General Fund, in FY 2007 for the non-proficient weighting. This weighting was created for only one year. The non-proficient weighting provisions in SB 549 were set to expire on June 30, 2007. The 2007 Legislature removed the sunset date for the non-proficient weighting. See the Major Issues summary below for the 2007 Session for more information on the removal of the sunset date.

2006 Interim. In July 2006, the Supreme Court dismissed the case, ruling that the Legislature had substantially complied with the Court's prior orders to correct flaws in the School Finance Act. The Court stated that the constitutionality of 2006 SB 549 was not before it and noted that the Legislature will have provided at least \$755.7 million in additional funding for elementary and secondary education by school year 2008-09. The Court also lifted the stay it had placed on two provisions contained in the 2005 legislation and dismissed the appeal.

Other Major Issues

2006 Session. The Legislature approved a supplemental appropriation of \$364,746 from the State General Fund and 7.0 non-FTE permanent unclassified positions in FY 2006 to allow the agency to get an early start on implementing a multi-year project to develop the Enterprise Data Warehouse. An additional \$375,167 from the State General Fund and 8.0 non-FTE permanent unclassified positions (including the 7.0 non-FTE permanent unclassified positions from FY 2006) were appropriated in FY 2007 to complete the first-year implementation of the project.

The 2006 Legislature also approved FY 2007 State General Fund appropriations of \$1.8 million for professional development, \$1.0 million for the Mentor Teacher Program Grants, and \$300,000 as a grant to the Challenger Learning Center in Wellington for math and science teachers to receive training there. The grant required a dollar-for-dollar, non-state match.

The 2006 Legislature, in order to address a shortfall in the Children's Initiatives Fund, shifted \$3.8 million, out of a total of \$9.3 million, in expenditures from the Children's Initiatives Fund to the State General Fund in FY 2006 and shifted \$9,029,045 from the Children's Initiatives Fund to the State General Fund in FY 2007.

2007 Session. The Legislature approved the addition of \$40,558, all from the State General Fund, and a 0.5 FTE position for a part-time Education Program Consultant in FY 2008. This position assists school districts in developing policies prohibiting bullying as well as designing and implementing bullying prevention and character development programs per 2007 SB 68. The bill required school districts to adopt policies against bullying. The position also administers two after school programs.

The 2007 Legislature also approved the addition of \$23.1 million, all from the State General Fund, for aid and other assistance programs in FY 2008 including:

- \$4.0 million in general and Supplemental General State Aid to fund 2007 HB 2159 in FY 2008 which allowed all school districts to conduct a second count of students who are military dependents on February 20, 2008, and February 20, 2009.
- \$1.0 million in Supplemental General State Aid to fund a 1.0 percent increase in the LOB authority in FY 2008. Language in the appropriations bill (2007 HB 2368) increased the LOB authority from 31.0 percent to 32.0 percent in FY 2008 and thereafter.

Staff Note: The Legislature approved the LOB increase in the appropriations bill during the regular legislative session. Subsequently, during the Omnibus session, the Legislature passed 2007 SB 68 which maintained the LOB authority at 31.0 percent. The Legislature did not resolve the conflict in the LOB authority cap prior to adjourning the 2007 Session.

- \$16.1 million in special education excess costs to cover reductions in federal funding for Medicaid reimbursements. The reduction in federal funding was due to a decision by the federal Centers for Medicare and Medicaid Services to begin requiring school districts to request reimbursements on a service-by-service basis in FY 2008, rather than using a bundled payment rate.
- \$250,000 to serve 595 students who were on the Parents as Teachers Program waiting list as of December 31, 2006.
- \$500,000 for the Mentor Teacher Program to fund the second year of mentoring 1,000 probationary teachers in FY 2008. This amount will provide \$500 grants to mentor teachers who support new teachers during their second year of teaching.
- \$400,000 for the Discretionary Grant Program to fund after school programs for middle school students in FY 2008 with the requirements that:
 - The programs must operate a minimum of two hours a day, every day school is in session, and a minimum of six hours a day for a minimum of five weeks during the summer;
 - The programs provide a dollar-for-dollar local match and awards cannot exceed \$25,000 per grant; and
 - The Kansas State Department of Education (KSDE) report on the outcomes of the programs to the House Appropriations Committee and Senate Ways and Means Committee during the 2008 Session.
- \$420,120 for one-half of the funding requested for the Kansas Career Pipeline (KCP) with the requirement of a dollar-for-dollar match by business and industry in FY 2008. The KCP is a career development program that matches the aptitude and interests of students and adults with Kansas career options.
- \$400,000 for the Juvenile Detention Facilities Program in FY 2008 to fund 46 of the estimated 100 beds in the psychiatric residential facilities added in 2007 SB 95. This legislation corrected and updated state law regarding treatment facilities for mentally ill youth who are eligible for two-for-one educational funding.

The 2007 Legislature approved the transfer of \$122.7 million from the State General Fund to a newly established Keeping Education Promises Trust Fund in FY 2008 to set aside the trust for the first year of increased funding (FY 2009) in the three-year school finance bill (2006 SB 549). In FY 2009, \$122.7 million will be transferred back to the State General Fund for General State Aid (\$82.7 million), Supplemental General State Aid (\$15.0 million), and special education excess costs (\$25.0 million).

The 2007 Legislature also removed, in 2007 SB 68, the sunset date of June 30, 2007 for the non-proficient weighting created in the three-year school finance plan. No additional funding was needed for the continuation of the non-proficient weighting in FY 2008. The \$10.0 million, all from the State General Fund, the 2006 Legislature appropriated for the weighting in FY 2007 was already included in the agency's FY 2008 budget to finance the weighting in the base General State Aid appropriation.

2007 Interim. Attorney General Opinion on LOB Authority Increase. In June 2007, the Attorney General issued an opinion that the 1.0 percent LOB increase (from 31.0 percent to 32.0 percent) in the 2007 appropriations bill violated Article 2, Section 16 of the Kansas Constitution, which prohibits a bill from containing more than one subject. However, since the appropriations bill contained a severability provision, the Attorney General indicated that the LOB increase language could be excised without affecting the remaining provisions in the bill.

The 2010 Commission made the following state aid recommendations in its report to the 2008 Legislature:

- Increase BSAPP \$100 from \$4,374 to \$4,474 in FY 2009. The additional funding was added to increase teacher salaries to enable Kansas to become more competitive with surrounding states and states that employ teachers from Kansas.

Staff Note: In SB 549, the 2006 Legislature appropriated an additional \$34.0 million, all from the State General Fund, to increase the BSAPP by \$59, from \$4,374 to \$4,433 in FY 2009. The Commission's recommendation to increase the BSAPP by \$100 includes the \$59 increase. The remaining \$41 increase would require the addition of \$25.8 million, all from the State General Fund. Total state funding for the \$100 increase would be \$59.8 million, all from the State General Fund. The agency's FY 2009 budget request includes an enhancement to increase BSAPP by \$41 as well.

- Add \$2.2 million, all from the State General Fund, in FY 2009 for professional development. This increased funding from \$1.8 million to \$4.0 million, all from the State General Fund.

Staff Note: The 2010 Commission made this recommendation to the 2007 Legislature as well. In response to the Commission's recommendation, the House Appropriations Committee introduced 2007 HB 2469, which appropriated \$4.0 million, all from the State General Fund, for professional development in FY 2008. The bill was referred to the Appropriations Committee.

- Add \$500,000, all from the State General Fund, for the Mentor Teacher Program in FY 2009 to provide \$1,000 grants to mentor teachers who support new teachers during their second year of teaching. The 2007 Legislature approved \$500 grants for mentors who support second year teachers. The additional funding would increase total funding for the program from \$1.7 million to \$2.2 million, all from the State General Fund.

Staff Note: The 2010 Commission recommended to the 2007 Legislature the addition of \$1.0 million, all from the State General Fund, to provide \$1,000 grants to mentors who support second year teachers. In response to the Commission's recommendation, the House Appropriations Committee introduced 2007 HB 2469, which appropriated \$1.0 million, all from the State General Fund, for mentors who support second year teachers in FY 2008. The bill was referred to the Appropriations Committee.

- Add \$500,000 to fund leadership academies for principals and other administrators.

Staff Note: The 2010 Commission made this recommendation to the 2007 Legislature as well. In response to the Commission's recommendation, the House Appropriations Committee introduced 2007 HB 2469, which set up an annual demand transfer of \$500,000 from the State General Fund to a newly created Education Training Programs Fund, beginning in FY 2008, to fund leadership academies, workshops, and training for principals and other administrators.

- Add \$2.5 million to create a Teacher Retention Incentive Program to encourage math, science, and special education teachers who are eligible to retire to continue teaching by matching local school district funds with state funds, up to \$2,500 per teacher. These funds were placed in a savings plan for teachers that is outside of the current Kansas Public Employees Retirement Plan.
- Provide \$15.0 million, all from the State General Fund, to begin a five-year phase-in of funding all-day kindergarten. In its report to the 2007 Legislature, the 2010 Commission recommended that all-day kindergarten be expanded to include all Kansas children eligible to attend. In its report to the 2008 Legislature, the Commission took this recommendation one step further by recommending that funding be provided for the first year implementation of all-day kindergarten.

Staff Note: During the 2007 Session, the Senate Ways and Means Committee introduced 2007 SB 345, which would amend the school finance formula to increase the current funding weight for students attending all-day kindergarten by 0.1 FTE per year for five years beginning in FY 2008. The bill provided that by FY 2012 all-day kindergarten students would be counted at a 1.0 FTE for funding purposes. The estimated cost of the five-year phase-in of all-day kindergarten would be \$75.0 million (\$15.0 million per year), all from the State General Fund. As of the 2010 Session, the weighting for students attending all-day kindergarten remains at .5 FTE for funding purposes.

2007 Interim. The Legislative Educational Planning Committee (LEPC), in its report to the 2008 Legislature, recommended \$15.0 million, all from the State General Fund, to begin a five-year phase-in of funding all-day kindergarten.

2008 Session

The 2008 Legislature approved funding of \$2.5 billion, all from the State General Fund, for general and Supplemental General State Aid. This resulted in a BSAPP of \$4,433 in FY 2009. In addition, the 2008 Legislature:

- Continued funding for the third year of the three-year school finance plan approved by the 2006 Legislature. The Legislature also added \$37.2 million, all from the State General Fund, in FY 2010 to add a fourth year to the plan. This resulted in an a BSAPP increase of \$59, from \$4,433 to \$4,492.
- Approved funding of \$427.6 million, all from the State General Fund, in state aid for special education to fund the statutory level of excess costs at 92.0 percent.
- Approved funding of \$249.4 million, all from the State General Fund, for Kansas Public Employee Retirement System school (KPERS-School) payments in FY 2009.

The 2008 Legislature also amended language contained in a previous appropriation that required a dollar-for-dollar match from business and industry for the Kansas Career Pipeline. The legislation retained the dollar-for-dollar match but broadened the sources which may be used.

The 2008 Legislature shifted \$7.5 million in funding for the Parents as Teachers program from the State General Fund to the Children's Initiatives Fund in FY 2009. In addition, expenditures of \$5.0 million, all from the Children's Initiatives Fund, were made for the Kansas Preschool program, formerly known as the Pre-K Pilot. The program was previously included in the budget of the Department of Social and Rehabilitation Services (SRS) prior to FY 2009. The Legislature's action transferred the program from SRS to the Department of Education and combines it with the Four Year Old At-Risk program.

2009 Session.

The 2009 Legislature made the following adjustments in FY 2009:

- Accelerated the KPERS Death and Disability moratorium to FY 2009 which was a reduction of \$10.7 million, including \$10.6 million from the State General Fund;
- Deleted \$27.8 million, all from the State General Fund, from General State Aid which resulted in a reduction of \$44 in the BSAPP. When coupled with the Governor's recommendation, it was a total reduction of \$66 for a BSAPP of \$4,367;
- Deleted \$4.5 million, all from the State General Fund, for a 1.0 percent reduction in Special Education funding;
- Accelerated the transfer of \$37.2 million from the Keeping Education Promises Trust Fund to the State General Fund from FY 2010 to FY 2009. This was the fourth year payment in school finance funding;
- Added \$3.4 million, all from the State General Fund, for local effort adjustments, or less than expected property tax valuations, and also added \$2.9 million, all from the State General Fund, for a shortfall in KPERS-School employer contributions in order to maintain funding at the level included in 2009 House Substitute for Senate Substitute for SB 23, the 2009 Mega bill; and
- Funded the Kansas Career Pipeline at \$91,965, all from the State General Fund.

Staff Note: The Governor vetoed the 1.0 percent reduction to Special Education and the General State Aid reduction. Instead, the Governor allotted \$7.1 million, all from the State General Fund, to reduce the BSAPP by \$11 for a BSAPP of \$4,400 in FY 2009.

For FY 2010, the Legislature made the following adjustments:

- Deleted \$102.0 million, all from the State General Fund, in General State Aid. This includes a .25 percent reduction for reappropriations in FY 2010. The result is a BSAPP of \$4,280 for FY 2010.
- Deleted \$4.5 million, all from the State General Fund, to carry forward a 1.0 percent reduction in Special Education funding;

- Added \$4.4 million, all from the State General Fund, for local effort adjustments, or less than expected property tax valuations;
- Added \$10.72 million, including \$10.7 million from the State General Fund for the KPERS Death and Disability moratorium that was accelerated to FY 2009;
- Deleted the transfer of \$1.1 million from the State Safety Fund to the State General Fund as recommended by the Governor for Driver's Education;
- Deleted \$50,383, all from the State General Fund, for longevity; and
- Added \$108,515, including \$47,949 from the State General Fund, for undermarket pay adjustments.

The following program reductions were made in FY 2010:

- \$240,000, all from the State General Fund, for national teacher board certification;
- \$50,000, all from the State General Fund, for funding provided to the Kansas Historical Society for Kansas history curriculum;
- \$35,000, all from the State General Fund, for the Kansas Association for Conservation and Environmental Education program;
- \$50,000, all from the State General Fund, for declining enrollment; and
- \$68,161, all from the State General Fund, for association memberships.

The Kansas Preschool program was funded with \$100,000, all from the State General Fund. Previously, the program was funded by the Children's Initiatives Fund.

2009 Interim: Legislative Educational Planning Committee

The Legislative Educational Planning Committee (LEPC), in its report to the 2010 Legislature, reviewed the following:

- Raising the threshold for catastrophic aid claims to twice the previous year's teacher aid allocation and deducting any other categorical state aid the school district already received. The Committee also reviewed raising the catastrophic aid claims to \$36,000 for the 2009-2010 school year with the threshold indexed to the Consumer Price Index-Urban (CPI-U) and requiring districts to, again, deduct any other categorical state aid already received. The Committee also reviewed the possibility of funding catastrophic aid in a separate appropriation and establishing a new Catastrophic Aid Fund at the state level; and
- Eliminating the "two for one student" funding currently in place for students in the custody of the Department of Social and Rehabilitation Services or the Juvenile Justice Authority enrolled in USD 259, Wichita, and USD 409, Atchison, and housed at the Judge James V. Riddel Boys Ranch and the youth residential center located on the grounds of the former

Atchison Juvenile Correctional Facility. Each student housed in the above facilities would be counted as one student, instead of two students.

2010 Commission. The 2010 Commission, in its report to the 2010 Legislature, made the following conclusions and recommendations:

- Fund education in a three-year funding cycle to allow school districts the flexibility to plan;
- Adjust the funding formula for determining special education catastrophic aid which would result in the threshold for qualifying for catastrophic aid being based on twice the previous year's categorical aid per teacher, less any special education state aid. The current statutory formula allows a school district to receive the aid if the cost for a special education student exceeds \$25,000. This amount was placed in law in 1994 with no provision to adjust the threshold for inflation. Because special education costs have increased while the \$25,000 threshold amount remained the same, the number of special education students who qualify for catastrophic aid has increased; and
- Shift the Tiny-K and Early Head Start programs' administration to the Department of Education.

2010 Interim. The Legislative Educational Planning Committee (LEPC) makes the following recommendations and bill introductions containing the following provisions related to K-12 education:

- Amend three provisions in the school finance law relating to levies imposed by school districts for the ancillary facilities weighting, cost of living weighting, and declining enrollment weighting by adding a definition of "taxable tangible property" to each section;
- Create a Kansas Public Employees Retirement System (KPERS) weighting to the school finance law resulting in increased local option budget authority of school districts;
- Eliminate the sunset provision in the statute authorizing a school district to calculate its local option budget using the BSAPP of \$4,433 in any school year in which the BSAPP is less than that amount and using an amount equal to the amount appropriated for special education state aid in school year 2008-2009; and
- Revise the statutory language listing the duties of the LEPC again authorizing the Committee to plan for "matters or issues relating to school finance." This responsibility had been given to the 2010 Commission when that Commission was created. However, the Commission sunsets on December 30, 2010.

In addition to bill introductions, the Committee made the following recommendations with regard to dyslexia and funding for education:

- Monitor the House and Senate the work of the State Board of Education on behalf of dyslexic students. The Committee specifically mentioned two areas the education committees should review: the progress of the State Board of Education in implementing the Multi-Tier System of Support (MTSS) in Kansas school districts and review of teacher preparation courses to ensure that knowledge of best practices of instruction, including scientifically-based reading instruction used to instruct children with dyslexia, is addressed.

- Fund the approximately \$50.0 million shortfall in FY 2011 General State Aid with a portion of the \$92.4 million received from the U.S. Department of Education for the Education Jobs (EduJobs) Fund Program. The shortfall primarily consists of a drop in revenue due to decreases in assessed valuation which resulted in a reduction of approximately \$29.8 million in revenue derived from the uniform general fund mill rate; increasing at-risk funding due school districts because of increased free-lunch applications (\$13.6 million); increased funding due to enrollment increases in the current school year (\$5.7 million); and miscellaneous adjustments, such as those related to bilingual and transportation weightings (\$1.0 million). In addition, approximately \$16.0 million will be needed to maintain U.S. Department of Education's special education maintenance of effort requirements.

2010 Commission. The 2010 Commission made the following to the 2011 Legislature related to K-12 education:

- Fund the school finance formula with a BSAPP of \$4,492. The funding plan should include a three-year funding cycle, in addition to an annual cost of living adjustment. The BSAPP approved by the 2010 Legislature for the 2010-2011 school year is \$4,012.
- Consider moving the Infant-Toddler special education program (Tiny-k) to the Kansas Department of Education (KSDE). It is currently administered by the Kansas Department of Health and Environment and moving it to KSDE would allow for increased continuity of educational programming.
- Consider expanding funding for all-day kindergarten to include all children eligible to attend. Estimates in FY 2009 indicated it would take \$15.0 million every year for five years in order to fully fund all-day kindergarten. Kindergarten students currently are funded as 0.5 full-time equivalent regardless of whether kindergarten is one-half day or a whole day. Expanding would fund the students as 1.0 full-time equivalent.
- Consider fully funding professional development and increase funding for the Mentor Teacher Program which are both unfunded for the 2010-2011 school year.

Special Committee on Education. The Special Committee on Education was established by the Legislative Coordinating Council to review various proposals considered in the 2010 Session on education policy and school finance and explore proposals to simplify and streamline school finance to improve the current funding formula. The Committee approved introduction of eight bills to be considered during the 2011 Legislative Session. The following is a brief description of the bills to be introduced:

- Calculation of High-Density At-Risk Pupil Weighting: Linear Transition Computation. This bill would provide for a linear transition formula to calculate the high-density, at-risk pupil weighting for districts having between 35.0 percent and 50.0 percent at-risk pupils. For those districts having at-risk pupil percentages greater than 35.0 percent and less than 50.0 percent, the district would multiply the number of at-risk pupils by a factor of .007. For those districts having an at-risk pupil percentage of 50 percent or more, or for districts having an enrollment of at least 35.1 percent at-risk pupils and an enrollment density of at least 212.1 pupils per square mile, the district would multiply the number of at-risk pupils by 0.105 to determine the high-density at-risk weighting.

The provisions of this bill would take effect in the school year in which the appropriate General State Aid is sufficient to fund base state aid per pupil at \$4,492 or higher, and in each subsequent school year.

- **Removing Ineligible Students from Free Lunch Counts.** This bill would make changes to the school finance formula related to at-risk students. As part of this bill, if a student submits an application for free meals under the National School Lunch Act, and it is later determined that the student should not have been eligible, the school district or the Department of Education would notify the State Board of Education. After the notification, the Board would recompute the general fund budget of the school district based upon the adjusted enrollment, excluding the at-risk student. The amount of state aid to the affected district would be adjusted accordingly.

In addition, if a student became ineligible to receive free meals under the National School Lunch Act for failure to submit, in a timely manner, documentation necessary for verification of eligibility, the district would have until January 14 of the school year to submit the student's required documentation and avoid exclusion from the district's at-risk student count.

- **Adults Counted When Calculating At-Risk Funding.** This bill would exclude students age 21 and older from being counted in the at-risk student count.
- **Change in the Transportation Formula.** This bill would make a change in the current transportation funding formula. According to a performance audit conducted by the Legislative Division of Post Audit, the current formula over-allocates from the total transportation costs the cost to transport students who live more than 2.5 miles from school (those for whom the state helps pay transportation costs). This bill would change the formula which would reduce transportation aid to school districts.
- **Limiting the Ability of School Districts to Contract with One Another for Grades.** This bill would amend the statute (KSA 72-8233) that authorizes inter-district agreements for provision of educational programs, limiting to three (from five years) years with no agreement renewals, the number of years districts are allowed to share entire grades.
- **Use of At-Risk Funding to Pay Existing Teachers.** This bill would limit school districts' expenditures of state aid from at-risk weightings to salaries or benefits for teachers instructing at-risk or bilingual students, teaching in vocational or kindergarten programs and hiring due to reduction in class size.
- **Change the At-Risk Funding Count from Headcount to a Full-Time Equivalent Count.** This bill would change the method of computing state aid for at-risk students by using full-time equivalent enrollment in at-risk programs, rather than headcount enrollment of students defined as at risk. This would eliminate the practice of providing districts with the full amount of at-risk funding for part-time students.
- **Changing the Basis for Funding Bilingual Education.** This bill would amend current law governing the bilingual weighting contained in the school finance formula by changing the basis for determining the weighting. Currently, the number of students enrolled in bilingual education programs is converted to a full-time equivalent enrollment. If a student is enrolled in bilingual programs, which are those programs taught by a bilingual-endorsed teacher, for one-half of the day, the student counts as 0.5 for purposes of applying the bilingual

weighting. This bill would change the enrollment basis to a headcount, so that the half-time student would count as 1.0.

For FY 2011 the Legislature made the following adjustments:

- Deleted \$32.75 million, all from the State General Fund, in General State Aid to delete the Governor's recommendation to increase the BSAPP \$50 from \$4,012 to \$4,062 in FY 2011.
- Added \$15,695, all from the State General Fund, for the Interstate Compact on Education for Military Children in FY 2011. The 2008 Legislature passed 2008 HB 2714 which authorized Kansas' membership in the Compact. The bill requires Kansas to pay a fee to the Compact which is \$1 for each child of active duty military personnel.
- Deleted \$12.8 million, all from the State General Fund, for KPERS-School employer contributions based on lower than anticipated salary increases and the number of school employees in FY 2011.

BUDGET SUMMARY AND KEY POINTS

FY 2011 – Current Year. The agency estimates a FY 2011 budget of \$3.9 billion, including \$3.2 billion from the State General Fund. This is an all funds increase of \$229.0 million, or 6.2 percent, and a State General Fund increase of \$204.2 million, or 6.9 percent, above the amount approved by the 2010 Legislature. Included in the estimate is a supplemental request of \$72.2 million, all from the State General Fund, for General State Aid, Supplemental General State Aid, and state aid for educational services provided to students confined in juvenile detention facilities and other institutions. Absent the supplemental request, the estimate is an all funds increase of \$156.8 million, or 4.2 percent, and a State General Fund increase of \$132.0 million, or 4.4 percent, above the amount approved by the 2010 Legislature. The State General Fund increase is due to reappropriations totaling \$132.0 million. Of that amount, \$131.8 million was reappropriated in General State Aid, Supplemental General State Aid, and KPERS-School employer contribution payments. Due to the state's financial condition, the payments which were scheduled June 2010 were delayed and subsequently paid to school districts in July 2010. The increase also includes \$184,882, all from the State General Fund, in reappropriations for Special Education, the Governor's Teaching Award program and agency operations. The estimate includes funding for 210.3 FTE positions, the same the amount approved by the 2010 Legislature.

FY 2011 – Consensus Revenue Estimates. Staff from the Kansas Department of Education (KSDE), the Division of the Budget, and the Kansas Legislative Research Department meet in November and April each year to revise estimates for school finance and special education programs based on information contained in school district budgets. Revisions are made again in April based on the most recent estimates available. Staff from all three agencies also meet with staff from the KPERS in November each year to revise estimates for the KPERS-School employer contribution payments. The revised estimates, based on the November 2010 consensus estimates, are not included in the agency budget summaries below for FY 2011 or FY 2012, but are discussed in the Budget Overview and Program Detail sections of this overview. The following outlines the changes made to the estimates based on the November 2010 meeting:

- **General State Aid** – an increase of \$50.1 million, or 2.7 percent, above the 2010 approved amount. This is due to an increase in student enrollment of approximately 1,430 students, a decrease in assessed valuation of approximately \$29.8 million, and an increase in the number of students eligible for free lunch, resulting in increased costs of approximately \$13.6 million. In FY 2010, approximately 171,256 students were eligible and in FY 2011, 179,645 are estimated to be eligible for the free lunch program. This is an increase of 8,389 students, or 4.9 percent. If the funding is not included in the agency's budget, the BSAPP would decrease \$75 to \$3,937.
- **Supplemental State Aid** - an increase of \$31.2 million, or 9.2 percent, above the 2011 approved amount. This is due to a decrease in estimated local taxes.
- **Capital Outlay Aid** - funding for capital outlay is not included in the FY 2011 estimate. As part of budget reductions, capital outlay aid was deleted in the Governor's November 2009 allotment and transferred to General State Aid.
- **Capital Improvement Aid** - an increase of \$2.9 million, or 3.2 percent, above the 2011 approved amount. This is due to the state's continued obligation for bonds. General obligation bonds that are passed by school districts for construction, remodeling, and major equipment purchases are partially offset by capital improvement aid. The amount paid to

each school district is based on its assessed valuation per pupil compared to the state median assessed valuation per pupil.

- **KPERS-School** – no increase was anticipated in FY 2011.
- **Special Education** – an increase of \$20.5 million, or 5.6 percent, above the 2011 approved amount to fund special education at 92.0 percent of excess costs. The increase includes funding for 26,500 FTE special education students, an anticipated 1.5 percent salary increase for special education teachers, and an additional 25.0 FTE teachers in special education.

The **Governor** recommends an FY 2011 budget of \$3.9 billion, including \$3.0 billion from the State General Fund. This is an all funds decrease of \$51.2 million, or 1.3 percent, and a State General Fund decrease of \$158.1 million, or 5.0 percent, below the agency revised FY 2011 estimate. The State General Fund decrease is mainly attributed to the Governor's recommendation to lapse \$85.9 million, all from the State General Fund, for General State Aid and offset the reduction with \$85.9 million in federal Education Jobs (EduJobs) Funds. Overall, the state received \$92.5 million in EduJobs funds. Of this amount, \$60,000 is for administrative expenses associated with the funds. The remaining \$6.4 million in EduJobs funds will be distributed directly to school districts under the General State Aid formula. The Governor did not recommend any of the agency's supplemental requests which total \$72.2 million, all from the State General Fund.

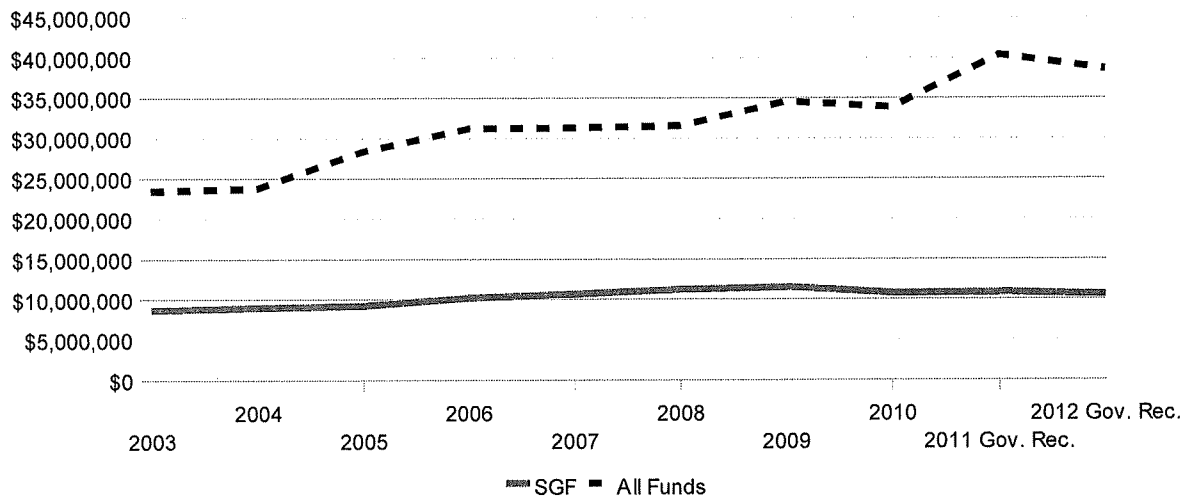
The Governor also recommends deleting \$300,000, all from the Children's Initiatives Fund, to keep the fund solvent due to a decrease in revenues. Of this amount, \$119,630 is from the Kansas Pre-School program, formerly known as the Pre-K Pilot, and \$180,370 is from the Parent Education (Parents As Teachers) program.

FY 2012 – Budget Year. The **agency** requests an FY 2012 budget of \$4.2 billion, including \$3.6 billion from the State General Fund. This is an all funds increase of \$237.8 million, or 6.1 percent, and a State General Fund increase of \$396.1 million, or 12.5 percent, above the revised FY 2011 estimate. The agency request includes an enhancement request totaling \$457.7 million, including \$457.6 million from the State General Fund. **Absent the enhancement**, the request would be \$3.7 billion, including \$3.1 billion from the State General Fund. This is an all funds decrease of \$219.8 million, or 5.6 percent, and a State General Fund decrease of \$61.5 million, or 1.9 percent, below the revised FY 2011 estimate. The revised FY 2011 estimate includes \$107.6 million in federal American Recovery and Reinvestment Act (ARRA) funds which are not included in the FY 2012 budget. In addition, the agency included a supplemental request totaling \$72.2 million, all from the State General Fund, and reappropriations of \$132.0 million, all from the State General Fund, in their revised FY 2011 estimate which do not carry forward. These reductions are offset by an increase of \$28.3 million, all from the State General Fund, to cover increases in KPERS-School employer contributions and \$8.3 million, all from the State General Fund, for employee health insurance increases.

The **Governor** recommends an FY 2012 budget of \$3.6 billion, including \$3.0 billion from the State General Fund. This is an all funds decrease of \$545.3 million, or 13.1 percent, and a State General Fund decrease of \$562.7 million, or 15.7 percent, below the agency request. The Governor did not recommend any of the agency's enhancement requests totaling \$457.7 million, including \$457.6 million from the State General Fund. The Governor also recommended implementing a 5.0 percent reduction in operating expenditures totaling \$554,933, all from the State General Fund. Included in the agency's FY 2011 budget was \$111.3 million in federal ARRA funds which were used to supplant State General Funds in FY 2011. The Governor does not

recommend replacing any federal ARRA funds with State General Funds in FY 2012. Base the current estimate of 666,428 for weighted enrollment, the BSAPP would be reduced from \$3,807 in FY 2011 to \$3,780 in FY 2012. The Governor did recommend an additional \$5.9 million, all from the State General Fund, for special education in order meet federal maintenance of effort requirements. In addition, the Governor recommends deleting 37.3 vacant FTE positions.

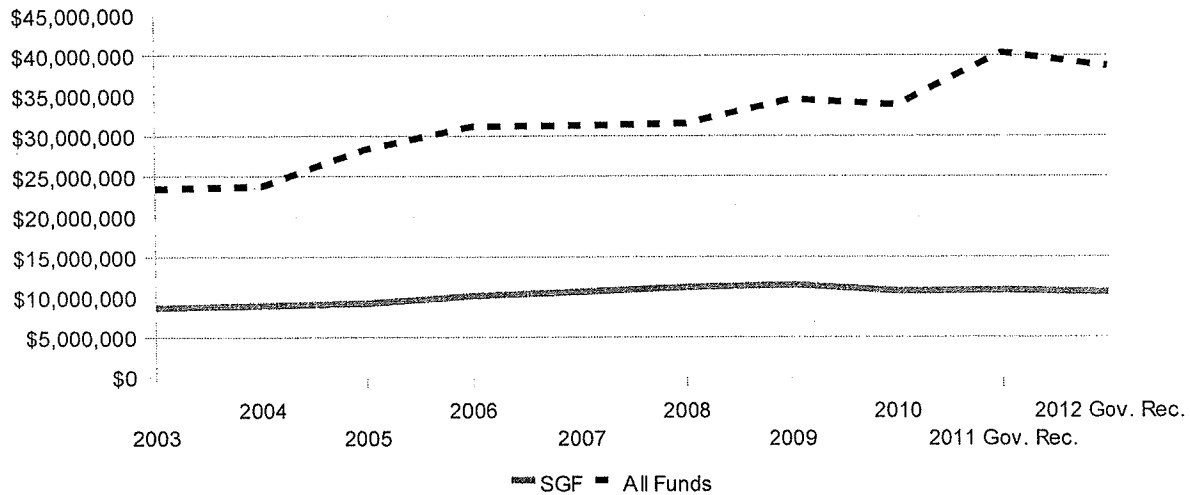
**OPERATING EXPENDITURES
FY 2003–FY 2012**



**OPERATING EXPENDITURES
FY 2003–FY 2012**

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2003	\$ 8,700,254	3.4%	\$ 23,450,423	13.4%	208.3
2004	8,998,326	3.4	23,776,092	1.4	211.3
2005	9,223,327	2.5	28,368,204	19.3	210.8
2006	10,178,425	10.4	31,190,558	9.9	198.3
2007	10,663,086	4.8	31,269,033	0.3	215.7
2008	11,237,342	5.4	31,551,327	0.9	212.3
2009	11,510,498	2.4	34,561,283	9.5	213.3
2010	10,735,847	(6.7)	33,840,356	(2.1)	210.3
2011 Gov. Rec.	10,867,200	1.2	40,374,476	19.3	210.3
2012 Gov. Rec.	10,553,729	(2.9)	38,662,321	(4.2)	173.0
Ten-Year Change Dollars/Percent	\$ 1,853,475	21.3%	15,211,898	64.9%	(35.3)

**AID AND OTHER ASSISTANCE
FY 2003–FY 2012**



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2003	\$ 2,104,318,555	(9.5)%	\$ 2,489,298,244	(5.3)%	0.0
2004	2,165,690,801	2.9	2,602,983,449	4.6	0.0
2005	2,314,942,104	6.9	2,755,159,521	5.8	0.0
2006	2,583,947,248	11.6	3,050,572,112	10.7	0.0
2007	2,819,051,089	9.1	3,284,176,331	7.7	0.0
2008	3,076,357,811	9.1	3,575,547,560	8.9	0.0
2009	3,135,854,735	1.9	3,647,284,002	2.0	0.0
2010	2,698,815,637	(13.9)	3,549,720,129	(2.7)	0.0
2011 Gov. Rec.	3,008,411,124	11.5	3,746,485,382	5.5	0.0
2012 Gov. Rec.	3,000,335,046	(0.3)	3,584,200,392	(4.3)	0.0
Ten-Year Change Dollars/Percent	\$ 896,016,491	42.6%	1,094,902,148	44.0%	0.0

Summary of Operating Budget FY 2010-FY 2012

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		Agency Request					Governor's Recommendation			
		Actual FY 2010	Estimate FY 2011	Request FY 2012	Dollar Change from FY 11	Percent Change From FY 11	Rec. FY 2011	Rec. FY 2012	Dollar Change from FY 11	Percent Change from FY 11
By Program:										
General Administration	\$	12,702,079	\$ 14,988,990	\$ 14,346,471	\$ (642,519)	(4.3)%	\$ 15,048,990	\$ 13,348,443	\$ (1,700,547)	(11.3)%
Governance of Education		350,210	326,713	337,640	10,927	3.3	326,713	337,640	10,927	3.3
Nutrition Services		2,736,961	3,137,590	3,110,540	(27,050)	(0.9)	3,137,590	3,110,540	(27,050)	(0.9)
School Improvement and Accreditation		6,654,797	9,040,992	8,991,229	(49,763)	(0.6)	9,040,992	8,991,229	(49,763)	(0.6)
School Support Services (Special Education)		5,182,731	4,988,414	5,045,871	57,457	1.2%	4,988,414	5,045,871	57,457	1.2
State and Federal Programs		7,617,854	8,807,916	8,478,064	(329,852)	(3.7)	8,807,916	8,478,064	(329,852)	(3.7)
Technical Education		1,469,744	1,583,812	1,609,034	25,222	1.6%	1,583,812	1,609,034	25,222	1.6
Financial Aid		3,546,846,109	3,887,515,755	4,126,288,451	238,772,696	6.1	3,836,303,129	3,581,941,892	(254,361,237)	(6.6)
TOTAL		\$3,583,560,485	\$ 3,930,390,182	\$ 4,168,207,300	\$ 237,817,118	6.1%	\$ 3,879,237,556	\$ 3,622,862,713	\$ (256,374,843)	(6.6)%
Salaries and Wages	\$	15,508,570	\$ 18,807,029	\$ 19,239,545	\$ 432,516	2.3%	\$ 18,807,029	\$ 18,431,607	\$ (375,422)	(2.0)%
Contractual Services		17,042,461	20,205,486	19,108,470	(1,097,016)	(5.4)	20,265,486	19,038,470	(1,227,016)	(6.1)
Commodities		984,336	1,135,417	1,168,244	32,827	2.9	1,135,417	1,168,244	32,827	2.9
Capital Outlay		304,989	166,544	144,090	(22,454)	(13.5)	166,544	24,000	(142,544)	(85.6)
Subtotal - Operations	\$	33,840,356	\$ 40,314,476	\$ 39,660,349	\$ (654,127)	(1.6)%	\$ 40,374,476	\$ 38,662,321	\$ (1,712,155)	(4.2)%
Aid to Local Units		3,509,391,704	3,849,169,197	4,087,258,174	238,088,977	6.2	3,797,956,571	3,543,040,647	(254,915,924)	(6.7)
Other Assistance		40,328,425	40,906,509	41,288,777	382,268	0.9	40,906,509	41,159,745	253,236	0.6
TOTAL		\$3,583,560,485	\$ 3,930,390,182	\$ 4,168,207,300	\$ 237,817,118	6.1%	\$ 3,879,237,556	\$ 3,622,862,713	\$ (256,374,843)	(6.6)%
Financing:										
State General Fund	\$	2,709,551,484	\$ 3,177,419,110	\$ 3,573,557,762	\$ 396,138,652	12.5%	\$ 3,019,278,324	\$ 3,010,888,775	\$ (8,389,549)	(0.3)%
Children's Initiatives Fund		12,527,019	12,539,500	13,459,500	920,000	7.3	12,239,500	12,539,500	300,000	2.5
Federal ARRA		312,867,322	170,107,446	8,370,455	(161,736,991)	(95.1)	171,738,146	8,370,455	(163,367,691)	(95.1)
All Other Funds		548,614,660	570,324,126	572,819,583	2,495,457	0.4	675,981,586	591,063,983	(84,917,603)	(12.6)
TOTAL		\$3,583,560,485	\$ 3,930,390,182	\$ 4,168,207,300	\$ 237,817,118	6.1%	\$ 3,879,237,556	\$ 3,622,862,713	\$ (256,374,843)	(6.6)%

BUDGET OVERVIEW

A. FY 2011 – Current Year

CHANGE FROM APPROVED BUDGET					
	Approved 2010 Legislature	Agency Estimate FY 2011	Agency Change from Approved	Governor Rec. FY 2011	Governor Change from Approved
State General Fund	\$ 2,973,229,106	\$ 3,177,419,110	\$ 204,190,004	\$ 3,019,278,324	\$ 46,049,218
All Other Funds	728,176,414	752,971,072	24,794,658	859,959,232	131,782,818
TOTAL	\$ 3,701,405,520	\$ 3,930,390,182	\$ 228,984,662	\$ 3,879,237,556	\$ 177,832,036
FTE Positions	210.3	210.3	0.0	210.3	0.0

The **agency** estimates a FY 2011 budget of \$3.9 billion, including \$3.2 billion from the State General Fund. This is an all funds increase of \$229.0 million, or 6.2 percent, and a State General Fund increase of \$204.2 million, or 6.9 percent, above the amount approved by the 2010 Legislature. The estimate includes 210.3 FTE positions, the same as the amount approved by the 2010 Legislature.

Included in the estimate is a supplemental request of \$72.2 million, all from the State General Fund for General State Aid, Supplemental General State Aid, and state aid for educational services provided to students confined in juvenile detention facilities and other institutions. **Absent the supplemental request**, the estimate is an all funds increase of \$156.8 million, or 4.2 percent, and a State General Fund increase of \$132.0 million, or 4.4 percent, above the amount approved by the 2010 Legislature. The State General Fund increase is due to the following reappropriations:

	State General Fund	All Funds
General State Aid	\$ 32,667,046	\$ 32,667,046
Supplemental General State Aid	46,098,350	46,098,350
KPERS-School	53,047,760	53,047,760
Special Education	148,213	148,213
Governor's Teaching Award	35,669	35,669
Agency Operations	1,000	1,000
TOTAL	\$ 131,998,038	\$ 131,998,038

Due to the state's financial condition, General State Aid, Supplemental General State Aid and KPERS-School employer contribution payments which were scheduled for payment in June 2010 were delayed. The result of the delay was approximately \$131.8 million, all from the State General Fund, in payments that were reappropriated to FY 2011. The payments were subsequently made to school districts in July 2010 and they recorded the payments as FY 2010 transactions. The remaining reappropriations total \$184,882, all from the State General Fund.

Also included in the agency's revised FY 2011 estimate are federal ARRA funds totaling \$171.2 million. This includes \$52.8 million from State Fiscal Stabilization funds and \$55.0 million in Special Education Part B funds which were used to replace State General Funds deleted from the Department of Education's FY 2011 budget. The remaining \$63.4 million was distributed in accordance with the Act by the Department of Education. The following chart provides a breakdown of the funds included in the revised FY 2011 estimate:

State Fiscal Stabilization Funds	\$	52,757,297
Special Education - Part B		52,698,310
Special Education - Early Childhood		2,152,606
Title I Grants to School Districts		36,661,891
Title I School Improvement Grants		20,256,445
Title II Part D - Education Technology		2,499,913
Education for Homeless		181,187
Title I, Part D		1,018,507
AmeriCorps		201,140
Statewide Longitudinal Data System	\$	2,754,990
TOTAL	\$	171,182,286

Below is a brief description of each category of funding provided.

State Fiscal Stabilization Fund. The State Fiscal Stabilization program provided funding to states in order to aid in the stabilization of state and local budgets with the intent to minimize or avoid reductions in education and other essential services.

Special Education - Part B (includes Early Childhood). Part B of the IDEA (Individuals with Disabilities Education Improvement Act) provides funds to state educational agencies and local educational agencies to help ensure that children with disabilities, including children aged three through five, have access to a free appropriate public education to meet each child's unique needs and prepare him or her for further education, employment, and independent living. The federal Act provided enhanced funding with the state's existing special education funding formula.

Title I Grants to School Districts. The federal act provided \$10 billion nationwide to local education agencies (LEAs) for programs under Title I, Part A of the Elementary and Secondary Education Act of 1965 (Title I). These funds are targeted to schools that serve high concentrations of students from families that live in poverty. The funds are provided to help improve teaching and learning for those students most at risk of failing to meet state academic achievement standards. The additional resources were intended to enable those schools to increase the number of students served and also increase the quality of teaching and learning.

Title I School Improvement Grants. Title I School Improvement, a component of Title I, requires school districts to review the status of every school annually. Benchmarks are utilized in order to ensure that the school is making adequate progress toward achieving the long-term proficiency goal. The funds were targeted

to specific proven investments in Title I schools and districts that face severe academic challenges. Title I schools identified for school improvement, corrective action or restructuring can receive additional funding administered by the Department of Education.

Title II - Part D Education Technology. This program improves student academic achievement through the use of technology in elementary and secondary schools. It is designed to assist every student—regardless of race, ethnicity, income, geographical location, or disability—in becoming technologically literate by the end of eighth grade. In addition, it encourages the effective integration of technology resources and systems with professional development and curriculum development to promote research-based instructional methods that can be widely replicated.

Education for the Homeless. This program ensures that homeless children and youth enroll in, attend, and succeed in school. It also enables these students to have access to educational and other services needed to help them meet State academic and achievement standards. In addition, school districts are provided with additional resources to remove barriers to the enrollment, attendance, or success in school of homeless children and youth.

Title I - Part D. This program provides funding via the Title I formula to support education and training for students who are residents within a juvenile detention center or correctional facility. Students who reside in eligible facilities are placed there by the courts due to adjudication or pre-adjudication in a criminal or civil court case.

AmeriCorps. AmeriCorps Kansas provides financial support through grants to public and nonprofit organizations that sponsor service programs around the state, including faith-based and other community organizations, higher education institutions, and public agencies. These groups recruit, train and place AmeriCorps participants throughout the community to meet critical community needs in education, public safety, health, and the environment.

Statewide Longitudinal Data System. The Kansas Department of Education was awarded a three-year, \$9.1 million grant for the continued design and implementation of a statewide longitudinal data system. This system will support the development and implementation of data systems to enable the state to examine student progress from early childhood to career, including matching teachers to students.

The **Governor** recommends an FY 2011 budget of \$3.9 billion, including \$3.0 billion from the State General Fund. This is an all funds decrease of \$51.2 million, or 1.3 percent, and a State General Fund decrease of \$158.1 million, or 5.0 percent, below the agency revised FY 2011 estimate. The State General Fund decrease is mainly attributed to the Governor's recommendation to lapse \$85.9 million, all from the State General Fund, for General State Aid and offset the reduction with \$85.9 million in federal Education Jobs (EduJobs) Funds. Overall, the state received \$92.5 million in EduJobs funds. Of this amount, \$60,000 is for administrative expenses associated with the funds. The remaining \$6.4 million in EduJobs funds will be distributed directly to school districts under the General State Aid formula. The Governor did not recommend any of the agency's supplemental requests which total \$72.2 million, all from the State General Fund.

The Governor also recommends deleting \$300,000, all from the Children's Initiatives Fund, to keep the fund solvent due to a decrease in revenues. Of this amount, \$119,630 is from the Kansas Pre-School program, formerly known as the Pre-K Pilot, and \$180,370 is from the Parent Education (Parents As Teachers) program.

B. FY 2012 – Budget Year

FY 2012 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 4,168,207,300	\$ 3,622,862,713	\$ (545,344,587)
FTE Positions	210.3	173.0	(37.3)
Change from FY 2011:			
<i>Dollar Change:</i>			
State General Fund	\$ 396,138,652	\$ (8,389,549)	
All Other Funds	(158,321,534)	(247,985,294)	
TOTAL	<u>\$ 237,817,118</u>	<u>\$ (256,374,843)</u>	
<i>Percent Change:</i>			
State General Fund	12.5%	(0.3)%	
All Other Funds	(21.0)	(28.8)	
TOTAL	<u>6.1%</u>	<u>(6.6)%</u>	
Change in FTE Positions	0.0	(37.3)	

FY 2012 - Budget Year. The **agency** requests an FY 2012 budget of \$4.2 billion, including \$3.6 billion from the State General Fund. This is an all funds increase of \$237.8 million, or 6.1 percent, and a State General Fund increase of \$396.1 million, or 12.5 percent, above the revised FY 2011 estimate. The agency request includes an enhancement request totaling \$457.7 million, including \$457.6 million from the State General Fund. **Absent the enhancement**, the request would be \$3.7 billion, including \$3.1 billion from the State General Fund. This is an all funds decrease of \$219.8 million, or 5.6 percent, and a State General Fund decrease of \$61.5 million, or 1.9 percent, below the revised FY 2011 estimate. The revised FY 2011 estimate includes \$107.6 million in federal American Recovery and Reinvestment Act (ARRA) funds which are not included in the FY 2012 budget. In addition, the agency included a supplemental request totaling \$72.2 million, all from the State General Fund, and reappropriations of \$132.0 million, all from the State General Fund, in their revised FY 2011 estimate which do not carry forward. These reductions are offset by an increase of \$28.3 million, all from the State General Fund, to cover increases in KPERS-School employer contributions and \$8.3 million, all from the State General Fund, for employee health insurance increases.

The **Governor** recommends an FY 2012 budget of \$3.6 billion, including \$3.0 billion from the State General Fund. This is an all funds decrease of \$545.3 million, or 13.1 percent, and a State General Fund decrease of \$562.7 million, or 15.7 percent, below the agency request. The Governor did not recommend any of the agency's enhancement requests totaling \$467.7 million, including \$457.6 million from the State General Fund. The Governor also recommended implementing a 5.0 percent reduction in operating expenditures totaling \$554,933, all from the State General Fund. Included in the agency's FY 2011 budget was \$111.3 million in federal ARRA funds which were used to supplant State General Funds in FY 2011. The Governor does not recommend replacing any federal ARRA funds with State General Funds in FY 2012. Based on the current estimate of 666,428 for weighted enrollment, the BSAPP would be reduced from \$3,937 in FY 2011 to \$3,780 in FY 2012. The Governor did recommend an additional \$5.9 million, all from the State General Fund, for special education in order meet federal maintenance of effort requirements in FY 2012. In addition, the Governor recommends deleting 37.3 vacant FTE positions.

FY 2012 ENHANCEMENTS						
Enhancements	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
<i>Agency Operating Budget:</i>						
Reduce Shrinkage Rate for Salaries and Wages	\$ 253,005	\$ 253,005	0.0	\$ 0	\$ 0	0.0
Fund Membership Dues	70,000	70,000	0.0	0	0	0.0
Purchase Replacement Vehicles	0	55,600	0.0	0	0	0.0
Purchase Computer Hardware and Software	64,490	64,490	0.0	0	0	0.0
Subtotal - Operating	\$ 387,495	\$ 443,095	0.0	\$ 0	\$ 0	0.0
<i>Aid and Other Assistance:</i>						
General State Aid	354,429,320	354,429,320	0.0	0	0	0.0
Supplemental General State Aid	37,788,000	37,788,000	0.0	0	0	0.0
Special Education Services	26,384,370	26,384,370	0.0	0	0	0.0
Capital Outlay Aid	26,000,000	26,000,000	0.0	0	0	0.0
Professional Development	8,500,000	8,500,000	0.0	0	0	0.0
Mentor Teacher Program Grants	1,100,000	1,100,000	0.0	0	0	0.0
School Food Assistance	1,074,829	1,074,829	0.0	0	0	0.0
Parent Education (Parents As Teachers) Program	920,000	920,000	0.0	0	0	0.0
Juvenile Detention Facilities Fund	647,565	647,565	0.0	0	0	0.0
Governor's Teaching Excellence Awards Program	294,475	294,475	0.0	0	0	0.0
Discretionary Grants	70,000	70,000	0.0	0	0	0.0
Subtotal - Aid and Other Assistance	457,208,559	457,208,559	0.0	0	0	0.0
GRAND TOTAL	\$ 457,596,054	\$ 457,651,654	0.0	\$ 0	\$ 0	0.0

Enhancements Detail

The **agency** request includes fifteen enhancements totaling \$457.7 million, including \$457.6 million from the State General Fund. The request includes four enhancements in the agency's operating budget totaling \$443,095, including \$387,495 from the State General Fund. The remaining enhancements are in aid and other assistance and total \$457.2 million, all from the State General Fund. The following details the agency's request:

Enhancements Related to the Agency Operating Budget

Reduce shrinkage rate for salaries and wages. The agency requests \$253,005, all from the State General Fund, to reduce shrinkage for salaries and wages. The 2009 Legislature approved an increase in the agency's shrinkage rate from 5.6 to 8.0 percent. According to the

agency, due to the reductions made during the 2010 Session, it was necessary to increase shrinkage rate from 8.0 to 10.7 percent in FY 2011 and 10.8 for FY 2012. This was due to the elimination of funding for longevity bonuses but requiring the agency to self fund the bonuses, as approved by the 2010 Legislature. Another factor was the approved funding for undermarket salary increases for select classified positions. According to the agency, the amount received was not sufficient to cover the actual increases for classified staff. The additional funding would return the agency's shrinkage rate to 8.0 percent. The agency indicates it is holding the equivalent of 23.0 positions open to meet the shrinkage rate.

The **Governor** does not recommend the enhancement.

Add funding for membership dues. The agency requests \$70,000, all from the State General Fund, to pay membership dues to belong to the Council of Chief State School Officers (CCSSO) and the National Association of State Boards of Education (NASBE). The CCSSO is a nationwide, nonprofit organization made up of public officials who head departments of elementary and secondary education in the United States, District of Columbia, the Department of Defense Education Activity, and five U.S. extra-state jurisdictions. NASBE is a nonprofit association that represents state and territorial boards of education. According to the agency, it relies on these organizations to provide research, innovation, best practices, technical assistance, and opportunities for exchanging ideas, all of which improve the quality of education in Kansas. Due to the budget, the 2010 Legislature deleted these funds from the agency's budget for cost savings.

The **Governor** does not recommend the enhancement.

Add funding to purchase three replacement vehicles. The agency requests \$55,600, all from the Services Clearing Fund, to replace one compact car and two mini vans. The Department of Education has 18 state-owned vehicles, of which 16 are permanently assigned to auditor and school food service consultants who work out of their homes in different geographic regions of the state. Based on the odometer reading on June 30, 2010, the agency estimates that each vehicle will have mileage in excess of 100,000 miles in FY 2012. In order to pay for replacement vehicles, it is the agency's policy to charge a usage, or depreciation, fee to each state and federal program benefiting from the use of the vehicles. These fees are then deposited in the Service Clearing Fund until a replacement vehicle is needed.

The **Governor** does not recommend the enhancement.

Add funding for the purchase of computer hardware and software. The agency requests \$64,490, all from the State General Fund, for the purchase of computer hardware and software for staff. Due to budget constraints, the 2010 Legislature deleted these funds from the agency's budget for cost savings. The following outlines the items in the request:

- \$10,356 for the annual service contract on Xiotech SANS hardware;
- \$7,784 for a three year license on antivirus software for e-mail security;
- \$25,216 for a three year license on Microsoft software;
- \$7,044 for the renewal fee for Symtec Backup Executive for Windows software;
- \$4,795 to replace seven desktop computers; and
- \$8,995 to replace outdated laptop computers.

The **Governor** does not recommend the enhancement.

Enhancements related to School Finance in Aid and Other Assistance

Staff Note: Consensus Revenue Estimates were developed in November 2010 by the Kansas Department of Education (KSDE), the Division of the Budget, and the Kansas Legislative Research Department. The following enhancement requests were developed in September, prior to the November 2010 Consensus Estimates, and were submitted by the agency for FY 2012.

Increase Base State Aid Per Pupil (BSAPP) to \$4,492. The agency requests \$354.4 million, all from the State General Fund, to fund the BSAPP at \$4,492, as provided under current law (K.S.A. 72-6410). According to the agency funding would be used to restore budget reductions made during the 2009 Legislative Session and continued through the 2010-2011 school year. The following chart exhibits the changes in BSAPP since the 2009 Legislative Session:

\$4,280	Approved by the 2009 Legislature
\$4,218	After the Governor's July 2009 Allotment
\$4,012	After the Governor's November 2009 Allotment
\$4,012	Approved by the 2010 Legislature
\$3,890	Based on the Governor's FY 2011 Recommendation

The **Governor** does not recommend the enhancement.

Supplemental General State Aid. The agency requests an additional \$37.8 million, all from the State General Fund, to fund Supplemental General State Aid under current law. During the 2009 Session, 2009 SB 84 was enacted which allows for Supplemental General State Aid to be computed using the higher BSAPP amount of \$4,433 while the actual BSAPP approved by the 2009 Legislature was \$4,280. This request computes Supplemental General State Aid at the statutory BSAPP of \$4,492 as approved under KSA 72-6410.

The **Governor** does not recommend the enhancement.

Special Education Services. The agency requests an additional \$26.4 million, all from the State General Fund, to maintain funding for special education at 92.0 percent of excess cost per KSA 72-798. According to the agency, special education is anticipated to be funded at 86.0 percent of excess cost in FY 2012. The agency states that without the increase, school districts will be required to utilize a greater percentage of their general fund budget to provide educational services to students with disabilities, resulting in less funding available to regular education students.

The **Governor** does not recommend the enhancement.

Capital Outlay State Aid (demand transfer from the State General Fund). The agency requests \$26.0 million, all from the State General Fund, for General State Aid in FY 2012. Capital Outlay State Aid is computed as a percentage for each Unified School District (USD) using their assessed valuation per pupil and comparing it to the assessed valuation of the USD at the median assessed valuation per pupil. A district at the median, 50.0 percent, assessed valuation per pupil receives 25.0 percent state aid.

The **Governor** does not recommend the enhancement.

Other Enhancements in Aid and Other Assistance

Professional Development. The agency requests \$8.5 million, all from the State General Fund, to fully fund professional development state aid under current law in FY 2012. According to the agency, professional development activities help educators improve their teaching skills and enhance student achievement. State aid is limited to the less of half of 1.0 percent of a school district's general fund budget, or 50.0 percent, of actual approved program costs. No funding was appropriated for professional development in FY 2010 or FY 2011.

The **Governor** does not recommend the enhancement.

Mentor Teacher Program Grants. The agency requests \$1.1 million, all from the State General Fund, for Mentor Teacher program grants. This is a voluntary program maintained by local school boards that provides probationary teachers with professional support and continuous assistance by an on-site mentor teacher. The request would fund mentor teachers at a rate not to exceed \$1,000 per year to support new teachers during their entire three-year probationary period, as set forth in current law. The Mentor Teacher program was statutorily created in 2000 but was not fully funded until FY 2006. For the first three years of the program, the Legislature provided funding to support teachers during their first year of teaching. For FY 2008 and FY 2011, additional funding was authorized to provide \$500 to mentor teachers supporting new teachers during their second year of teaching. This request would fund mentor teachers during their entire three-year probationary period.

The **Governor** does not recommend the enhancement.

School Food Assistance Match. The agency requests \$1.1 million, all from the State General Fund, for the school food assistance state match. This match allows the state to receive nearly \$97.0 million in federal funds to provide nutritionally balanced, low-cost, or free lunches to students. Under current state law, school districts are to receive six cents for each meal served under an approved school lunch program. The agency notes that in past years, the amount paid to approved programs has been pro-rated between 4.3 cents and five cents for each meal served. The request would fund current law at six cents per meal served. Without the enhancement, the reimbursement rate for FY 2012 is expected to be 4.2 cents.

The **Governor** does not recommend the enhancement.

Parent Education (Parents As Teachers). The agency requests \$920,000, all from the Children's Initiatives Fund, for Parents as Teachers in FY 2012. Parents as Teachers is a program that provides assistance to new parents and helps them work with their child as he or she grows and develops in order to lay a strong foundation for learning to prepare the child to enter school. Parents are selected on a first-come, first-served basis and is not targeted to any income level. Parent educators provide guidance to the family and are trained to screen for vision and hearing problems and developmental delays. When necessary, resources are recommended to address any problems that surface. The request would address the current waiting list, which is approximately 2,256 children and their parents.

The **Governor** does not recommend the enhancement.

Juvenile Detention Facilities. The agency requests \$647,565, all from the State General Fund, in FY 2012. This request correlates with the agency's enhancement request to increase the BSAPP from the current amount of \$4,012 to \$4,492. Funding would provide additional services to youth who are detained in juvenile detention facilities, reside in the Flint Hills Job Corps Center or are housed in psychiatric residential treatment facilities.

The **Governor** does not recommend the enhancement.

Governor's Teaching Excellence and Award Programs. The agency requests \$294,475, all from the State General Fund, in FY 2012 to support teachers who apply for, and successfully attain, national board certification. The enhancement request would fully fund this program under current law.

The **Governor** does not recommend the enhancement.

Discretionary Grants. The agency requests \$70,000, all from the State General Fund, for discretionary grants. This includes \$35,000, all from the State General Fund, to resume the annual grant awarded to the Kansas Association for Conservation and Environment Education (KACEE) to support environmental education and \$35,000, all from the State General Fund, for Kansas history teaching materials to resume the annual grant awarded to the Kansas Historical Society to develop Kansas history teaching materials. Due to the budget, the 2010 Legislature deleted these funds from the agency's budget for cost savings.

The **Governor** does not recommend the enhancement.

FY 2012 REDUCED RESOURCES						
Item	Agency Recommendation			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
General State Aid	\$ 155.844.08	\$ 155.844.08	0.0	\$ 0	\$ 0	0.0

FY 2012 Reduced Resources

The agency's budget submission includes reduced resources totaling 5.0 percent or \$155.8 million, all from the State General Fund, in General State Aid. This would further reduce the BSAPP by \$236. According to the agency, school districts would be required to make substantial cuts to education programs, staff, and operations resulting in larger class sizes, a reduced workforce, elimination of programs, and fewer opportunities for students.

The **Governor** did not recommend the agency's reduced resource budget.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. The Governor's FY 2012 recommendation does not include a base salary adjustment for state employees.

Classified Employee Pay Plan. During the 2007 interim, the State Employee Compensation Oversight Commission was charged with the development of a new pay plan for classified employees for the Governor, Chief Justice of the Supreme Court and 2008 Legislature to consider. The Commission endorsed the recommendation of the Hay Group that five separate pay plans be created for state employees in the classified service, with different opportunities for pay increases to acknowledge the different types of work performed. The five pay plans recommended include: a management pay plan for those involved in managerial functions (increases based on performance); a professional individual contributor for employees requiring knowledge of principles and theories of a professional discipline that is normally obtained through a college curriculum (increases within broad bands to reflect different levels of work and performance against established standards); a protective service pay plan for uniformed officers and all other positions that meet the definition of police or law enforcement officer (increases based on achievement of milestone and certification events as well as time on the job and performance); a basic vocational pay plan for employees that perform routine, structured, work where performance can be measured on a pass/fail basis (increases based on the traditional step movement approach, based on time on the job); and a general classified pay plan for those employees who do not fall within the parameters of the other four plans (the pay ranges will have steps below the market rate and an open range above the market rate).

The time frame to fully implement the recommended plan was five years. Under the plan, the classified employees were divided into three groups to first address those with the greatest salary disparity to the market rate. The 2008 Legislature appropriated \$8.5 million from the State General Fund for FY 2009, the first year of the program. The 2008 Legislature also appropriated \$8.5 million from the State General Fund for each year from FY 2010 through FY 2013 to the State Finance Council. The Governor does not recommend continued funding for the plan, and recommends that the \$8.5 million which had been previously appropriated for both FY 2012 and FY 2013 be lapsed.

Longevity Bonus Payments. For FY 2012, the Governor recommends the continuation of the current "temporary" longevity bonus payment program. The recommendation provides for a bonus of \$50 per year of service, with a 10-year minimum (\$500) and a 25-year maximum (\$1,250). The current statutory provisions of the longevity bonus payment are \$40 per year of service, with a 10-year minimum (\$400), and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008 are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2012 payments is \$12.6 million, including \$5.3 million from the State General Fund. **For this agency,** longevity payments total \$43,507, including \$38,155 from the State General Fund.

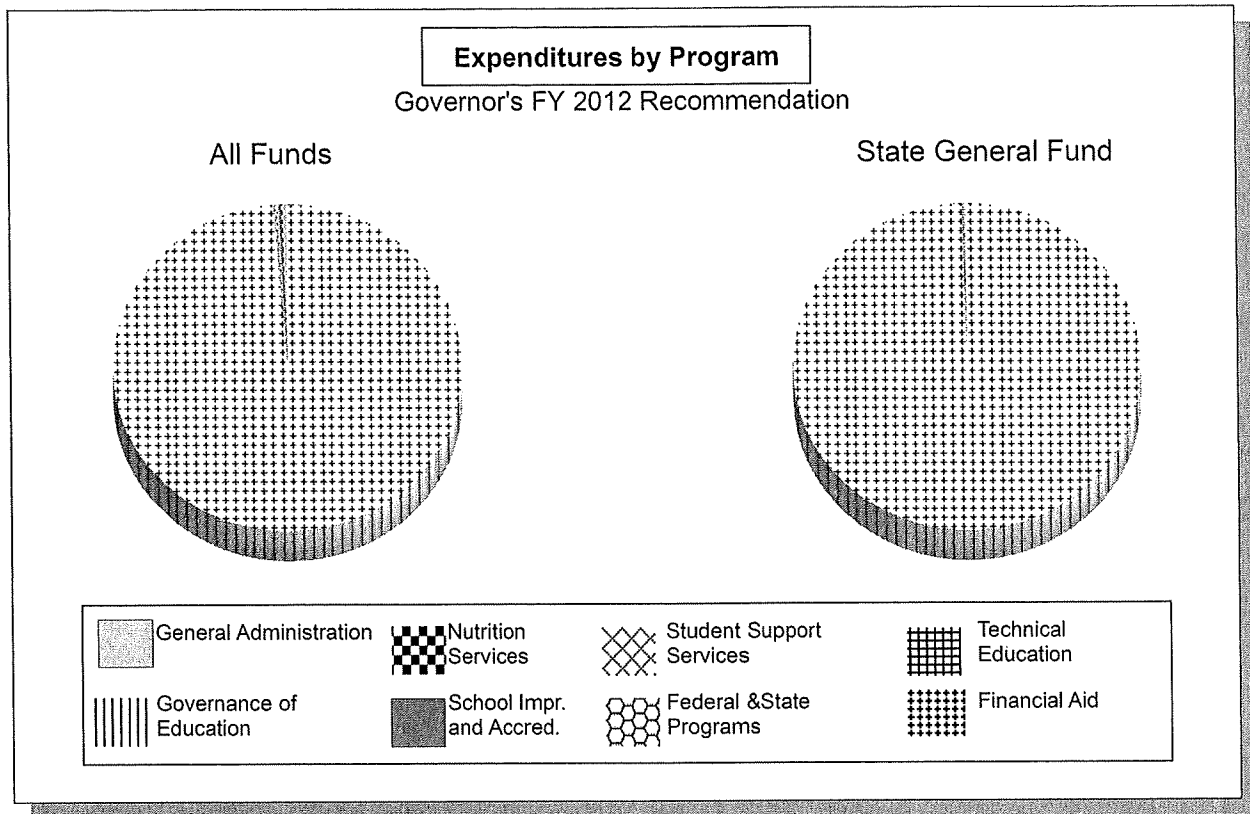
Kansas Public Employees Retirement System (KPERs) Rate Adjustments. A total of \$37.1 million, including \$32.3 million from the State General Fund, is included in the Governor's FY 2012 recommendations for KPERs adjustments. The FY 2012 rate for KPERs regular and school members will increase by 0.6 percent, from 8.17 percent to 8.77 percent, when compared to FY 2011. This increase is attributable to the annual statutory increase for financing the unfunded liability of the KPERs fund.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2012	Gov. Rec. Percent of Total FY 2012
State General Fund	85.7%	83.1%
All Other Funds	14.3	16.9
TOTAL	100.0%	100.0%

Note: Percentages may not add due to rounding.

PROGRAM DETAIL



Program	Gov. Rec. All Funds FY 2012	Percent of Total	Gov. Rec. SGF FY 2012	Percent of Total
General Administration	\$ 13,348,443	0.4%	\$ 6,033,549	0.2%
Governance of Education	337,640	0.0	337,640	0.0
Nutrition Services	3,110,540	0.1	390,229	0.0
School Improvement and Accreditation	8,991,229	0.2	2,342,882	0.1
Student Support Services (Special Education)	5,045,871	0.1	624,693	0.0
Federal and State Programs	8,478,064	0.2	249,608	0.0
Technical Education	1,609,034	0.0	610,128	0.0
Financial Aid	3,581,941,892	98.9	3,000,300,046	99.6
TOTAL	\$ 3,622,862,713	100.0%	\$ 3,010,888,775	100.0%

FTE POSITIONS BY PROGRAM – FY 2010- FY 2012

Program	Actual FY 2010	Agency Est. FY 2011	Gov. Rec. FY 2011	Agency Req. FY 2012	Gov. Rec. FY 2012
General Administration	98.0	100.5	100.5	100.5	81.0
Governance of Education	1.0	1.0	1.0	1.0	1.0
Nutrition Services	21.8	20.0	20.0	20.0	20.0
School Improvement and Accreditation	26.2	25.0	25.0	25.0	16.0
Student Support Services (Special Education)	29.0	27.0	27.0	27.0	23.0
Federal and State Programs	18.9	21.8	21.8	21.8	17.0
Technical Education	15.5	15.0	15.0	15.0	15.0
Financial Aid	0.0	0.0	0.0	0.0	0.0
TOTAL	210.3	210.3	210.3	210.3	173.0

A. Agency Operating Budget

SUMMARY OF OPERATING EXPENDITURES FY 2010-FY 2012					
Item	Actual FY 2010	Agency Est. FY 2011	Gov. Rec. FY 2011	Agency Req. FY 2012	Gov. Rec. FY 2012
Expenditures:					
Salaries and Wages	\$ 15,508,570	\$ 18,807,029	\$ 18,807,029	\$ 19,239,545	\$ 18,431,607
Other Operating Expenditures	18,331,786	21,507,447	21,567,447	20,420,804	20,230,714
TOTAL	<u>\$ 33,840,356</u>	<u>\$ 40,314,476</u>	<u>\$ 40,374,476</u>	<u>\$ 39,660,349</u>	<u>\$ 38,662,321</u>

Important Issues in the Agency Operating Budget

The **agency** estimates a FY 2011 operating budget of \$40.3 million, including \$10.1 million from the State General Fund. Of the total amount, \$18.8 million is for salaries and wages. The estimate includes 210.3 FTE positions. Of the 210.3 FTE positions, 111.0 are funded from the State General Fund with the remaining 99.3 FTE positions funded through agency fee funds, federal funds, and private grant funds.

The **Governor** recommends an FY 2011 operating budget of \$40.4 million, including \$10.1 million from the State General Fund. This is an all funds increase of \$60,000 above the agency request and is due to the addition of \$60,000, all in federal Education Jobs funds, in contractual services for administrative costs associated with administering the fund. The Governor concurs with the agency estimate for salaries and wages. The recommendation includes 210.3 FTE positions.

The **agency** requests a FY 2012 operating budget of \$39.7 million, including \$11.5 million from the State General Fund. This is an all funds decrease of \$654,127, or 1.6 percent, below the revised FY 2011 estimate. It is a State General Fund increase of \$628,957, or 5.8 percent, above the revised FY 2011 estimate. The request includes 210.3 FTE positions. Of the 210.3 FTE positions, 111.0 are funded from the State General Fund with the remaining 99.3 FTE positions funded through agency fee funds, federal funds, and private grant funds.

The agency's FY 2012 operating budget includes four enhancement requests totaling \$443,095, including \$387,495 from the State General Fund. The following is a brief description of the enhancement requests. For more detail, please see the Enhancement Detail section.

Salaries and Wages Shrinkage - \$253,005, all from the State General Fund, to reduce shrinkage for salaries and wages.

Membership Dues - \$70,000, all from the State General Fund, to pay membership dues to belong to the Council of Chief State School Officers and the National Association of State Boards of Education.

Replacement Vehicles - \$55,600, all from the Services Clearing Fund, to replace one compact car and two mini vans.

Computer Hardware and Software - \$64,490, all from the State General Fund, for the purchase of computer hardware and software for staff.

Absent the enhancement request, the agency operating budget request is \$39.2 million, including \$11.1 million from the State General Fund. This is an all funds decrease of \$1.1 million, or 2.7 percent, and a State General Fund increase of \$241,462, or 2.2 percent, above the revised FY 2011 estimate.

State Assessment Program. The agency operating budget includes expenditures budgeted for the development and administration of the state assessment program. The agency has included \$3.8 million, including \$1.1 million from the State General Fund, to fund the state assessment contract, including the development of new test items in partnership with the University of Kansas for FY 2011 and FY 2012. The state assessment schedule requires reading, language arts, and mathematics to be tested every year from 3rd through 8th grade and one year between the 10th and 12th grade. Beginning in the 2007-2008 school year, science assessments were administered on a yearly basis in at least one grade in each of the following grade spans: 3rd-5th, 6th-9th; and 10th-12th.

Students with limited-English proficiency must be included in the academic assessments administered to other students. The purpose of the assessment is to produced individual student reports that will allow parents and educators to understand and address student's specific academic needs. The following chart identifies the grades in which the assessments are administered:

Kansas State Assessment Schedule				
	2010-2011 Assessments	2011-2012 Assessments	2012-2013 Assessments	2013-2014 Assessments
Reading	Every year in grades 3-8; once in high school (Grade 11)	Every year in grades 3-8; once in high school (Grade 11)	Every year in grades 3-8; once in high school (Grade 11)	Every year in grades 3-8; once in high school (Grade 11)
Mathematics	Every year in grades 3-8; once in high school (Grade 11)	Every year in grades 3-8; once in high school (Grade 11)	Every year in grades 3-8; once in high school (Grade 11)	Every year in grades 3-8; once in high school (Grade 11)
Science	Every year in grades 4 and 7; once in high school (Grade 11)	Every year in grades 4 and 7; once in high school (Grade 11)	Every year in grades 4 and 7; once in high school (Grade 11)	Every year in grades 4 and 7; once in high school (Grade 11)
Writing*			Grades 5 and 8; once in high school (Grade 11)	
History/ Government*		Grades 6 and 8; once in high school (Grade 12)		Grades 6 and 8; once in high school (Grade 12)
* Not a required testing area under the No Child Left Behind Act.				

Kansas Learning Network. The Kansas Learning Network is an initiative designed to school districts struggling to meet Adequate Yearly Progress (AYP). Included in the agency FY 2011 operating budget is \$3.5 million, all from special revenue funds, for a contract with Cross and Joftus, LLC which assists in overseeing the Kansas Learning Network. For FY 2012, the agency anticipates expenditures of \$3.1 million, all from other funds, for the network. Cross and Joftus assists KSDE by providing assistance to districts struggling to meet AYP. This is accomplished by increasing their capacity to raise student achievement and close gaps in student learning. Under the contract, Cross and Joftus provides an extensive needs assessment, a detailed data analysis report, network meetings, a district facilitator and 24 days per year of technical assistance around the needs assessment. Title I schools on improvement also receive an implementation coach. The KSDE anticipates as many as 27 local school districts and 38 Title I schools will be on improvement during the 2010-2011 school year.

The **Governor** recommends a FY 2012 operating budget totaling \$38.7 million, including \$10.6 million from the State General Fund. This is an all funds decrease of \$998,028, or 2.5 percent, below the agency FY 2012 request. The Governor did not recommend any of the agency's operating enhancements which total \$443,095, including \$387,495 from the State General Fund. In addition, the Governor recommended a 5.0 percent reduction in operating expenditures totaling \$554,933, all from the State General Fund. The recommendation is a decrease of \$1.7 million, or 4.2 percent, below the Governor's FY 2011 recommendation.

**State Department of Education Aid and Other Assistance Programs from Selected Funds
FY 2010 (Actual) – FY 2012 (Governor's Recommendation)**

Program	Actual FY 2010	Agency Est. FY 2011	Gov. Rec. FY 2011	Agency Req. FY 2012*	Gov. Rec. FY 2012	Gov. Difference/ FYs 2011-12
State General Fund						
General State Aid	\$1,873,397,756	\$2,035,842,432	\$1,908,057,906	\$2,368,520,000	\$1,902,775,680	\$(5,282,226)
Supplemental General State Aid	250,491,519	415,019,045	385,310,350	377,000,000	339,212,000	(46,098,350)
Special Education	367,427,058	367,688,843	367,688,843	448,225,000	427,717,630	60,028,787
Educable Deaf/Blind	110,000	110,000	110,000	110,000	110,000	0
Capital Outlay State Aid (Demand Transfer)	0	0	0	26,000,000	0	0
KPERS - School	196,808,451	336,550,305	336,550,305	319,861,685	319,861,685	(16,688,620)
Juvenile Detention Facilities	6,092,160	6,659,920	6,012,355	6,659,920	6,012,355	0
School Food Assistance	2,435,171	2,435,171	2,345,171	3,510,000	2,345,171	0
Teaching Excellence Scholarship and Awards	26,500	91,194	91,194	350,000	55,525	(35,669)
Agriculture in the Classroom	35,000	35,000	35,000	35,000	35,000	0
Discretionary Grants	635,890	670,000	670,000	670,000	700,000	30,000
Mentor Teacher Grants	1,358,372	1,450,000	1,450,000	2,550,000	1,450,000	0
Professional Development	0	0	0	8,500,000	0	0
TOTAL - State General Fund	\$2,698,817,877	\$3,166,551,910	\$3,008,321,124	\$3,561,991,605	\$3,000,275,046	\$(8,046,078)
 St. Sch. Dist. Finance Fund	 \$37,039,867	 \$36,096,538	 \$48,000,000	 \$36,000,000	 \$48,000,000	 \$0
Cap. Imp. State Aid (Revenue Transfer) **	\$87,662,017	\$94,647,000	\$94,647,000	\$100,000,000	\$100,000,000	\$5,353,000

* When applicable, the November 2010 consensus estimates have been used.

** Capital Improvement State Aid was changed from a demand transfer to a revenue transfer in FY 2003. 2006 SB 549 reverted it back to a demand transfer in FY 2008, however, the 2007 Legislature continued the program as a revenue transfer for FY 2008 and FY 2009.

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Department of Education

State Department of Education Aid and Other Assistance Programs from Selected Funds

FY 2010 (Actual) – FY 2012 (Governor's Recommendation)

Program	Actual FY 2010	Agency Est. FY 2011	Gov. Rec. FY 2011	Agency Req. FY 2012*	Gov. Rec. FY 2012	Gov. Difference FYs 2011-12
Children's Initiatives Fund						
Kansas Optometric Vision Study	\$100,000	\$0	\$0	\$0	\$0	\$0
Parent Education (Parents As Teachers)	7,521,357	7,539,500	7,359,130	7,539,500	7,539,500	180,370
Kansas Pre-School Program (Pre-K Pilot)	5,000,000	5,000,000	4,880,370	5,000,000	5,000,000	119,630
TOTAL – Children's Initiatives Fund	\$12,621,357	\$12,539,500	\$12,239,500	\$12,539,500	\$12,539,500	\$300,000
 GRAND TOTAL SELECTED FUNDS	 \$2,836,141,118	 \$3,309,834,948	 \$3,163,207,624	 \$3,710,531,105	 \$3,160,814,546	 \$(2,393,078)

* When applicable, the November 2010 consensus estimates have been used.

** Capital Improvement State Aid was changed from a demand transfer to a revenue transfer in FY 2003. 2006 SB 549 reverted it back to a demand transfer in FY 2008; however, the 2007 Legislature continued the program as a revenue transfer for FY 2008 and FY 2009.

Important Issues in Aid and Other Assistance

General State Aid (based on November 2010 consensus estimates). The 2006 Legislature increased BSAPP from \$4,316 to \$4,374 in FY 2008 and to \$4,433 in FY 2009. In FY 2010, the BSAPP was \$4,218, including the Governor's July 2009 allotment. The BSAPP was further reduced to \$4,012 after the Governor's November 2009 allotment. This is the same as the amount approved by the 2010 Legislature.

- **FY 2011.** The consensus estimate for General State Aid in FY 2011 is \$1.9 billion, all from the State General Fund. The estimate is an increase of \$50.1 million, or 2.7 percent, above the approved amount. The increase is due to an increase in student enrollment of approximately 1,498 students, a decrease in assessed valuation of approximately \$29.8 million, and an increase in the number of students eligible for free lunch, resulting in increased costs of approximately \$13.6 million. In FY 2010, approximately 171,256 students were eligible. It was estimated that 179,645 students are eligible in FY 2011. This is an increase of 8,389 students, or 4.9 percent.
- **FY 2012.** The consensus estimate for General State Aid in FY 2012 is \$2.1 billion, all from the State General Fund. The request is an increase of \$132.2 million, or 6.9 percent, above the FY 2011 consensus estimate. The increase is due to replacement of federal American Recovery and Reinvestment Act funds, as well federal EduJobs funding.

Staff Note: Prior to the November 2010 consensus estimates, the agency submitted an enhancement request for an additional \$354.4 million, all from the State General Fund, for General State Aid to fund the BSAPP at \$4,492, as provided under current law. See the Enhancement Detail section for more information.

The **Governor** does not concur with the November 2010 consensus estimate. Instead, the Governor recommends \$1.9 billion, all from the State General Fund, for General State Aid. This is a decrease of \$17.4 million, or 0.9 percent, below the 2010 consensus estimate. The recommendation includes \$52.8 million in State Fiscal Stabilization Funds, \$92.4 million in federal EduJobs funds, and \$34.0 million in School District Finance Funds in FY 2011. Based on the Governor's recommendation, the BSAPP would be reduced from \$4,012 to \$3,937 based on a weighted enrollment of 666,482. The Governor also recommends deleting \$85.9 million, all from the State General Fund, and utilizing federal EduJobs funds for General State Aid.

The Governor recommends FY 2012 General State Aid expenditures of \$1.9 billion, a decrease of \$154.9 million, or 7.5 percent, below the FY 2011 consensus estimate. The Governor does not recommend replacing federal EduJobs funding utilized to supplant State General Funds in General State Aid in FY 2011 with State General Funds in FY 2012. Based on the recommendation, the BSAPP would be reduced to \$3,780.

Supplemental General State Aid (based on November 2010 consensus estimates). The 2006 Legislature increased the Local Option Budget (LOB) maximum authorization from 30.0 percent to 31.0 percent in FY 2008 and thereafter. The Legislature also increased the amount of state aid that can be paid to school districts by raising the percentile at which the LOB levy is equalized from the 75.0 percentile to the 81.2 percentile.

The 2007 Legislature increased the LOB authority in FY 2008 and thereafter, from percent to 32.0 percent, in the appropriations bill (2007 HB 2368) during the regular session. Subsequently, during the Omnibus session, the Legislature passed 2007 SB 68, which maintained the LOB authority at 31.0 percent. The Legislature did not resolve the conflict in the LOB authority cap prior to adjourning the 2007 Session. In June 2007, the Attorney General issued an opinion that the 1.0 percent LOB increase in the 2007 appropriations bill violated Article 2, Section 16 of the Kansas Constitution, which prohibits a bill from containing more than one subject. However, since the appropriations bill contained a severability provision, the Attorney General indicated that the LOB increase language could be excised without affecting the remaining provisions in the bill.

- **FY 2011.** The consensus estimate for Supplemental General State Aid in FY 2011 is \$370.4 million, all from the State General Fund. The estimate is an increase of \$31.2 million, or 9.2 percent, above the approved amount.
- **FY 2012.** The consensus estimate for supplemental state aid in FY 2012 is \$378.1 million, all from the State General Fund. The request is a increase of \$7.7 million, or 2.1 percent, above the FY 2011 consensus estimate.

Staff Note: Prior to the November 2010 consensus estimates, the agency submitted an enhancement request of \$37.8 million, all from the State General Fund, for FY 2012. During the 2009 Session, 2006 SB 84 was enacted. The legislation allows for Supplemental General State Aid to be computed using the higher BSAPP amount of \$4,433 while the actual BSAPP approved by the 2009 Legislature was \$4,280 and the BSAPP approved by the 2010 Legislature is \$4,012. This request computes Supplemental General State Aid at the statutory BSAPP of \$4,492 as approved under KSA 72-6410. If the FY 2011 consensus estimate for Supplemental General State Aid is funded, the agency will not need this enhancement request. See the Enhancement Detail section for more information.

The **Governor** concurs with the agency request to fund Supplemental General State Aid at \$339.2 million, all from the State General Fund, for FY 2011 and FY 2012.

Declining Enrollment State Aid. The 2005 Legislature created a new declining enrollment weighting that allows any school district that is at its maximum LOB and has declined in enrollment from the prior year to seek approval from the State Court of Tax Appeals to make a levy for up to two years, capped at 5.0 percent of the district's general fund budget. The levy is equalized up to the 75th percentile.

- **FY 2011 and FY 2012.** The agency did not budget for expenditures declining enrollment state aid for FY 2011 and FY 2012. The 2009 and 2010 Legislature eliminated funding for this as part of budget reductions.

The **Governor** concurs with the agency request.

Special Education (based on November 2011 consensus estimates). The 2005 Legislature increased the level of special education excess costs funding from 81.7 percent to 89.3 percent in FY 2006 and to 92.0 percent in FY 2007 and thereafter. The FY 2011 and FY 2012 consensus estimates reflect the statutory level of funding excess costs at 92.0 percent.

- **FY 2011.** The consensus estimate for special education in FY 2011 is \$388.2 million, all from the State General Fund. The estimate is an increase of \$20.5 million, or 5.6 percent, above the 2010 approved amount. Revised estimates made in November indicate that the amount approved will fund 87.1 percent of excess costs, instead of the statutory level of 92.0 percent. The increase in the revised estimate is attributable to an anticipated increase of 25 special education teachers and higher teacher salaries due to a 1.5 percent increase.
- **FY 2012.** The consensus estimate for special education for FY 2012 is \$445.7 million, all from the State General Fund. The request is an increase of \$57.5 million, or 14.8 percent, above the revised FY 2011 estimate. The increase estimates 25 additional special education teachers and a 1.0 percent increase in special education teacher salaries.

Special Education Excess Costs (in thousands)

Special Education	FY 2010 Approved	Consensus Estimate FY 2011	Difference Approved/ Est. 2011	Consensus Estimate FY 2012
Estimated Expenditures	\$ 768,877	\$ 781,974	\$13,097	\$ 791,349
Excess Cost Computation:				
Regular Education Costs	(177,841)	(177,841)	0	(179,617)
Federal Aid	(154,900)	(154,900)	0	(100,000)
Medicaid Reimbursement	(27,000)	(27,000)	0	(27,000)
SRS Administration Costs	(300)	(300)	0	(300)
Subtotal - Deductions	\$ (360,041)	\$ (360,041)	\$ 0	\$ (306,917)
Total Excess Costs	\$ 408,836	\$ 421,933	\$ 13,097	\$ 484,432
Excess Costs Required by Law	92.0%	92.0%		92.0%
State Appropriation	\$ 367,688	\$ 388,178	\$ 20,490	\$ 445,678

Staff Note: Prior to the November 2010 consensus estimates, the agency submitted an enhancement request of \$26.4 million, all from the State General Fund, in FY 2012. If the FY 2012 consensus estimate for special education aid is funded, the agency will not need this enhancement request. See the Enhancement Detail section for more information about this enhancement.

The **Governor** does not concur with the November 2010 consensus estimates for FY 2011 and FY 2012. The Governor recommends expenditures of \$367.8 million in FY 2011, the same as the amount approved by the 2010 Legislature. This would result in the State funding excess costs

at 87.1 percent. The recommendation is a decrease of \$20.5 million, or 5.6 percent, below November consensus estimate.

The Governor recommends expenditures of \$421.8 million, all from the State General Fund, for FY 2012. This is a decrease of \$23.9 million, or 5.4 percent, below the FY 2012 consensus estimate. It is an increase of \$54.0 million, or 14.7 percent, above the FY 2011 recommendation. The increase replaces the loss of federal ARRA Special Education funding that was included in the FY 2011 budget and is no longer available. The recommendation results in the State funding excess costs at 87.1 percent, the same as FY 2011.

Educable Deaf/Blind Aid. Funding for the Educable Deaf/Blind Program is used to supplement other special education funding. Approval for this funding is granted when costs for educational technology, equipment, services, consultation, or evaluation exceed the amount school districts are able to provide out of federal, state, and local funds. Expenditures are primarily for assistive technology, adaptive equipment and evaluation. In FY 2010, a total of 76 students in 26 school districts or cooperatives received services that were funded through the program.

- **FY 2011 and FY 2012.** The agency budgeted expenditures of \$110,000, all from the State General Fund, for the Educable Deaf/Blind Program in FY 2011 and FY 2012. The agency's estimate for both fiscal years is the same as the FY 2010 approved amount.

The **Governor** concurs with the agency request for FY 2011 and FY 2012 and does not fund the Educable/Deaf Blind program..

Capital Outlay State Aid (based on November 2010 consensus estimates). Since 1999, there has not been a limit on school district capital outlay property tax levies nor has the state ever provided Capital Outlay State Aid. Because the Kansas Supreme Court was critical of school district reliance on property tax programs that are not equalized by state aid, the 2005 Legislature put a limit of 8 mills on the levy that districts may make and created a new state aid program under which state aid is distributed to school districts in the same manner as Capital Improvement State Aid. The 2006 Legislature clarified that funding for this program is a demand transfer from the State General Fund to the School District Capital Outlay State Aid Fund. The 2009 Legislature eliminated Capital Outlay State Aid for FY 2010. The 2010 Legislature eliminated Capital Outlay State Aid for FY 2011.

- **FY 2011.** The FY 2011 consensus estimate does not include funding for Capital Outlay State Aid.
- **FY 2012.** The FY 2012 consensus estimate does not include funding for Capital Outlay State Aid.

Staff Note: Prior to the November 2010 consensus estimates, the agency submitted an enhancement request of \$26.0 million, all from the State General Fund, in FY 2012. See the Enhancement Detail section for more information.

The **Governor** concurs with the November 2010 consensus estimate in FY 2011 and FY 2012.

Parent Education Program (Parents As Teachers). The Parent Education Program provides aid to school districts that offer programs for expectant parents and parents of children less than three years old. School districts are required to provide a 65.0 percent match for state aid. Prior to FY 2007, funding for the Parent Education Program came from the State General Fund and the Children's Initiatives Fund. However, because of a shortfall in tobacco payments to

Asas, the 2006 Legislature shifted funding from the Children's Initiatives Fund for the program to the State General Fund beginning in FY 2007. Funding was shifted back to the Children's Initiatives Fund by the 2009 Legislature. The agency estimates that 14,704 families and 18,803 children will be served by the program in FY 2012.

- **FY 2011.** The agency budgeted expenditures of \$7.5 million, all from the Children's Initiatives Fund, for the Parent Education Program in FY 2011. The agency's estimate is the same as the FY 2011 approved amount.
- **FY 2012.** The agency budgeted expenditures of \$8.5 million, all from the Children's Initiatives Fund, for the Parent Education Program in FY 2012. This includes an enhancement request of \$920,000, all from the Children's Initiatives Fund, for the Parents as Teachers program. There is currently a waiting list for parents to be served under this program. The additional funding would serve an additional 1,764 families and 2,256 children.

The **Governor** recommends FY 2011 expenditures of \$7.3 million, all from Children's Initiatives Funds. This is a decrease of \$180,370 below the agency revised FY 2011 estimate. The decrease is due a lapse of \$180,370 to maintain solvency in the fund due to lower than expected revenues. The Governor recommends \$7.5 million, all from the Children's Initiatives Fund, in FY 2012. This is a decrease of \$960,500, or 11.3 percent, below the agency FY 2012 request. The Governor did not recommend the agency enhancement totaling \$920,000 and further reduced fund expenditures by \$40,000 below the agency request. The recommendation is an increase of \$180,370, or 2.5 percent, above the Governor's FY 2011 recommendation.

KPERS-School (based on November 2010 consensus estimates). Under KSA 74-4934, the state pays the employers' contribution for school members, including community college, area vocational school, and technical college members of the Kansas Public Employees Retirement System. The payment is a contractual obligation that must be paid. Beginning in FY 2005, KPERS school employer contributions paid by the state were distributed by the agency to the individual school districts, deposited into special school district funds, and then paid to KPERS as an expenditure of the school districts. (Prior to that time, KPERS-School expenditures were not reflected as expenditures of local school districts, which understated local expenditures for elementary and secondary education.)

- **FY 2011.** The FY 2011 consensus estimate is \$283.5 million, which is the same as the approved amount. Originally, the estimate was \$336.5 million, all from the State General Fund. However, due to the state's financial situation, \$53.0 million in KPERS payments that were due to school districts in FY 2010 were delayed until FY 2011. The result of the delay is the appearance of an increase of \$53.0 million in KPERS-School.
- **FY 2012.** The FY 2012 consensus estimate is \$319.8 million, an increase of \$36.4 million, or 12.8 percent, above the revised FY 2011 estimate.

The **Governor** concurs with the November consensus estimates for FY 2011 and FY 2012.

Juvenile Detention Facilities. School districts are required to provide educational services to students who reside in juvenile detention facilities in their districts or at the Flint Hills Job Corps Center. School districts are then reimbursed for the lesser of their actual costs to provide the service or what they would get if they counted the student as 2.0 FTE pupils under the school finance formula. The 2007 Legislature passed SB 95, which broadened the definition of juvenile

detention facilities to include psychiatric residential treatment facilities as determined by Juvenile Justice Authority and the Department of Social Rehabilitation Services, beginning in FY 2008. In FY 2010, 808.4 students were served, an increase of 61 students from FY 2009. The agency estimates that a total of 830 students will be served in FY 2011 and FY 2012.

- **FY 2011.** The agency budgeted expenditures of \$6.7 million, all from the State General Fund, for juvenile detention facilities in FY 2011. Included in the amount is a supplemental request totaling \$647,565, all from the State General Fund, to fully fund the program with a BSAPP of \$4,012. According to the agency, based on the 2010 approved amount of \$6.0 million, it is projected that state aid will be pro-rated at 90.3 percent.
- **FY 2012.** The agency requests expenditures of \$6.7 million, all from the State General Fund, for juvenile detention facilities for FY 2012. Included in the amount is an enhancement totaling \$647,565, all from the State General Fund. This is the same as the revised FY 2011 estimate.

The **Governor** recommends FY 2011 and FY 2012 expenditures of \$6.0 million, all from the State General Fund. This is a decrease of \$647,565, all from the State General Fund, in both fiscal years below the agency request. The Governor did not recommend the agency's supplemental request in FY 2011 and did not recommend the enhancement request in FY 2012.

School Food Assistance Program. Funding for this program is the required state match to receive approximately \$97.0 million in national school lunch funds from the U.S. Department of Agriculture. KSA 72-5112 states that "each board shall be entitled to receive from appropriations from the State General Fund, six cents for each type-A meal served under an approved school lunch program." In FY 2010, schools were reimbursed four cents per meal.

- **FY 2011.** The agency budgeted expenditures of \$2.4 million, all from the State General Fund, for the School Food Assistance program in FY 2011. The agency's revised estimate is the same as the approved amount.
- **FY 2012.** The agency requests \$3.5 million, all from the State General Fund, for the School Food Assistance program for FY 2012. This is an increase of \$1.1 million, or 4.4 percent, above the revised FY 2011 estimate. The increase is the result of the agency's enhancement request for an additional \$1.1 million, all from the State General Fund, to increase the amount the state reimburses per meal to six cents.

Staff Note: Please see the Enhancement Detail section for more information about this enhancement.

The **Governor** concurs with the agency revised FY 2011 estimate. The Governor recommends \$2.4 million, all from the State General Fund, for FY 2012. This is a decrease of \$1.1 million, or 4.4 percent, below the agency request. The Governor did not recommend the agency's enhancement request.

Governor's Teaching Excellence Scholarships and Awards. Teachers who want to become certified by the National Board for Professional Teaching Standards participate in a two-year program offered by the Jones Institute for Educational Excellence at Emporia State University. There is a \$2,300 fee for each teacher, of which the state pays \$1,100 in the form of a scholarship. There is a \$1,150 fee for the re-certification program, of which the state pays a scholarship of \$500 for teachers who are participating. Teachers who attain National Board certification are issued a master teacher's certificate by the State Board of Education which is valid for ten years. By

estimate, National Board certified teachers are paid annual awards or bonuses of \$1,000 as long as they remain employed by a school district and their certificates remain valid. The bonus is paid by the school district, which is reimbursed by the state.

- **FY 2011.** The agency budgeted expenditures of \$91,194, all from the State General Fund, for the Governor's Teaching Excellence Scholarships and Awards program in FY 2011. Based on the estimate, bonus payments would be pro-rated at 17.8 percent.
- **FY 2012.** The agency requests \$350,000, all from the State General Fund, for the Governor's Teaching Excellence Scholarships and Awards program for FY 2012. The request is an increase of \$294,475, all from the State General Fund, above the revised FY 2011 estimate. The increase is due to an enhancement to fully fund the program under current law. According to the agency, without the enhancement, bonus payments would be pro-rated at 6.5 percent.

Staff Note: Please see the Enhancement Detail section for more information about this enhancement.

The **Governor** concurs with the agency revised FY 2011 estimate. The Governor recommends FY 2012 expenditures of \$55,525, all from the State General Fund. This is decrease of \$294,475, or 84.1 percent, below the agency request. The Governor does not recommend the agency's enhancement request totaling \$294,475.

Agriculture in the Classroom. State funding is provided for the Kansas Foundation for Agriculture in the Classroom, a non-profit corporation formed in 1983 to serve as a link between agriculture and education in Kansas. The Foundation collaborates with Kansas State, Wichita State, and Fort Hays State Universities to offer summer courses for teachers to receive continuing education credits in education and agriculture. The Foundation pays the tuition for teachers and also sponsors a booth and mini-course during the Kansas State Fair to educate students and adults about agriculture. Funding from the state is matched at 40.0 percent from private funds.

- **FY 2011 and FY 2012.** The agency budgeted \$35,000, all from the State General Fund, for Agriculture in the Classroom for FY 2011 and FY 2012. This is the same as the amount approved by the 2010 Legislature.

The **Governor** concurs with the agency request for FY 2011 and FY 2012.

Discretionary Grants Program. The Discretionary Grants program began in FY 2004 with an appropriation of \$130,000 from the State General Fund. The program currently funds two after-school programs as well as two programs selected by the Department of Education. Under the program, funding is given to the State Board of Education, which awards grants to programs that it considers meritorious. The 2005 Legislature increased funding for this program by \$375,000 for after school enhancement programs, of which at least half of the new money (\$187,500) has to be used for existing private after school programs that target low income, at-risk children. The 2007 Legislature increased funding for this program by \$400,000 for after school programs for middle school students. As a result of the Governor's July 2009 allotment, funding for the after school programs for middle school students was reduced \$250,000. The 2009 Legislature deleted an additional \$85,000, all from the State General Fund, for environmental education and Kansas history teaching materials.

- **FY 2011.** The agency budgeted expenditures of \$670,000, all from the State General Fund for the program. The agency's current year revised estimate is the same as the approved amount.
- **FY 2012.** The agency requests \$740,000, all from the State General Fund, for the program in FY 2012. This is an increase of \$70,000, or 10.4 percent, above the revised FY 2011 estimate. The increase is attributable to an enhancement request of \$70,000, all from the State General Fund, to restore funding that was deleted for two discretionary grants programs: Environmental Education and Kansas History Teaching Materials. Without the enhancement, the agency's FY 2012 request is the same as the revised FY 2011 estimate.

Staff Note: Please see the Enhancement Detail section for more information about this enhancement.

The following are the FY 2011 and FY 2012 allocations for the Discretionary Grants Program:

Environmental Education. The Kansas Association for Conservation and Environmental Education (KACEE) provides workshops and environmental education resources for pre-service and in-service teacher professional development. The program integrates the environment to more effectively teach mathematics, science, social studies, reading, and writing. State funds provided to the program are matched on a dollar-for-dollar basis with private funds.

- For FY 2011, the agency did not budget any expenditures for the annual grant awarded to the KACEE. The 2009 and 2010 Legislature deleted this funding from the agency's budget in order to achieve budget savings.
- For FY 2012, the agency requests \$35,000 for the annual grant awarded to the KACEE. This is an increase of \$35,000, or 100.0 percent, above the revised FY 2011 estimate.

Communities in Schools. The Communities in Schools program serves more than 20,000 children in 83 schools. Site coordinators on school campuses work directly with students who most likely to fail academically and drop out of school. The program matches children and families in need of services with existing community resources, such as tutoring, mentoring, health, social, and family services. In addition to funding budgeted from discretionary grants, the program receives funding from a \$50,000 transfer from the Family and Children Investment Fund within the Department of Social Rehabilitation Services.

- For FY 2011 and FY 2012, the agency budgeted \$35,000 for the annual grant awarded to Communities in Schools, which is the same as the approved amount.

Kansas Teacher of the Year. Funding for this program is used to pay for a substitute teacher to replace the person selected as Kansas Teacher of the Year as they perform their duties. According to the agency, the Teacher of the Year has a heavy schedule of conferences, presentations, and other responsibilities so the teacher is away from the classroom.

- For FY 2011 and FY 2012, the agency budgeted \$10,000, all from the State General Fund, in expenditures for this program. This is the same as the 2010 approved amount.

Staff Note: Budgeted expenditures for this program are included in the agency's operating budget and not the aid and other assistance programs budget.

Kansas History Teaching Materials. The State Historical Society, in cooperation with the Department of Education, is preparing teaching materials that will be aligned with social studies standards adopted by the State Board of Education. Funds would be used to create short, five-minute video clips on Kansas history topics and would use primary sources from the Historical

ety's collections. In the past, funding has been utilized to develop a Kansas history textbook, thematic workbooks, Read Kansas! cards, and other teaching materials.

- For FY 2011, the agency did not budget any expenditures for the grant to the Kansas Historical Society. The 2009 and 2010 Legislature deleted this funding from the agency's budget in order to achieve budget savings.
- For FY 2012, the agency requests \$35,000, all from the State General Fund, to award to the Kansas Historical Society to develop video clips on Kansas history topics.

After School Programs. By proviso, the 2005 Legislature approved \$375,000, all from the State General Fund, for after school programs. The Legislature specified that at least \$187,500 must be awarded to existing after school programs that target low income, at-risk children and are not part of any unified school district or any other state agency or political subdivision of the state. These programs must be independent of any school district and may not receive any state or federal childcare subsidies. The remaining money is to be awarded to after school programs which may be part of a school district. Approved programs must expand learning opportunities designed to help students meet or exceed state and local standards in core academic subjects, as well as fine arts, fitness and health, and other needed areas. In addition, programs must primarily serve students from schools with a population of at least 40.0 percent free lunch students and provide a dollar-for-dollar local match. Maximum awards may not exceed \$25,000. The agency anticipates it will award 15 grants in FY 2011.

- For FY 2011 and FY 2012, the agency budgeted \$375,000, all from the State General Fund, in expenditures for this program. This is the same as the 2010 approved amount.

After School Programs for Middle School Students. By proviso, the 2007 Legislature approved \$400,000, all from the State General Fund, to fund after school programs for middle school students in FY 2008 with the requirements that: (1) the programs must operate a minimum of two hours a day, every day school is in session, and a minimum of six hours a day for a minimum of five weeks during the summer; (2) the programs provide a dollar-for-dollar local match and awards cannot exceed \$25,000 per grant; and (3) the KSDE report on the outcomes of the programs to the House Appropriations Committee and Senate Ways and Means Committee during the 2008 Session.

- For FY 2011, the agency estimates expenditures of \$250,000, all from the State General Fund, which is the same as the 2010 approved amount. Historically, the agency has requested \$400,000, all from the State General Fund for this program. However, funding was reduced \$158,500, all from the State General Fund, in FY 2010 due to the Governor's July and November 2009 allotments.
- For FY 2012, the agency requests \$250,000, all from the State General Fund, in expenditures for this program. This is the same as the revised FY 2011 expenditure estimate.

The **Governor** concurs with the agency revised FY 2011 estimate for the Discretionary Grants program. For FY 2012, the Governor recommends expenditures totaling \$670,000, all from the State General Fund. This is a decrease of \$70,000, or 9.5 percent, below the agency request. The Governor did not recommend the agency's enhancement request of \$70,000 for the Environmental Education program and Kansas history teaching materials.

Mentor Teacher Program Grant. The Mentor Teacher Program Grant was created statutorily in 2000 but did not receive funding until FY 2002, after which funding was eliminated until FY 2006. The program provides stipends of \$1,000 to experienced teachers who mentor

teachers in their probationary period. Mentor teachers must have at least three consecutive school years of employment in the district, been selected by the school board as having demonstrated exemplary teaching ability, and completed training provided by the district in accordance with criteria established by the State Board of Education. Prior to the 2007 Session, the Legislature had provided only enough funding to support mentor teachers during their mentee's first year of teaching. The 2007 Legislature appropriated \$500,000, all from the State General Fund, to provide \$500 to mentor teachers supporting new teachers during their second year of teaching in FY 2008.

- **FY 2011.** The agency estimates expenditures of \$1.5 million, all from the State General Fund, for the Mentor Teacher Program in FY 2011 to provide grants to mentor 1,050 first-year teachers at \$1,000, and 800 second year teachers at \$500. The FY 2011 revised estimate is the same as the 2010 approved amount.
- **FY 2012.** The agency requests \$2.5 million, all from the State General Fund, for the Mentor Teacher Program in FY 2012 to provide mentor teachers \$1,000 per year to support new teachers during their entire three-year probationary period, as set forth in current law. The agency's request is an increase of \$1.1 million, or 75.9 percent, above the revised FY 2011 estimate. The increase is attributable to the agency's enhancement request of \$1.1 million, all from the State General Fund, to provide mentor teachers with \$1,000 to support approximately 800 second year teachers, and another \$1,000 to support approximately 700 third year teachers. Absent the enhancement, the agency's FY 2012 request is the same as the revised FY 2010 estimate.

The **Governor** concurs with the agency revised FY 2011 estimate. The Governor recommends expenditures of \$1.5 million, all from the State General Fund, in FY 2012. This is a decrease of \$1.1 million, or 43.1 percent, below the agency request. The Governor did not recommend the agency enhancement, resulting in the decrease. The recommendation is the same as the Governor's FY 2011 recommendation.

Professional Development. School districts are mandated to offer programs and workshops providing professional development for teachers and administrators. State aid is limited to one half of 1.0 percent of an individual school's general fund budget.

- **FY 2011.** The agency did not budget any expenditures for professional development in FY 2011. For FY 2010 and 2011, the Legislature did not appropriate any funds for professional development to achieve budget savings.
- **FY 2012.** The agency requests \$8.5 million, all from the State General Fund, for professional development state aid in FY 2012. The request is an increase of \$8.5 million, or 100.0 percent, above the revised FY 2010 estimate. The increase is the result of the agency's enhancement request of \$8.5 million, all from the State General Fund, to fully fund professional development state aid under state law. For FY 2012, the agency estimates statewide professional development expenditures eligible for state aid will total \$16.0 million. Based on current law, state aid would then be \$8.5 million.

The **Governor** concurs with the agency revised FY 2011 estimate. The Governor does not recommend any funding for the program in FY 2012. This is a decrease of \$8.5 million, or 100.0 percent, below the agency request.

State School District Finance Fund. Money deposited into the State School District Finance Fund is collected from local school districts whose 20 mil general fund property tax collections exceed their legal budget authority. These funds are redistributed to other school districts, which reduces the state appropriations required for General State Aid. Property taxes levied by school districts for the ancillary school facilities weighting are also deposited into this fund.

- **FY 2011 and FY 2012.** The agency estimates expenditures totaling \$36.0 million, all from the State School District Finance Fund, in FY 2011 and FY 2012.

The **Governor** recommends expenditures of \$48.0 million, all from the State General Fund, in FY 2011 and FY 2012. The recommendation is an increase of \$12.0 million, or 33.3 percent, above the agency estimate. The increase is due to the school district finance fund consensus estimate increase in both years.

Capital Improvement State Aid (based on November 2010 consensus estimates). In 1992, the Legislature began providing school districts Capital Improvement State Aid to help them pay their bond and interest payments. General obligation bonds that are passed by school districts for construction, remodeling, and major equipment purchases are eligible. The amount paid to each school district is based on its assessed valuation per pupil compared to the state median assessed valuation per pupil. The amount of aid payments is different for those bonds issued prior to July 1, 1992, and those issued after this date. The amount of state aid is paid at a higher bond rate for those bonds issued after July 1992. The 2002 Legislature changed the funding for the program from a demand transfer to a revenue transfer from the State General Fund to the School District Capital Improvements Fund, beginning in FY 2003. The 2006 Legislature continued the program as a revenue transfer for FY 2006 and FY 2007 and provided that beginning in FY 2008, funding for the program would return to a demand transfer. However, the 2007 Legislature continued the program as a revenue transfer in FY 2008 and FY 2009 and it continues as a revenue transfer.

- **FY 2011.** The agency estimates expenditures of \$94.6 million for Capital Improvement State Aid in FY 2011. This estimate is an increase of \$2.9 million, or 3.2 percent, above the 2010 approved amount.
- **FY 2012.** The agency requests \$100.0 million for Capital Improvement State Aid in FY 2012. This estimate is an increase of \$5.3 million, or 5.7 percent, above the revised FY 2011 estimate.

The **Governor** concurs with the November consensus estimates for FY 2011 and FY 2012.

Kansas Optometric Vision Study. Funding for the Kansas Optometric Vision Study began in FY 1999 with a grant to the Kansas Optometric Association. The research established a link between below-level reading skills and convergency insufficiency (difficulty teaming the eyes). The study documented that students receiving treatment experience dramatic improvement in their

reading skills. In previous years, a \$200,000 grant from the Children's Initiatives Fund provided. However, in FY 2010 \$100,000 was lapsed from the program, and funds were transferred directly from the Kansas Endowment for Youth Fund to the State General Fund. The remaining \$100,000 was expended for the program.

- **FY 2011 and FY 2012.** The agency did not include this program in either FY 2011 or FY 2012 budget request.

The **Governor** concurs with the agency.

Kansas Preschool Program. In 2008, the Kansas Preschool Program, formerly known as the Pre-K Pilot program, was transferred from the Department of Social and Rehabilitation Services to the Department of Education. There are currently 12 sites across the state in 14 counties providing early childhood education services to approximately 1,500 four-year-old children. Approximately half of the students are served in public schools with the remaining students served in child care and Head Start programs. The program ensures that students enter kindergarten ready to succeed. Specific program requirements based upon the National Institute of Early Education Research (NIEER) program standards are used to ensure high-quality programs.

- **FY 2011 and FY 2012.** The agency budgeted expenditures of \$5.0 million, all from the Children's Initiatives Fund, for the Kansas Preschool Program in FY 2011 and FY 2012.

The **Governor** recommends FY 2011 expenditures of \$4.9 million, all from the Children's Initiatives Fund. This is a decrease of \$119,630 below the agency revised FY 2011 estimate and is due to a lapse to keep the fund solvent in FY 2011 as the result of a decrease in anticipated revenues. The Governor concurs with the agency FY 2012 request.

PERFORMANCE MEASURES				
Measure	Gov. Rec. for FY 2010	Actual FY 2010	Gov. Rec. FY 2011	Gov. Rec. FY 2012
Administration:				
Number of initial teacher licenses issued	4,000	4,000	4,000	4,000
Number of Unified School District field audits completed	299	293	289	286
Number of budget workshops offered	N/A	7	7	7
Governance of Education:				
Student graduation rate	90.7%	90.0%	90.0%	90.0%
Nutrition Services:				
Number of coordinated school health presentations	N/A	30	20	20
Number of local staff receiving food service training	11,879	10,058	10,100	10,700
Number of meals and snacks served	100,644,184	100,370,373	102,311,425	104,346,806
Average student scores on ACT:				
Kansas composite	21.8	22.0	21.9	21.9
National composite	21.0	21.1	21.0	21.0
Percent of students scoring at the "meets standards" or higher levels on the Kansas assessment:				
Reading-Grades K-8	85.8%	86.2%	85.8%	85.8%
Reading-Grades 9-12	84.5%	87.0%	86.6%	86.5%
Math-Grades K-8	84.0%	84.0%	83.5%	83.5%
Math-Grades 9-12	79.0%	81.0%	80.5%	80.5%
Percent of economically disadvantaged students scoring at "meeting standard" and "academic warning" levels on Kansas reading assessment (K-8)				
	23.5%	23.5%	23.7%	23.7%
Student Support Services:				
Percent of disabled student scoring at "meets standard" level or higher on Kansas assessment:				
Reading-Grades K-12	71.5%	72.2%	73.0%	76.0%
Math-Grades K-12	69.7%	66.2%	70.0%	71.0%
Number of parents participating in Parents As Teachers	15,150	15,200	15,200	15,200
Consolidated & Supplemental Programs:				
Percent of English language learners scoring at "meets standard" level or higher on Kansas assessment:				
Reading-Grades K-12	65.0%	70.2%	68.0%	72.0%

Math-Grades K-12	69.0%	66.6%	65.0%	70.0%
On-site technical assistance and monitoring reviews	530	510	535	540
Number of days staff provided with professional development activities	160	160	160	165
Technical Education:				
Number of technical education programs operating	1,855	1,943	2,174	2,023
Financial Aid:				
Base State Aid Per Pupil	\$4,012	\$4,012	\$3,937	\$3,947
Weighted FTE enrollment	636,000	655,000	666,000	666,000
Usage of LOB authority by local districts	90.2%	90.2%	90.2%	90.2%
Assessed valuation growth	2.4%	(2.9)%	2.5%	3.3%

FY 2011 and FY 2012 School Finance Estimates
 Changes Based on November 2010 Estimates
 (Dollars in Thousands)

	FY 2011				FY 2012		
	Approved Amount	November Estimate	Dollar Change	Percent Change	November Estimate	Dollar Change	Percent Change
Base State Aid Per Pupil	\$ 4,012	\$ 4,012	\$ -	0.0%	\$ 4,012	\$ -	0.0%
General State Aid	1,875,391	1,925,493	50,102	2.7%	2,057,665	132,172	6.9%
Supplemental State Aid	339,212	370,406	31,194	9.2%	378,126	7,720	2.1%
Capital Outlay	-	-	-	0.0%	-	-	0.0%
<i>Subtotal- School Finance</i>	<u>\$ 2,214,603</u>	<u>\$ 2,295,899</u>	<u>\$ 81,296</u>	<u>3.7%</u>	<u>\$ 2,435,791</u>	<u>\$ 139,892</u>	<u>6.1%</u>
Capital Improvements (Revenue)	91,700	94,647	2,947	3.2%	100,000	5,353	5.7%
Special Education	367,688	388,178	20,490	5.6%	445,678	57,500	14.8%
KPERS - School	283,502	283,502	-	0.0%	319,861	36,359	12.8%
TOTAL	<u><u>\$ 2,957,493</u></u>	<u><u>\$ 3,062,226</u></u>	<u><u>\$ 104,733</u></u>	<u><u>3.5%</u></u>	<u><u>\$ 3,301,330</u></u>	<u><u>\$ 239,104</u></u>	<u><u>7.8%</u></u>

In FY 2011, General State Aid includes \$52.8 million in federal State Fiscal Stabilization Funds and \$92.4 million in federal EduJobs funding. The FY 2012 estimate assumes that these funds will be replaced with State General Funds. If the funds are not replaced, the Base State Aid Per Pupil (BSAPP) would be reduced approximately \$218 for a FY 2012 BSAPP of \$3,794.

25-1

1-53

From: Ryder, Ruth [mailto:Ruth.Ryder@ed.gov]
Sent: Monday, January 31, 2011 12:37 PM
To: Dale Dennis
Cc: Musgrove, Melody; Colleen Riley
Subject: IDEA language related to allocations

Dr. Dennis:

Attached is language from the IDEA statute that governs the distribution of funds to States. The language is somewhat complicated so I have highlighted the most relevant provisions. Briefly, under section 611(d)(3)(B)(i), (ii) and (iii), a State's hold harmless, minimum and maximum allocations for a fiscal year are based on the amount the State received for the preceding fiscal year. Therefore, since Kansas' FFY 2011 grant (distributed on July 1, 2011) will be reduced by \$2.1 million, that lower number will be the base amount used when calculating the State's FFY 2012 grant and in future years.

Feel free to contact me if you have further questions.

Regards

Ruth Ryder

IDEA, section 611(d) Allocations to States.--

(1) In general.--After reserving funds for technical assistance, and for payments to the outlying areas, the freely associated States, and the Secretary of the Interior under subsections (b) and (c) for a fiscal year, the Secretary shall allocate the remaining amount among the States in accordance with this subsection.

(2) Special rule for use of fiscal year 1999 amount.--If a State received any funds under this section for fiscal year 1999 on the basis of children aged 3 through 5, but does not make a free appropriate public education available to all children with disabilities aged 3 through 5 in the State in any subsequent fiscal year, the Secretary shall compute the State's amount for fiscal year 1999, solely for the purpose of calculating the State's allocation in that subsequent year under paragraph (3) or (4), by subtracting the amount allocated to the State for fiscal year 1999 on the basis of those children.

(3) Increase in funds.--If the amount available for allocations to States under paragraph (1) for a fiscal year is equal to or greater than the amount allocated to the States under this paragraph for the preceding fiscal year, those allocations shall be calculated as follows:

(A) Allocation of increase.--

(i) In general.--Except as provided in subparagraph (B), the Secretary shall allocate for the fiscal year--

(I) to each State the amount the State received under this section for fiscal year 1999;

(II) 85 percent of any remaining funds to States on the basis of the States' relative populations of children aged 3 through 21 who are of the same age as children with disabilities for whom the State ensures the availability of a free appropriate public education under this part; and

(III) 15 percent of those remaining funds to States on the basis of the States' relative populations of children described in subclause (II) who are living in poverty.

(ii) Data.--For the purpose of making grants under this paragraph, the Secretary shall use the most recent population data, including data on children living in poverty, that are available and satisfactory to the Secretary.

(B) Limitations.--Notwithstanding subparagraph (A), allocations under this paragraph shall be subject to the following:

(i) Preceding year allocation.--No State's allocation shall be less than its allocation under this section for the preceding fiscal year.

(ii) Minimum.--No State's allocation shall be less than the greatest of--

(I) the sum of--

(aa) the amount the State received under this section for fiscal year 1999; and

(bb) $\frac{1}{3}$ of 1 percent of the amount by which the amount appropriated under subsection (i) for the fiscal year exceeds the amount appropriated for this section for fiscal year 1999;

(II) the sum of--

(aa) the amount the State received under this section for the preceding fiscal year; and

(bb) that amount multiplied by the percentage by which the increase in the funds appropriated for this section from the preceding fiscal year exceeds 1.5 percent; or

(III) the sum of--

(aa) the amount the State received under this section for the preceding fiscal year; and

(bb) that amount multiplied by 90 percent of the percentage increase in the amount appropriated for this section from the preceding fiscal year.

(iii) Maximum.--Notwithstanding clause (ii), no State's allocation under this paragraph shall exceed the sum of--

(I) the amount the State received under this section for the preceding fiscal year; and

(II) that amount multiplied by the sum of 1.5 percent and the percentage increase in the amount appropriated under this section from the preceding fiscal year.

(C) Ratable reduction.--If the amount available for allocations under this paragraph is insufficient to pay those allocations in full, those allocations shall be ratably reduced, subject to subparagraph (B)(i).

(4) Decrease in funds.--If the amount available for allocations to States under paragraph (1) for a fiscal year is less than the amount allocated to the States under this section for the preceding fiscal year, those allocations shall be calculated as follows:

(A) Amounts greater than fiscal year 1999 allocations.--If the amount available for allocations is greater than the amount allocated to the States for fiscal year 1999, each State shall be allocated the sum of--

(i) the amount the State received under this section for fiscal year 1999; and

(ii) an amount that bears the same relation to any remaining funds as the increase the State received under this section for the preceding fiscal year over fiscal year 1999 bears to the total of all such increases for all States.

(B) Amounts equal to or less than fiscal year 1999 allocations.--

(i) In general.--If the amount available for allocations under this paragraph is equal to or less than the amount allocated to the States for fiscal year 1999, each State shall be allocated the amount the State received for fiscal year 1999.

(ii) Ratable reduction.--If the amount available for allocations under this paragraph is insufficient to make the allocations described in clause (i), those allocations shall be ratably reduced.

612(a)(18) - Maintenance of state financial support.--

(A) In general.--The State does not reduce the amount of State financial support for special education and related services for children with disabilities, or otherwise made available because of the excess costs of educating those children, below the amount of that support for the preceding fiscal year.

(B) Reduction of funds for failure to maintain support.--The Secretary shall reduce the allocation of funds under section 611 for any fiscal year following the fiscal year in which the State fails to comply with the requirement of subparagraph (A) by the same amount by which the State fails to meet the requirement.

(C) Waivers for exceptional or uncontrollable circumstances.--The Secretary may waive the requirement of subparagraph (A) for a State, for 1 fiscal year at a time, if the Secretary determines that--

(i) granting a waiver would be equitable due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the State; or

(ii) the State meets the standard in paragraph (17)(C) for a waiver of the requirement to supplement, and not to supplant, funds received under this part.

(D) Subsequent years.--If, for any year, a State fails to meet the requirement of subparagraph (A), including any year for which the State is granted a waiver under subparagraph (C), the financial support required of the State in future years under subparagraph (A) shall be the amount that would have been required in the absence of that failure and not the reduced level of the State's support.

*KANSAS STATE DEPARTMENT OF EDUCATION
BUDGET APPEAL TO THE LEGISLATURE
Summary of Major Appeal Items*

FISCAL YEAR 2011

	<u>Amount of Appeal</u>	<u>Page No.</u>
1. Special Education State Aid	\$21,240,000	2
2. Proviso in HB 2014 Restricting Membership Dues		3
➤ Would prevent agency from paying membership dues to Interstate Military Compact.		

FISCAL YEAR 2012

	<u>Amount of Appeal</u>	<u>Page No.</u>
1. Agency Ops: Membership Dues	\$70,000	4
2. School Food Service Match: MOE Requirement	\$52,287	9

SIMPLIFIED EXAMPLE OF
*SPECIAL EDUCATION
MAINTENANCE OF EFFORT*

FISCAL YEAR 2010

Percent Reduction in Special Education State Aid	12.8%	*
Percent Reduction in General Fund Expenditures	12.3%	
Difference	.5%	
Federal Aid Reduction .005 X \$433,384,160	\$ 2,186,454	**

FISCAL YEAR 2011

- Required Addition to Special Education State Aid \$ 21.2 M
- Requires delay of \$69.2 Million final FY 2011 KPERS Payment
 - Calculation is also dependent on inclusion of re-appropriations in statewide spending. This causes the calculation to swing approximately \$5 million.

*Special education state reduction for all state agencies less amounts for gifted students.

**May not compute due to rounding. This reduction will continue each year.

HB 2014 Proviso Restricting Membership Dues

Sec. 50. (a) On and after the effective date of this act, no expenditures shall be made from any moneys appropriated for the fiscal year ending June 30, 2011, from the state general fund by chapter 2, chapter 124 or chapter 144 of the 2009 Session Laws of Kansas, by chapter 6 or chapter 165 of the 2010 Session Laws of Kansas or by this or other appropriation act of the 2011 regular session of the legislature, by any state agency for any professional or trade associations membership fees or dues or subscriptions for professional or trade magazines for state officers or employees: *Provided*, That the amount equal to the aggregate of any savings under this subsection from each account of the state general fund of each state agency for the year ending June 30, 2011, as determined and certified by the director of the budget, after consultation with the director of legislative research, to the director of accounts and reports, is hereby lapsed: *Provided further*, That, at the same time that each certification is made by the director of the budget to the director of accounts and reports under this subsection, the director of the budget shall deliver a copy of such certification to the director of legislative research.

FISCAL YEAR 2012

STATE OPERATIONS – MEMBERSHIP DUES

The 2010 Legislature deleted \$73,023 from the State Department of Education's general fund operating budget which was used to pay membership dues for the agency to belong to two national organizations, the Council of Chief State School Officers (CCSSO) and the National Association of State Boards of Education (NASBE).

The Council of Chief State School Officers (CCSSO) is a nationwide, nonprofit organization of public officials who head departments of elementary and secondary education in the United States, the District of Columbia, the Department of Defense Education Activity, and five U.S. extra-state jurisdictions. CCSSO provides leadership, advocacy, and technical assistance on major educational issues. The Council seeks member consensus on major educational issues and expresses their views to civic and professional organizations, federal agencies, Congress, and the public.

The Council, which was established in 1927, serves as an informed, pragmatic voice in representing the chief state school officers' views on education policy. Through targeted policy and effective advocacy, the Council provides a platform for chiefs to be heard. The organization also undertakes projects to help state education agencies understand, devise, and execute policy; adopt initiatives to promote educational reform efforts; and engage in collaborative exchanges to share best practices and model solutions. In addition, the Council offers professional development to its members in a wide range of areas to build capacity at the state level.

NASBE is a nonprofit association that represents state and territorial boards of education. It has existed for fifty years. States often call upon NASBE to assist them with research or policy development on specific education issues or to help them work through a process such as long-range planning, boardsmanship skills training, media training, policy audits, or the selection or evaluation of chief state school officers. NASBE also offers issue-specific targeted assistance, helping states develop policies around expertise the association has gained through research projects, action networks, and study groups.

One of the most popular services that NASBE provides to individual boards is boardsmanship skills training, which includes goal and priority setting, strategic planning, internal communications, managing information flow to and from the board, policy development, working with the news media, and relations with the chief and department of education staff. Other topics include administrative relations with the chief and relationships with interest groups, establishing coalitions, program review, and board self-evaluation. As with any type of technical assistance NASBE offers, training is tailored to specific needs of the state board.

Just as the Governor and his staff rely on the National Governors Association and the Kansas Legislature and its staff rely on the National Conference of State Legislatures to provide research, innovation and best practices, technical assistance and opportunities for exchanging ideas concerning the most pressing issues facing states, we rely on CCSSO and NASBE to assist our department in improving the quality of education in our state.

By eliminating these memberships the agency will have fewer opportunities to network with officials from across the nation to express our concerns and address major education issues. Through participation in these organizations, we have access to services that would typically be

much more expensive if we were to procure them individually. Additionally, the opportunity for our voice to be heard in Washington, D.C. is likely to lessen since CCSSO and NASBE actively advocate on our behalf with Congress and the U.S. Department of Education. With the impending reauthorization of No Child Left Behind, it is critical that Congress reauthorize a law that reinforces sound state and local education practices, promotes innovation and support, and provides for increased investments in research, evaluation and technical assistance to improve academic performance and close achievement gaps.

For these reasons, we are appealing the Governor's recommendation and requesting that the Legislature restore funding for these memberships.

STATE GENERAL FUND

FY 2012	Governor's	Amount of
<u>Request</u>	<u>Recommendation</u>	<u>Appeal</u>
\$70,000	0	\$70,000

From: Brenda Welburn [mailto:brendaw@nasbe.org]
Sent: Tuesday, February 01, 2011 1:50 PM
To: David Dennis
Cc: Dale Dennis; Diane DeBacker; Sue Storm; Ken Willard
Subject: Re: Fw: NASBE Funding

Dave:

The criteria requiring membership in NASBE for participation in PASS is not a part of our Army agreement. It is a NASBE policy not to provide services, programs and support to states that do not pay dues, unless otherwise directed by the Board. South Carolina requested consideration for PASS and they were rejected for because they do not pay dues. Every project has some NASBE in-kind support that goes with it, and that assistance is paid for through the dues paid by states. It is not appropriate to pay for services to some states with other states' resources.

The policy is only overwritten when a grant requires that all states be eligible to participate and due to the limited size of the pilot, the Army contract does not.

Another issue is that you would have to resign from the Board of Directors if the legislation passed.

Hope this helps.

Brenda

2-11

From: David Dennis [mailto:dtdennis@swbell.net]

Sent: Wednesday, February 02, 2011 4:50 PM

To: Brenda Welburn; ratha@gckschools.com; Clark-Hermocillo, Rebecca; scauble@swko.net; Yen Chau; Diane DeBacker; Dale Dennis; Sue Storm; Ken Willard

Cc: Jeff Pollard; Malcolm Poole

Subject: Re: NASBE Funding

Thank you for the feedback that I have received on this issue. As a result of that feedback, I have edited the letter. I have moved Project PASS to the beginning to highlight that project. I shortened the letter and added more bullets. Please take a look at the updated version.

I am extremely concerned about the proposed elimination of funding for professional organizations, specifically, funding for the state board of education to belong to the National Association of State Boards of Education (NASBE). Kansas spends approximately \$25,000 for our membership and it is being returned over four fold (\$100,655.00) just through our state's selection to participate in Project PASS (Partnership for All Students' Success).

Project PASS was created through a partnership with NASBE and the U.S. Army Accessions Command. Project PASS is an innovative dropout prevention and intervention strategy targeted at communities where dropout rates are exceptionally and unacceptably high. Project PASS is NOT a recruiting tool. It is a dropout prevention tool.

Some results we have seen so far from Wichita having a middle school program include:

- 80% of Middle School Cadets graduate from high school compared to 64% for students who did not take leadership.
- The more years cadets stay in Leadership, the higher their proficiency in Math and Reading.

Kansas is one of five states participating in Project PASS. Garden City school district's high school and feeder middle schools were selected in Kansas. To be selected the high school must have a dropout rate of at least 30% and currently be on School Improvement, Corrective Action, or Restructuring. Currently, the primary district is Garden City; however, we just completed a series of visits by the Army and NASBE to Liberal and Ulysses. NASBE and the Army are considering implementing it in all three districts.

2-11 The Army and NASBE provide funding for the following items:

- One half of the JROTC Instructor Fees
- All of the Local Advisory Council costs
- Informational session/parent engagement costs
- Whole school professional development costs
- Community coordinator training and professional development
- Middle school curriculum and training
- In-community relationships with national partners
- Program design
- Development and project management support
- Staffing costs for the community coordinator and related expenses

In addition, our membership in NASBE provides the professional development for all state board members and is our voice at the national level with the legislature and the U.S. Department of Education. This is critically important as the house and senate take up the issue of reauthorization of the Elementary and Secondary Education Act to replace the current No Child Left Behind legislation. Kansas has a strong voice with NASBE because I was recently elected to serve on the Board of Directors for NASBE. We would lose that voice, as I would have to resign if we were no longer members of NASBE. Again, I am extremely concerned about the proposed elimination of funding for professional organizations. I hope you will see that the investment is more than worth the rewards Kansas receives in return. If you have any questions, please do not hesitate to contact me.

Regards.
Dave Dennis

NSLP State Revenue Matching Requirements, SY 2010 - SY 2012

State	SY 1991 Section A \$	Reduction \$	SY 1991 Revised Section A \$	SY 2010 Factor	SY 2010 Required Match \$	SY 2011 Factor	SY 2011 Required Match \$	SY 2012 Factor	SY 2012 Required Match \$
Northeast Region									
Connecticut	7,844,905		7,844,905	0.300000	2,353,472	0.300000	2,353,472	0.300000	2,353,472
Maine	3,806,369		3,806,369	0.264200	1,005,642	0.272013	1,035,382	0.276175	1,051,223
Massachusetts	18,089,952		18,089,952	0.300000	5,426,986	0.300000	5,426,986	0.300000	5,426,986
New Hampshire	2,690,227		2,690,227	0.300000	807,068	0.300000	807,068	0.300000	807,068
New York	46,338,807		46,338,807	0.300000	13,901,642	0.300000	13,901,642	0.300000	13,901,642
Rhode Island	2,070,035		2,070,035	0.300000	621,011	0.300000	621,011	0.300000	621,011
Vermont	1,650,761		1,650,761	0.291303	480,871	0.288644	476,482	0.295420	487,667
Mid-Atlantic Region									
Delaware	1,623,757		1,623,757	0.300000	487,127	0.300000	487,127	0.300000	487,127
District of Columbia	1,769,194		1,769,194	0.300000	530,758	0.300000	530,758	0.300000	530,758
Maryland	11,994,797		11,991,797	0.300000	3,597,539	0.300000	3,597,539	0.300000	3,597,539
New Jersey	18,483,045		18,483,045	0.300000	5,544,914	0.300000	5,544,914	0.300000	5,544,914
Pennsylvania	35,147,577		35,147,577	0.300000	10,544,273	0.299493	10,526,441	0.300000	10,544,273
Puerto Rico	14,239,196		14,239,196	0.106973	1,523,207	0.108747	1,548,470	0.116280	1,655,730
Virgin Islands	608,136		608,136	0.201483	122,529	0.201482	122,529	0.201481	122,528
Virginia	19,339,774		19,339,774	0.300000	5,801,932	0.300000	5,801,932	0.300000	5,801,932
West Virginia	7,259,944		7,259,944	0.227878	1,654,384	0.236080	1,713,927	0.242772	1,762,514
Southeast Region									
Alabama	16,744,973		16,744,973	0.252056	4,220,676	0.251950	4,218,894	0.252562	4,229,135
Florida	30,950,157	-399,500	30,550,657	0.298071	9,106,257	0.292979	8,950,701	0.294428	8,994,966
Georgia	25,867,101	-514,938	25,352,163	0.259952	6,590,353	0.260344	6,600,276	0.257255	6,521,979
Kentucky	14,995,271		14,995,271	0.239501	3,591,376	0.239326	3,588,751	0.244582	3,667,571
Mississippi	12,470,910		12,470,910	0.221919	2,767,537	0.226813	2,828,565	0.230349	2,872,659
North Carolina	26,689,080		26,689,080	0.261874	6,989,170	0.263709	7,038,143	0.262850	7,015,229
South Carolina	14,199,050		14,199,050	0.241531	3,429,510	0.243728	3,460,701	0.244824	3,476,270
Tennessee	17,578,099		17,578,099	0.259618	4,563,587	0.260963	4,587,233	0.259262	4,557,326
Midwest Region									
Illinois	29,940,191		29,940,191	0.300000	8,982,057	0.300000	8,982,057	0.300000	8,982,057
Indiana	18,904,947		18,904,947	0.257899	4,875,559	0.258195	4,881,161	0.256741	4,853,666
Michigan	23,947,903		23,947,903	0.267156	6,397,823	0.260762	6,244,692	0.259935	6,224,908
Minnesota	15,393,111		15,393,111	0.300000	4,617,933	0.300000	4,617,933	0.300000	4,617,933
Ohio	33,589,167	-2,101,209	31,487,958	0.268455	8,447,732	0.268760	8,457,327	0.269444	8,478,862
Wisconsin	14,384,389		14,384,389	0.281929	4,055,373	0.281787	4,053,337	0.283132	4,072,685
Southwest Region									
Arkansas	9,143,031		9,143,031	0.234156	2,140,897	0.241721	2,210,059	0.245468	2,244,318
Louisiana	20,127,261		20,127,261	0.278265	5,600,706	0.271767	5,469,922	0.284056	5,717,268
New Mexico	5,072,267	-198,074	4,874,193	0.238077	1,160,433	0.249428	1,215,760	0.251441	1,225,572
Oklahoma	10,547,508	-129,104	10,418,404	0.271575	2,829,373	0.268491	2,797,251	0.271337	2,826,898
Texas	49,515,091		49,515,091	0.287880	14,254,399	0.281839	13,955,305	0.291824	14,449,670
Mountain Plains Region									
Colorado	8,242,146		8,242,146	0.300000	2,472,644	0.300000	2,472,644	0.300000	2,472,644
Iowa	11,904,998		11,904,998	0.270688	3,222,536	0.279064	3,322,255	0.284836	3,390,989
Kansas	8,368,185		8,368,185	0.283811	2,374,986	0.289644	2,423,793	0.297252	2,487,458
Missouri	16,902,041	-1,337,628	15,564,413	0.264371	4,114,778	0.273311	4,253,930	0.272079	4,234,749
Montana	2,594,478	-89,343	2,505,135	0.257844	645,934	0.258486	647,542	0.263418	659,898
Nebraska	4,891,835		4,891,835	0.281524	1,377,170	0.292106	1,428,935	0.297358	1,454,625
North Dakota	2,339,366	-198,152	2,141,214	0.279704	598,906	0.297478	630,964	0.300000	642,364
South Dakota	2,591,879	-181,530	2,410,349	0.277440	668,727	0.288458	695,283	0.289265	697,229
Utah	6,246,572	-69,456	6,177,116	0.234078	1,445,930	0.238341	1,472,258	0.239328	1,478,355
Wyoming	1,475,820	-21,630	1,454,198	0.300000	436,259	0.300000	436,259	0.300000	436,259
Western Region									
Alaska	1,642,517		1,642,517	0.300000	492,755	0.300000	492,755	0.300000	492,755
Arizona	8,037,877	-280,820	7,757,057	0.255938	1,985,327	0.256180	1,987,206	0.251683	1,952,321
California	59,988,962		59,988,962	0.300000	17,996,689	0.300000	17,996,689	0.300000	17,996,689
Guam	531,687		531,687	0.211892	112,660	0.211898	112,663	0.211899	112,664
Hawaii	4,571,440		4,571,440	0.300000	1,371,432	0.300000	1,371,432	0.300000	1,371,432
Idaho	3,350,168	-23,258	3,326,910	0.246626	820,504	0.246772	820,988	0.239706	797,461
Nevada	2,023,768	-61,328	1,962,440	0.300000	588,732	0.300000	588,732	0.285351	559,983
Oregon	7,604,761	-133,786	7,470,975	0.272485	2,008,478	0.270819	1,996,202	0.273495	2,015,922
Washington	9,975,645		9,975,645	0.300000	2,992,694	0.300000	2,992,694	0.300000	2,992,694

by law from disbursing State appropriated funds to nonpublic schools shall be required to match general cash assistance funds expended for meals served in such schools, or to disburse to such schools any of the State revenues required to meet the requirements of paragraph (a) of this section. Furthermore, the requirements of this section do not apply to schools in which the Program is administered by a FNSRO.

(c) Territorial waiver. American Samoa and the Commonwealth of the Northern Mariana Islands shall be exempted from the matching requirements of paragraph (a) of this section if their respective matching requirements are under \$100,000.

(d) Applicable revenues. The following State revenues, appropriated or used specifically for program purposes which are expended for any school year shall be eligible for meeting the applicable percentage of the matching requirements prescribed in paragraph (a) of this section for that school year:

(1) State revenues disbursed by the State agency to school food authorities for program purposes, including revenue disbursed to nonprofit private schools where the State administers the program in such schools;

(2) State revenues made available to school food authorities and transferred by the school food authorities to the nonprofit school food service accounts or otherwise expended by the school food authorities in connection with the nonprofit school food service program; and

(3) State revenues used to finance the costs (other than State salaries or other State level administrative costs) of the nonprofit school food service program, i.e.:

- (i) Local program supervision;
- (ii) Operating the program in participating schools; and
- (iii) The intrastate distribution of foods donated under part 250 of this chapter to schools participating in the program.

(e) Distribution of matching revenues. All State revenues made available under paragraph (a) of this section are to be disbursed to school food authorities participating in the Program, except as provided for under paragraph (b)

of this section. Distribution of matching revenues may be made with respect to a class of school food authorities as well as with respect to individual school food authorities.

(f) Failure to match. If, in any school year, a State fails to meet the State revenue matching requirement, as prescribed in paragraph (a) of this section, the general cash assistance funds utilized by the State during that school year shall be subject to recall by and repayment to FNS.

(g) Reports. Within 120 days after the end of each school year, each State agency shall submit an Annual Report of Revenues (FNS-13) to FNS. This report identifies the State revenues to be counted toward the State revenue matching requirements specified in paragraph (a) of this section.

(h) Accounting system. The State agency shall establish or cause to be established a system whereby all expended State revenues counted in meeting the matching requirements prescribed in paragraph (a) of this section are properly documented and accounted for.

§210.18 Administrative reviews.

(a) Implementation dates. For the school year beginning July 1, 1992, each State agency shall conduct administrative reviews as prescribed under this section. However, FNS will approve a State agency's written request if FNS determines that the State agency has demonstrated good cause to delay implementation of the provisions specified under this section to January 1, 1993. At State agency discretion, State agencies may begin implementation of the provisions of this section on August 16, 1991. FNS review responsibilities are specified under §210.29 of this part.

(b) Definitions. The following definitions are provided in order to clarify State agency administrative review requirements:

(1) Administrative reviews means the initial comprehensive on-site evaluation of all school food authorities participating in the Program in accordance with the provisions of this section. The term "administrative review" is used to reflect a review of

**KANSAS STATE DEPARTMENT OF EDUCATION
BUDGET APPEAL TO THE LEGISLATURE**

FISCAL YEAR 2011

	<u>Agency Request</u>	<u>Governor's Recommendation</u>	<u>Amount of Appeal</u>	<u>Page No.</u>
<u>State Aid to Local School Districts</u>				
<u>State General Fund</u>				
1. General State Aid	\$ 1,958,159,906	\$ 1,908,057,906	\$ 50,102,000	2
2. Supplemental General State Aid	416,504,350	385,310,350	31,194,000	4
3. Special Education Services Aid	388,928,843	367,688,843	21,240,000	6
4. Capital Outlay State Aid	22,000,000	0	22,000,000	11
5. Juvenile Detention Facilities	6,659,920	6,012,355	647,565	12
Total	\$2,791,502,933	\$ 2,667,069,454	\$ 125,183,565	

FISCAL YEAR 2011

GENERAL STATE AID

Based on the November 1, 2010, revised school finance consensus estimates prepared by the Division of the Budget, the Legislative Research Department and the State Department of Education, a total of \$1,958,159,906 is required from the state general fund to finance General State Aid for the 20010-11 school year with a base state aid per pupil amount of \$4,012. This is the base state aid per pupil amount used by school districts to build their budgets as per the appropriation authorized by the 2010 Legislature.

The revised estimate includes \$50.1 million more than the amount approved to spend in the current year. This increase is attributable to an overall increase in enrollment, a significant increase in the number of at-risk students and lower than anticipated local property tax collections.

In order to absorb a \$50 million reduction, school districts will be required to spend down their cash balances, implement additional reductions to their operating budgets and increase fees. Budget reductions will likely include classified staff layoffs, elimination of educational services, and reductions in transportation, professional development, travel, maintenance, sports and extracurricular activities.

We are appealing this recommendation and urging the Legislature to fund General State Aid, with a base state aid per pupil of \$4,012. Disapproval of this request will result in a cut to the base state aid per pupil amount of approximately \$75 resulting in a rate of \$3,937 per pupil.

STATE GENERAL FUND

	FY 2010 <u>Actual</u>	FY 2011 <u>Revised Request</u>	Governor's <u>Recommendation</u>	Amount of <u>Appeal</u>
SGF	\$1,873,397,756	\$1,958,159,906	\$1,908,057,906	\$50,102,000
ARRA	138,693,703	52,757,297	52,757,297	0
Education Jobs	0	92,377,698	92,377,698	0
Total	\$2,012,091,459	\$2,103,294,901	\$2,053,192,901	\$50,102,000

Note: The FY 2011 Revised Request includes \$32.6 million in payments delayed from FY 2010.

School Finance Act Calculations (Dollars in Thousands)

Fall 2010 Estimates for FY 2011 and FY 2012

	Actual FY 2006	Actual FY 2007	Actual FY 2008	Actual FY 2009	Actual FY 2010	Estimated FY 2011	Estimated FY 2012		
GENERAL STATE AID									
Budget per Pupil	4,257	4,316	4,374	4,400	4,012	4,012	4,012		
Weighted FTE Enrollment	568,6915	592,1956	613,4640	636,0000	655,1230	666,8420	666,8420		
Special Ed Weighted Enrollment	67,3533	76,0401	90,4067	97,2166	90,0269	90,0274	109,4217		
Total Weighted Enrollment	636,0448	668,2357	703,8707	733,2166	745,1499	756,8694	776,2637		
Estimated Obligation	2,707,643	2,884,105	3,078,730	3,226,153	2,989,541	3,036,560	3,114,370		
Percentage Change	8.7%	6.5%	6.7%	4.8%	-7.3%	1.6%	2.6%		
Deductions (Local Effort)									
Tax Levy	490,596	523,525	552,788	570,937	549,762	541,242	554,205		
Special Ed Services Aid	286,723	328,189	395,439	427,753	361,188	361,190	439,000		
Motor Vehicle/Rec Vehicle									
Cash Balance	1,075	1,523	1,236	1,380	1,023	600	600		
Federal Impact Aid (P.L. 874)	12,237	10,371	11,161	11,500	13,540	13,000	13,000		
M+E "Return to Locals" (Slider)	--	--	3,142	7,400	--	--	--		
Other	6,314	6,544	6,952	6,800	3,600	3,600	3,600		
Less: Local Remittance	(4,526)	(6,170)	(3,700)	(1,850)	(4,449)	(1,700)	(1,700)		
Total Deductions (Local Effort)	792,421	863,982	967,018	1,023,920	924,664	917,932	1,008,705		
Net State Cost	1,915,222	2,020,123	2,111,713	2,202,233	2,064,877	2,118,628	2,105,665		
SDFF Balance									
SDFF Exp (Local Remittance)	41,888	31,021	29,487	26,649	37,040	48,000	48,000		
ARRA State Fiscal Stabilization Funds	--	--	--	--	138,694	52,757	--		
Education Jobs Funds	--	--	--	--	--	6,429	--		
Delay Payment to Following Year	3,561	6,408	3,136	--	--	--	--		
Child Init Fund (4 yr-old at-risk)	--	--	--	--	--	--	--		
Required General State Aid-SGF	1,876,895	1,995,509	2,085,362	2,175,584	1,889,143	2,011,442	2,057,665		
Adjustment from Budget						50,102	43,574		
State Aid Change from Previous Yr	123,689	118,614	89,853	90,222	122,299	46,223			
LOCAL OPTION BUDGETS									
Estimated Obligation	659,520	760,709	838,196	901,535	929,170	959,602	979,602		
Estimated Local Taxes	439,855	491,185	530,013	579,687	636,203	589,196	601,476		
Delay Payment to Following Year	816	1,315	199	--	--	--	--		
Prorated Amount									
ARRA State Fiscal Stabilization Funds					85,949				
Net State Cost-SGF	218,850	268,210	307,985	321,848	292,967	370,406	378,126		
Adjustment from Budget						31,194	38,914		
State Aid Change from Previous Yr	59,122	49,360	39,775	13,863	77,439	7,720			
CAPITAL IMPROVEMENT AID									
Estimated State Cost	57,488	63,697	69,128	75,591	87,662	94,647	100,000		
Adjustment from Budget						--	--		
State Aid Change from Previous Yr	5,313	6,209	5,431	6,464	12,071	6,985	5,353		
CAPITAL OUTLAY AID									
Estimated State Cost	19,294	20,492	23,124	22,339	--	--	--		
Adjustment from Budget						--	--		
State Aid Change from Previous Yr	19,294	1,198	2,632	(785)	(22,339)	(22,339)	--		
Total Adj. from Previous Year-GSA, LOB	182,811	167,974	129,628	104,085	199,738	199,738	53,943		
Total Adjustment from Budget						81,296	82,488		
General and Supp. State Aid-SGF	2,095,745	2,263,719	2,393,347	2,497,432	2,182,110	2,381,848	2,435,791		

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FISCAL YEAR 2011

**SUPPLEMENTAL GENERAL STATE AID
(FUNDS CURRENT STATE LAW)**

Supplemental general state aid is based on an equalization feature designed to treat each district as if its assessed valuation per pupil (AVPP) were equal to that of the district at the 81.2 percentile of the AVPP. Each year the districts are ranked low to high based on their assessed valuation per pupil. The Kansas State Department of Education then determines the district at the 81.2% level. The calculation uses the prior year AVPP, which is the latest data available. For example, the 2009-10 AVPP is used to determine the supplemental general state aid for 2010-11. To determine the state aid, each district's AVPP is compared to the district at the 81.2 percentile. If a district's AVPP exceeds that amount, then the district is not entitled to state aid. If a district has an AVPP less than that amount, a calculation is completed to determine their supplemental general fund state aid rate. For each district that has a lower AVPP than the district at the 81.2 percentile and which uses all or a portion of its Local Option Budget (LOB) authority, the department divides the district's AVPP in the preceding year by the 81.2 percentile AVPP and subtracts the computed ratio from 1.0. The district's adopted LOB is then multiplied by the result to determine the district's LOB supplemental general state aid entitlement.

During the previous years, the AVPP for the district at the 81.2% has gradually gone up. Listed below are the amounts over the last three years.

School Year	AVPP at 81.2%
— 2009-10	\$99,359*
2008-09	\$107,548
2007-08	\$93,544
2006-07	\$91,570

* Used for computing FY 2011 supplemental general state aid

During 2008-09, many of the districts that fall at the 81.2% experienced a decline in enrollment and a significant increase in the assessed valuation due to a jump in oil and gas producing property. Since the AVPP for those districts increased at a higher rate than most other districts, the amount of state aid districts were entitled to receive increased considerably. Due to a decline in valuation during 2009-10, the amount of state aid districts are entitled to receive this year is down from last year.

As a result of pro-rating state aid, delaying payments at fiscal year-end to the following year, and the use of ARRA State Fiscal Stabilization Funds to help fund Supplemental General State Aid in FY 2010, it is difficult to understand the statutory funding requirements for this program by simply looking at state general fund expenditures. Therefore, we are also including a summary at the bottom of our request of the state aid entitlement for this program.

Funding at the level recommended by the Governor will result in an estimated proration in state aid of 91.5 percent. This will result in disequalization to those school districts qualifying for Supplemental General State Aid.

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STATE AID PAYMENTS

	FY 2010 <u>Actual</u>	FY 2011 <u>Revised Request</u>	Governor's <u>Recommendation</u>	Amount of <u>Appeal</u>
SGF	\$250,491,519	\$416,504,350	\$385,310,350	\$31,194,000
ARRA	85,949,000	0	0	0
Total	\$336,440,519	\$416,504,350	\$385,310,350	\$31,194,000

Note: The FY 2011 Revised Request includes approximately \$46.09 million in delayed FY 2010 payments.

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FISCAL YEAR 2011

SPECIAL EDUCATION SERVICES AID (FUNDS CURRENT STATE LAW)

The federal Individuals with Disabilities Education Act (IDEA) requires states to provide a free and appropriate public education to all children with disabilities between the ages of 3 and 21. The Kansas Special Education for Exceptional Children Act augments federal law by requiring school districts to provide special education services to gifted children as well.

The legislature made several adjustments in the funding formula including those aimed at increasing funding for special education and at-risk students. Specifically, the legislature amended K.S.A. 72-978, which mandates that state aid for special education be equal to 92 percent of the estimated excess costs of educational services provided to students with disabilities.

On November 1, 2010, staff from the Division of the Budget, Legislative Research Department and Kansas State Department of Education met to compute estimated special education excess costs for Fiscal Years 2011 and 2012. The projected cost to fund special education excess costs for FY 2011 is \$388,928,843 or an additional \$21,240,000 over the amount recommended by the Governor.

The Governor's recommendation is expected to fund special education at 87.1 percent of excess costs. The percentage of excess costs not funded by the state must be financed by school districts from their general fund or supplemental general fund, thereby reducing the amount of money available to fund general education.

Federal Maintenance of Effort Requirements

In July, 2010, the Governor and Commissioner of Education submitted a revised request to the Office of Special Education Programs (OSEP) of the U.S. Department of Education seeking a waiver of the state's maintenance of effort requirements under the federal Individuals with Disabilities Education Act (IDEA). The request was necessary as the FY 2010 approved SGF appropriation for special education services did not meet maintenance of effort requirements as specified in IDEA. Under IDEA, if a state fails to maintain its level of financial support for providing special education services from one year to the next, the Secretary of the U.S. Department of Education is required to reduce the state's federal allocation in future years by the amount by which the state failed to meet the requirement or, in other words, by the amount of the shortfall.

Although OSEP had ruled on an earlier waiver request, subsequent discussions necessitated a revised waiver request to be calculated and submitted. In the earlier ruling, OSEP determined that the state's maintenance of effort requirement would be waived by the same percentage reduction as was experienced by the state's overall reduction in state general fund spending. As such, the total SGF appropriation declined approximately 12.3 percent between FY 2009 and FY 2010. OSEP determined in the earlier ruling that the MOE requirement for special education services could be reduced by a similar 12.3 percent in FY 2010 and the state's federal allocation would not be reduced. Under the revised waiver request calculation, it was determined that state support for special education services was reduced by 12.8 percent between FY 2009 and FY 2010. Consequently, OSEP ruled that the FFY 2011 federal special education funding allocation will be reduced by \$2,186,454.

During a conference call with representatives of OSEP on January 31, 2011, the Department was informed that the FFY 2011 allocation reduction of approximately \$2.2 million would impact the calculation utilized in determining federal allocations for FFY 2012 and beyond. Essentially, beginning in FFY 2012, all future federal allocations would be reduced by \$2.2 million.

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This causes particular concern due to the potential for an even greater reduction to federal funding in future years if the State does not restore Special Education funding for state FY 2011. The State's federal special education funding allocation faces up to a \$24.6 million reduction in FFY 2012. If the federal allocation is reduced \$24.6 million in FFY 2012 that reduction would be on top of the \$2.2 million reduction for a total of \$26.8 million. This \$26.8 million reduction would continue to reduce subsequent fiscal year allocations in perpetuity.

STATE GENERAL FUND and ARRA IDEA FUNDS

	FY 2010 <u>Expenditures</u>	FY 2011 <u>Revised Estimate</u>	Governor's <u>Recommendation</u>	Amount of <u>Appeal</u>
Expenditures	\$423,944,488	\$443,779,759	\$422,539,759	\$21,240,000
Funding:				
State General Fund	\$367,427,058	\$388,928,843	\$367,688,843	\$21,240,000
ARRA Special Education Funds	\$56,517,430	\$54,850,916	\$54,850,916	\$0

Estimated Special Education Costs FY 2011 - FY 2012				
FY 2010 Actual Expenditures			\$	768,877,370
FY 2011 Estimate				
FY 2010 Actual			\$	768,877,370
Percent Change (Based on teacher salary increase ave.)	1.5%			11,533,161
Added Teachers No./Amount	25	62,576		1,564,400
Estimated Total FY 2011 Expenditures			\$	781,974,931
Excess Cost Computation:				
Projected Total Expenditures				781,974,931
Less Ave per Pupil Cost of Regular Ed.	\$ 6,711			
times FTE special ed pupils exc. SRS residents	26,500			177,841,500
Less Federal Aid				154,900,000
Less Medicaid Reimbursements				27,000,000
Less SRS Administrative Costs (State Hospitals)				300,000
FY 2011 Excess Costs			\$	421,933,431
State Aid at 92.0%			\$	388,178,757

FY 2012 Projection				
FY 2011 Estimate				781,974,931
Percent Change (Based on teacher salary increase ave.)	1.00%			7,819,749
Added Teachers No./Amount	25	\$ 62,206		1,555,150
Estimated Total FY 2012 Expenditures			\$	791,349,830
Excess Cost Computation:				
Projected Total Expenditures				791,349,830
Less Ave per Pupil Cost of Regular Ed.	\$ 6,778			
times FTE special ed pupils exc. SRS residents	26,500			179,617,000
Less Federal Aid				100,000,000
Less Medicaid Reimbursements				27,000,000
Less SRS Administrative Costs (State Hospitals)				300,000
FY 2012 Excess Costs			\$	484,432,830
State Aid at 92.0%			\$	445,678,204

Kansas State Level of Financial Support for Special Education - Maintenance of Effort (MOE)

Part B IDEA (Students with Disabilities Ages 3-21)

State Level Maintenance of Effort Requirements and Guidance

Under 34 CFR §300.163(a), "a State must not reduce the amount of State financial support for special education and related services for children with disabilities, or otherwise made available because of the excess costs of educating those children, below the amount of that support for the preceding fiscal year."

Per guidance provided by the U.S Department of Education within the OSEP 10-5 Memorandum, "The reference to 'State Financial Support' in 34 CFR §300.163(a) is not limited to only the financial support provided to or through the SEA, but encompasses the financial support of all State agencies that provide or pay for special education and related services, as those terms are defined under IDEA, to children with disabilities"

34 CFR §300.162(b)(2)(1) "Funds paid to a State under this part must not be commingled with State funds. "

"The State financial support provided by the SEA for special education and related services is, of course, also included in the calculation required by 34 CFR §300.163." (OSEP 10-5 Memorandum)

"...a State needs to include in its calculation of 'State financial support for special education and related services' funds other agencies provide to the SEA for such services, funds other agencies provide directly to LEAs for the services, and funds other agencies directly pay to staff or contractors for the delivery of the services pursuant to an IEP."

34 CFR §300.163(b) "Reduction of funds for failure to maintain support. The Secretary reduces the allocation of funds under section 611 of the Act for any fiscal year following the fiscal year in which the State fails to comply with the requirement of paragraph (a) of this section by the same amount by which the State fails to meet the requirement."

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Option: Use Revised FY 2011 Governor's Budget + HCOW Action + Lapse \$69.2 M KPERS School to Delay to FY 2012

Kansas Special Education Maintenance of Effort Estimate	Fiscal Year			SGF Adjustment
	2009	2010	2011	
Special Education Categorical Aid Appropriation	427,753,137	367,575,271	388,928,843	21,240,000
Minus Gifted and Infant Toddler FTE	(19,864,820)	(13,376,690)	(13,090,587)	
KSDE Special Education Services State Support	385,601	374,209	439,728	
Kansas School for the Blind State Appropriation	5,769,542	5,447,559	5,560,732	
Kansas School for the Deaf State Appropriation	8,796,913	8,792,432	8,896,953	
Deaf Blind State Appropriation	110,000	110,000	110,000	
Social Rehabilitation Services	1,609,479	1,468,681	1,405,635	
Kansas Department of Health and Environment	-	-	-	
Kansas Health Policy Authority	8,824,317	7,500,000	7,000,000	
Other Sources of State Aid to be Included	-	-	-	
Kansas State Level Maintenance of Effort	433,384,169	377,891,462	399,251,304	
		(55,492,707)	(34,132,865)	
Difference from 2009				
% Difference from 2009		-12.8%	-7.88%	
Statewide State General Fund Comparison				
Total State General Fund Appropriation *	6,163,802,845	5,408,055,522	5,727,059,007	
SGF Adjustment for Special Ed			21,240,000	
House Committee of the Whole Action HB 2014			(780,417)	
Delay KPERS School April 2011 Payment to July 2011			(69,201,035)	
Adjusted SGF Total			5,678,317,555	
		-755,747,323	-485,485,290	
Difference from 2009				
% Difference from 2009		-12.3%	-7.88%	
Potential Partial Waiver Amount		(53,306,253)	(34,150,673)	
Potential Reduction in Federal Special Education Funding		2,186,454	(17,808)	

* This includes reappropriations from the prior fiscal year. This is similar to the way the prior waiver was calculated.

FISCAL YEAR 2011

**CAPITAL OUTLAY STATE AID
(FUNDS CURRENT STATE LAW)**

K.S.A. 72-8801 authorizes local school districts to assess additional property taxes for capital expenditures outside the general fund. In order to correct an inequity for less wealthy school districts in which lower valuations produce less revenue from the mill rate, the legislature amended the law by imposing a cap of 8 mills and equalizing state aid in the same manner as capital improvement state aid. This program was funded from FY 2006 through FY 2009; however, the legislature elected not to fund it for FY 2010 and FY 2011.

For FY 2011, the State Board of Education recommends full funding of the Capital Outlay State Aid Program at a cost of \$22 million. Funding for this program is generated through a demand transfer from the state general fund, pursuant to K.S.A. 72-8814.

STATE GENERAL FUND

FY 2010	FY 2011	Governor's	Amount of
<u>Expenditures</u>	<u>Revised Estimate</u>	<u>Recommendation</u>	<u>Appeal</u>
\$0	\$22,000,000	\$0	\$22,000,000

FISCAL YEAR 2011

JUVENILE DETENTION AND OTHER AUTHORIZED FACILITIES

K.S.A. 1999 Supp. 72-8187 authorizes state grants to reimburse school districts for the cost of providing educational services to students who reside at the Flint Hills Job Corps Center, are confined in juvenile detention facilities or are housed in psychiatric residential treatment facilities. The law provides that school districts are to be reimbursed at two times the base state aid per pupil amount or actual expenses, whichever is lesser. Districts are permitted to base their state aid on the highest pupil count taken on September 20, November 20 or April 20.

Shown below are the educational costs for this program and the number of students served. Providing adequate educational opportunities to detained juvenile offenders has consistently been linked to reduced recidivism rates and successful reintegration into society. Failure to provide these students with the necessary job training and work skills required to succeed in life will no doubt result in increased demands on our state's public assistance programs and correctional systems.

	Actual FY 2010	Estimated FY 2011	Governor's Recommendation	Amount of Appeal
State Aid	\$6,092,160	\$6,659,920	\$6,012,355	\$647,565
Students Served	808.4	830	830	---
Maximum State Aid per Pupil	\$8,024	\$8,024	\$7,244	\$8,024

The State Board's FY 2011 request utilizes a base state aid per pupil amount of \$4,012 to fund the formula for this program.

STATE GENERAL FUND

<u>FY 2010</u> <u>Expenditures</u>	<u>FY 2011</u> <u>Revised Request</u>	<u>Governor's</u> <u>Recommendation</u>	<u>Amount of</u> <u>Appeal</u>
\$6,092,160	\$6,659,920	\$6,012,355	\$647,565

**KANSAS STATE DEPARTMENT OF EDUCATION
BUDGET APPEAL TO THE LEGISLATURE**

FISCAL YEAR 2012

	<u>Agency Request</u>	<u>Governor's Recommendation</u>	<u>Amount of Appeal</u>	<u>Page No.</u>
<u>State Operations – State General Fund</u>				
1. 5% Budget Cut	\$0	(\$554,933)	\$554,933	2
2. Membership Dues	70,000	0	70,000	4
Total	\$70,000	(\$554,933)	\$624,933	
 <u>State Aid to Local School Districts</u>				
<u>State General Fund</u>				
1. General State Aid	\$2,378,238,680	\$1,902,775,680	\$475,463,000	6
2. Supplemental General State Aid	378,126,000	339,212,000	38,914,000	12
3. Special Education Services Aid	445,678,204	427,717,630	17,960,574	13
4. Capital Outlay State Aid	23,000,000	0	23,000,000	15
5. Professional Development Aid	8,500,000	0	8,500,000	16
6. Mentor Teacher Program Grants	2,550,000	1,450,000	1,100,000	18
7. School Food Assistance State Aid	3,510,000	2,435,171	1,074,829	20
8. Juvenile Detention Facilities	6,659,920	6,012,355	647,565	22
9. Governor's Teaching Excellence Awards	350,000	55,525	294,475	23
10. Discretionary Grants	740,000	670,000	70,000	24
Total	\$3,247,352,804	\$2,680,329,540	\$567,024,443	
 <u>Other Funds</u>				
1. Parent Education Program (CIF)	8,459,500	7,539,500	920,000	26
Total	\$8,459,500	\$7,539,500	\$920,000	
 <u>Revenue Transfers</u>				
1. State Safety Fund Transfer to SGF	\$0	\$1,800,000	\$1,800,000	28

FISCAL YEAR 2012

STATE OPERATIONS – 5% REDUCTION

In order to balance the state budget, the Governor has recommended reducing the operating budgets of most state agencies by 5%. In order to achieve this reduction, the Governor's budget office increased the agency's shrinkage rate in FY 2012 from 10.77% to 16.85%. Considering that the average employee salary and fringe benefits paid from the State General Fund is approximately \$60,000 it will be necessary for the Department to hold vacant 9 additional positions during FY 2012. This is on top of the approximately 23 positions that are on hold due to the agency's existing shrinkage rate. These 32 positions would equate to approximately 27% of the agency's FTE positions which are either fully or partially funded from the SGF.

This reduction is on top of previous adjustments made to the agency's salary budget in previous years. One such reduction to our operating budget was to increase the shrinkage rate on salaries paid from the state general fund for FY 2010 from 5.6 percent to 8.0 percent. This effectively reduced our state general fund appropriation for operating expenditures by \$205,388. When computing salaries and wages paid from the state general fund for FY 2011 and FY 2012, it was necessary to increase our shrinkage rate again to balance to our approved and allocated budgets. This increase is primarily due to two factors. One, the 2010 Legislature elected to eliminate funding for longevity bonuses but still require state agencies to pay the bonuses to eligible staff. And, two, the 2010 Legislature approved funding for under market salaries for select classified positions. The amount of funding received by the department, from the state general fund, to implement the under market salary increases was not sufficient to cover the actual increases for classified staff. Compounding this problem is the fact that the Department of Education treats many unclassified positions with regard to salary similar to their equivalent positions in the classified service. As a result, we have had to increase our shrinkage rate to 10.66 percent for FY 2011 and to 10.77 percent for FY 2012. As mentioned above, the Governor's recommendation will increase our shrinkage rate to 16.85% in FY 2012.

It is our intent only to fill those positions that are critical to our operation. We are presently not filling vacant positions assigned to our School Finance Team, Fiscal Services and Operations Team, Research and Evaluation Team, Standards and Assessment Services Team, Special Education Services Team, Child Nutrition and Wellness Team and Technical Education Unit. Holding these positions vacant severely impacts our ability to effectively perform numerous responsibilities such as processing and auditing state aid payments; monitoring sub-recipients for compliance with state and federal requirements; reviewing and updating curricular standards; administering, scoring and reporting state assessments; approving local programs for funding; approving teacher preparation programs; collecting and reporting student data to the federal government; and, providing professional development and technical assistance to literally thousands of educators and school food service personnel.

The Governor's reduction is the latest cut to the agency's operating budget. The agency's 2011 budget saw the reduction of approximately \$120,000 for contracted services for the development of assessments in the core academic areas. Additionally, the agency's entire capital outlay budget was eliminated in FY 2011. These monies would have been utilized to replace the agency's aging active computers. By the end of FY 2012, 87 of the agency's active computers will reach or exceed five years of age. This is well beyond the typical warranty period of three years. In addition, approximately \$73,000 was cut which was slated to pay agency memberships to the Council of Chief State School Officers (CCSSO), and the National Association of State Boards of

Education (NASBE). These cuts are discussed in greater detail in the following budget appeal item.

At this point, since 80 percent of the agency's budget is used for salaries, the only option available for the agency to meet this reduction is to hold additional positions vacant and reduce services.

For FY 2012, we are requesting that the 5% reduction be restored at a cost of \$554,933 from the state general fund.

STATE GENERAL FUND

FY 2012 <u>Request</u> (\$0)	Governor's <u>Recommendation</u> (\$554,933)	Amount of <u>Appeal</u> \$554,933
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FISCAL YEAR 2012

STATE OPERATIONS – MEMBERSHIP DUES

The 2010 Legislature deleted \$73,023 from the State Department of Education's general fund operating budget which was used to pay membership dues for the agency to belong to two national organizations, the Council of Chief State School Officers (CCSSO) and the National Association of State Boards of Education (NASBE).

The Council of Chief State School Officers (CCSSO) is a nationwide, nonprofit organization of public officials who head departments of elementary and secondary education in the United States, the District of Columbia, the Department of Defense Education Activity, and five U.S. extra-state jurisdictions. CCSSO provides leadership, advocacy, and technical assistance on major educational issues. The Council seeks member consensus on major educational issues and expresses their views to civic and professional organizations, federal agencies, Congress, and the public.

The Council, which was established in 1927, serves as an informed, pragmatic voice in representing the chief state school officers' views on education policy. Through targeted policy and effective advocacy, the Council provides a platform for chiefs to be heard. The organization also undertakes projects to help state education agencies understand, devise, and execute policy; adopt initiatives to promote educational reform efforts; and engage in collaborative exchanges to share best practices and model solutions. In addition, the Council offers professional development to its members in a wide range of areas to build capacity at the state level.

NASBE is a nonprofit association that represents state and territorial boards of education. It has existed for fifty years. States often call upon NASBE to assist them with research or policy development on specific education issues or to help them work through a process such as long-range planning, boardmanship skills training, media training, policy audits, or the selection or evaluation of chief state school officers. NASBE also offers issue-specific targeted assistance, helping states develop policies around expertise the association has gained through research projects, action networks, and study groups.

One of the most popular services that NASBE provides to individual boards is boardmanship skills training, which includes goal and priority setting, strategic planning, internal communications, managing information flow to and from the board, policy development, working with the news media, and relations with the chief and department of education staff. Other topics include administrative relations with the chief and relationships with interest groups, establishing coalitions, program review, and board self-evaluation. As with any type of technical assistance NASBE offers, training is tailored to specific needs of the state board.

Just as the Governor and his staff rely on the National Governors Association and the Kansas Legislature and its staff rely on the National Conference of State Legislatures to provide research, innovation and best practices, technical assistance and opportunities for exchanging ideas concerning the most pressing issues facing states, we rely on CCSSO and NASBE to assist our department in improving the quality of education in our state.

By eliminating these memberships the agency will have fewer opportunities to network with officials from across the nation to express our concerns and address major education issues. Through participation in these organizations, we have access to services that would typically be

much more expensive if we were to procure them individually. Additionally, the opportunity for our voice to be heard in Washington, D.C. is likely to lessen since CCSSO and NASBE actively advocate on our behalf with Congress and the U.S. Department of Education. With the impending reauthorization of No Child Left Behind, it is critical that Congress reauthorize a law that reinforces sound state and local education practices, promotes innovation and support, and provides for increased investments in research, evaluation and technical assistance to improve academic performance and close achievement gaps.

For these reasons, we are appealing the Governor's recommendation and requesting that the Legislature restore funding for these memberships.

STATE GENERAL FUND

FY 2012	Governor's	Amount of
<u>Request</u>	<u>Recommendation</u>	<u>Appeal</u>
\$70,000	0	\$70,000

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FISCAL YEAR 2012

GENERAL STATE AID (FUNDS CURRENT STATE LAW)

In response to the Supreme Court's ruling in the *Montoy v. State of Kansas* school finance lawsuit, the legislature approved a multi-year funding plan. Included in the plan were incremental increases in the base state aid per pupil amount, which is currently set at \$4,492 by state law. Based on the November 1, 2010 consensus estimates for school finance, a total of \$2,378,238,680 is required to fund the law from the state general fund. Based on the Governor's recommendation of \$1,902,775,680, it would be necessary to pro-rate General State Aid to school districts. In effect, this would reduce the base state aid per pupil amount by \$712, from \$4,492 to \$3,780. The total reduction would amount to \$475 million.

During the 2005 legislative session, an amendment was enacted which lowered enrollment weighting and raised the base state aid per pupil by \$244 but resulted in no additional funding for schools. When taking into consideration this adjustment, a base state aid per pupil amount of \$3,780 ($\$3,947 - \$244 = \$3,536$) actually represents a smaller base than the amount approved for the 2000-01 school year (\$3,820). Although funding has increased since that time, much of the increase has been targeted to specific areas other than the general fund operating budget of schools, e.g., special education, capital improvements and KPERS.

As a result of the reductions enacted by the legislature last session, school districts were required to cut their budgets significantly for the 2010-11 school year. School districts have achieved these cuts by eliminating over 3,700 positions, reducing educational services and improving the efficiency of their operations. Some school districts also increased fees to offset a portion of the reductions.

Approval of the Governor's recommendation will require school districts to make even more severe cuts to their staff, educational programs and related services. A cut of this magnitude will guarantee larger class sizes, a reduced work force, elimination of key programs and fewer opportunities for students. On the average, school districts spend 75 percent of their general and supplemental general funds for salaries and salary related items. Therefore, we could easily anticipate that additional layoffs of teachers, administrators and non-licensed staff will occur. In many communities, the school district is one of the largest employers. Layoffs of school district employees along with other spending reductions would negatively impact the economy and future economic development of these communities. In the four years prior to the budget cuts, school districts had the resources required to establish education programs to help all students improve academically. This recommendation will require school districts to further dismantle these programs leading to increased dropout rates, lower graduation rates, lower assessment scores and more schools and districts failing to meet AYP.

In recent years, the achievement of Kansas students across all grades has been phenomenal. The percentage of students reading at the proficient level or above has risen from 59% in 2000 to 86.3% in 2010. Math has risen from 50% to 83.6%. The gains have been just as strong in history/government and science. Additionally, the achievement gaps among various groups of Kansas students in reading, mathematics, history/ government and science are closing. We believe this success is directly attributable to the significant increase in resources provided by the state in recent years, as well as the sustained, relentless efforts of our teachers to challenge each and every student to do his or her very best. As explained above, a reduction of these resources will impede our schools' ability to focus on the success of all students to the point where performance levels begin to level out and, eventually, decline. For this reason, we are appealing the Governor's

recommendation and request that the Legislature fully fund general state aid in the budget year, as provided by state law.

STATE GENERAL FUND

	<u>FY 2010 Expenditures</u>	<u>FY 2011 Revised Request</u>	<u>FY 2012 Estimate</u>	<u>Governor's Recommendation</u>	<u>Amount of Appeal</u>
SGF	\$1,873,397,756	\$1,958,159,907	\$2,378,238,680	\$1,902,775,680	\$475,463,000
ARRA	138,693,703	52,757,297	0	0	0
Ed Jobs	0	92,377,698	0	0	0
Total	\$2,012,091,459	\$2,103,294,902	\$2,378,238,680	\$2,014,090,680	\$475,463,000

Note: The FY 2011 Revised Estimate includes \$32.6 million in delayed FY 2010 payments.

School Finance Act Calculations (Dollars in Thousands)

Fall 2010 Estimates for FY 2011 and FY 2012

	Actual FY 2006	Actual FY 2007	Actual FY 2008	Actual FY 2009	Actual FY 2010	Estimated FY 2011	Estimated FY 2012	
GENERAL STATE AID								
Budget per Pupil	4,257	4,316	4,374	4,400	4,012	4,012	4,012	
Weighted FTE Enrollment	568,6915	592,1956	613,4640	636,0000	655,1230	666,8420	666,8420	
Special Ed Weighted Enrollment	<u>67,3533</u>	<u>76,0401</u>	<u>90,4067</u>	<u>97,2166</u>	<u>90,0269</u>	<u>90,0274</u>	<u>109,4217</u>	
Total Weighted Enrollment	636,0448	668,2357	703,8707	733,2166	745,1499	756,8694	776,2637	
Estimated Obligation	2,707,643	2,884,105	3,078,730	3,226,153	2,989,541	3,036,560	3,114,370	
Percentage Change	8.7%	6.5%	6.7%	4.8%	-7.3%	1.6%	2.6%	
Deductions (Local Effort)								
Tax Levy	490,596	523,525	552,788	570,937	549,762	541,242	554,205	
Special Ed Services Aid	286,723	328,189	395,439	427,753	361,188	361,190	439,000	
Motor Vehicle/Rec. Vehicle	--	--	--	--	--	--	--	
Cash Balance	1,075	1,523	1,236	1,380	1,023	600	600	
Federal Impact Aid (P.L. 874)	12,237	10,371	11,161	11,500	13,540	13,000	13,000	
M+E "Return to Locals" (Slider)	--	--	3,142	7,400	--	--	--	
Other	6,314	6,544	6,952	6,800	3,600	3,600	3,600	
Less: Local Remittance	<u>(4,526)</u>	<u>(6,170)</u>	<u>(3,700)</u>	<u>(1,850)</u>	<u>(4,449)</u>	<u>(1,700)</u>	<u>(1,700)</u>	
Total Deductions (Local Effort)	792,421	863,982	967,018	1,023,920	924,664	917,932	1,008,705	
Net State Cost	1,915,222	2,020,123	2,111,713	2,202,233	2,064,877	2,118,628	2,105,665	
SDFF Balance	--	--	--	--	--	--	--	
SDFF Exp. (Local Remittance)	41,888	31,021	29,487	26,649	37,040	48,000	48,000	
ARRA State Fiscal Stabilization Funds	--	--	--	--	138,694	52,757	--	
Education Jobs Funds	--	--	--	--	--	6,429	--	
Delay Payment to Following Year	3,561	6,408	3,136	--	--	--	--	
Child. Init. Fund (4 yr-old at-risk)	--	--	--	--	--	--	--	
Required General State Aid-SGF	1,876,895	1,995,509	2,085,362	2,175,584	1,889,143	2,011,442	2,057,665	
Adjustment from Budget						50,102	43,574	
State Aid Change from Previous Yr.	123,689	118,614	89,853	90,222	(286,441)	122,299	46,223	
LOCAL OPTION BUDGETS								
Estimated Obligation	659,520	760,709	838,196	901,535	929,170	959,602	979,602	
Estimated Local Taxes	439,855	491,185	530,013	579,687	636,203	589,196	601,476	
Delay Payment to Following Year	816	1,315	199	--	--	--	--	
Prorated Amount	--	--	--	--	--	--	--	
ARRA State Fiscal Stabilization Funds	--	--	--	--	85,949	--	--	
Net State Cost-SGF	218,850	268,210	307,985	321,848	292,967	370,406	378,126	
Adjustment from Budget						31,194	38,914	
State Aid Change from Previous Yr.	59,122	49,360	39,775	13,863	(28,581)	77,439	7,720	
CAPITAL IMPROVEMENT AID								
Estimated State Cost	57,488	63,697	69,128	75,591	87,662	94,647	100,000	
Adjustment from Budget						--	--	
State Aid Change from Previous Yr.	5,313	6,209	5,431	6,464	12,071	6,985	5,353	
CAPITAL OUTLAY AID								
Estimated State Cost	19,294	20,492	23,124	22,339	--	--	--	
Adjustment from Budget						--	--	
State Aid Change from Previous Yr.	19,294	1,198	2,632	(785)	(22,339)	(22,339)	--	
Total Adj. from Previous Year-GSA, LOB	182,811	167,974	129,628	104,085	(815,322)	199,738	53,943	
Total Adjustment from Budget						81,296	82,488	
General and Supp. State Aid-SGF	2,095,745	2,263,719	2,393,347	2,497,432	2,182,110	2,381,848	2,435,791	

Budgeted Amounts

FY 2011 FY 2012 (DOB Allocation)

1,961,340 2,014,091

1,875,390,860 2,014,090,680

Budgeted Amounts

FY 2011 FY 2012 (Allocation)

339,212 339,212

339,212,000 339,212,000

Budgeted Amounts

FY 2011 FY 2012

94,647 100,000

Budgeted Amounts

FY 2011 FY 2012 (Allocation)

0 0

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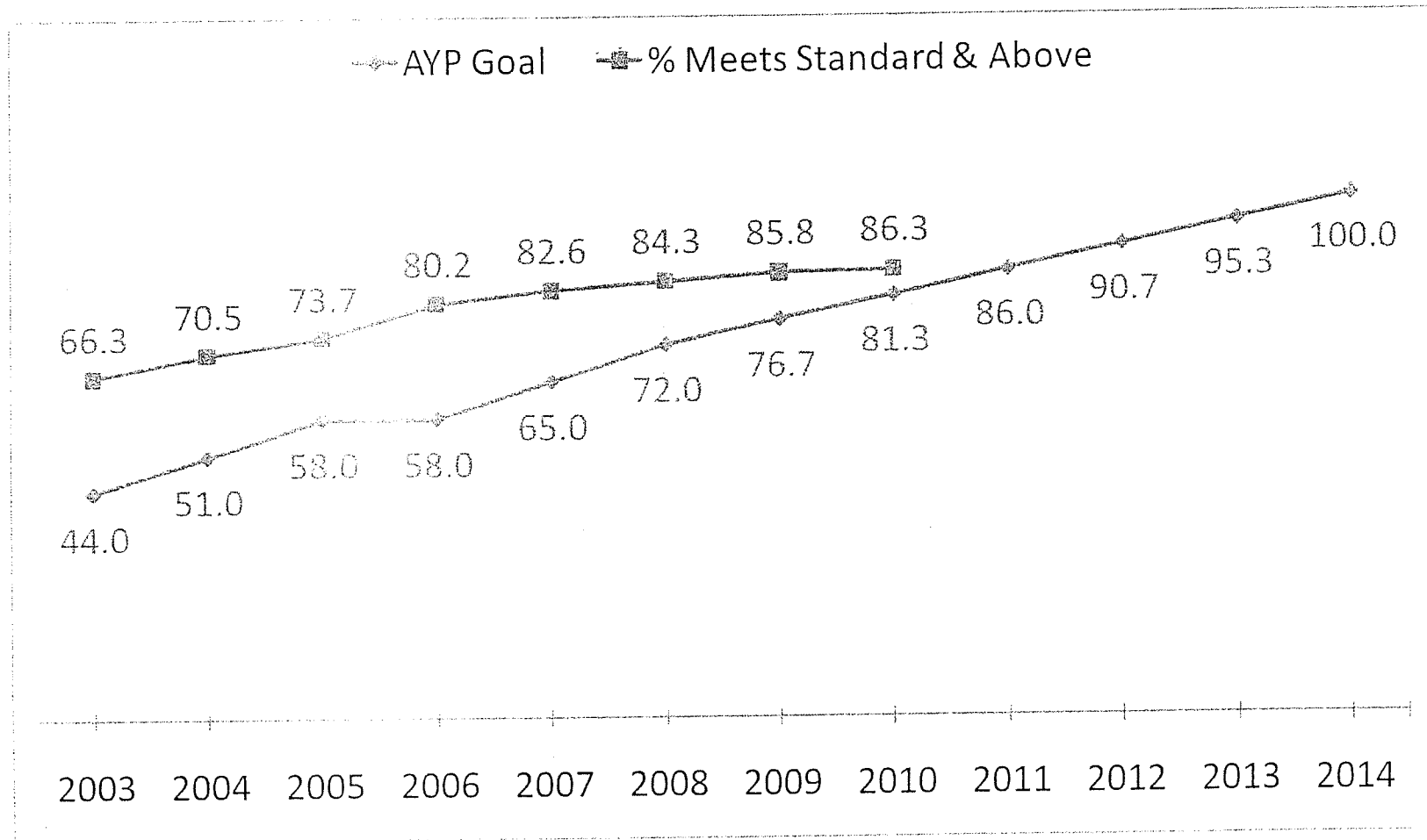
BASE STATE AID PER PUPIL (BSAPP)

<u>SCHOOL YEAR</u>	<u>BSAPP</u>	<u>ADJUSTED BSAPP*</u>
2000-01	\$3,820	\$3,820
2001-02	\$3,870	\$3,870
2002-03	\$3,863	\$3,863
2003-04	\$3,863	\$3,863
2004-05	\$3,863	\$3,863
2005-06	\$4,257	\$4,013
2006-07	\$4,316	\$4,072
2007-08	\$4,374	\$4,130
2008-09	\$4,400	\$4,156
2009-10	\$4,012	\$3,768
2010-11	\$3,937	\$3,693
2011-12	\$3,947	\$3,536

* During the 2005 legislative session, HB 2247 was enacted which lowered enrollment weighting and placed the funding attributable to this weighting into the BSAPP. This had the effect of increasing the BSAPP by \$244; however school districts received no additional spending authority.

Kansas AYP Reading Trends All Students - 2003-2010

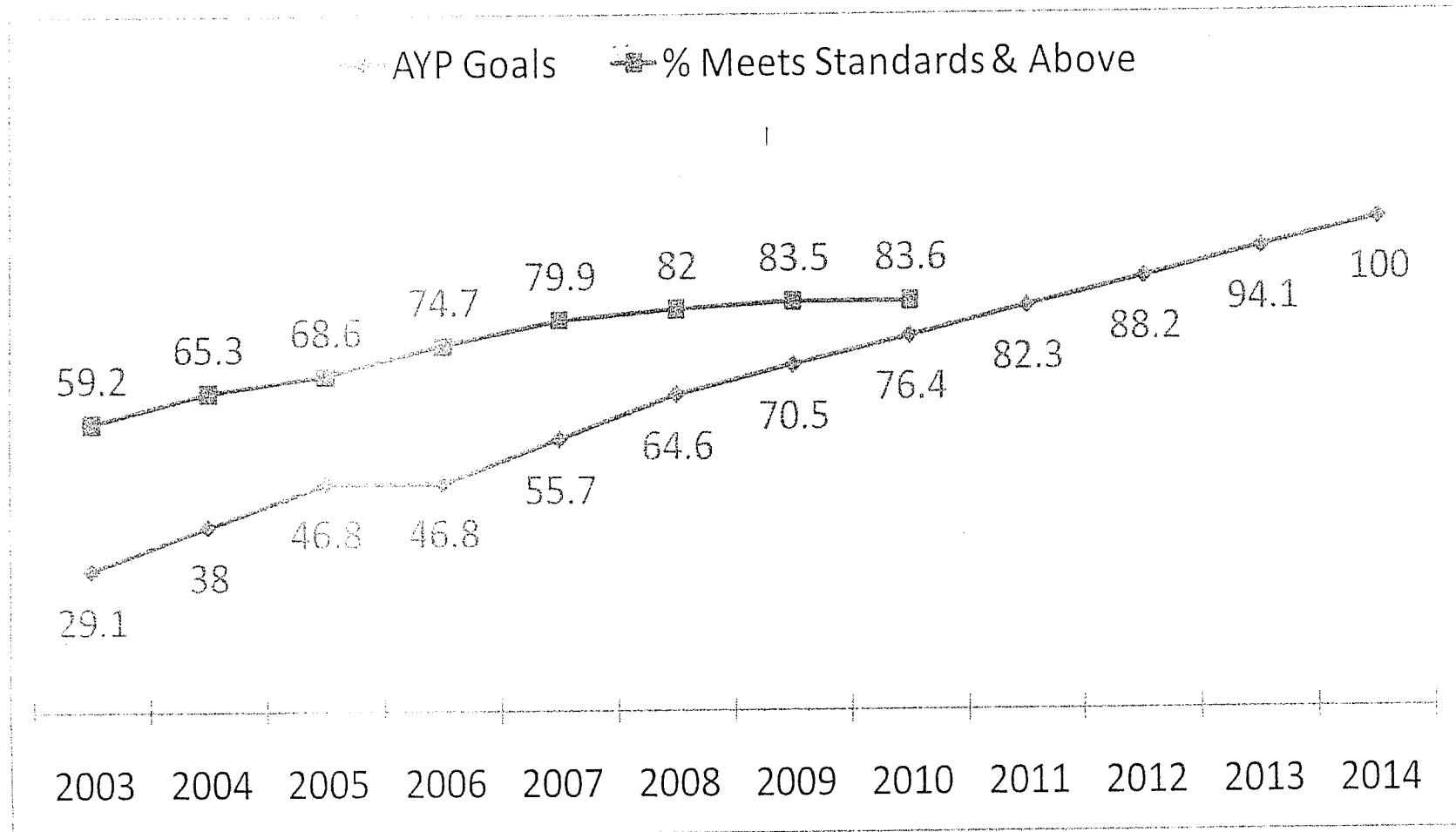
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Kansas AYP Math Trends All Students 2003-2010

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FISCAL YEAR 2012

**SUPPLEMENTAL GENERAL STATE AID
(LOCAL OPTION BUDGET)
(FUNDS CURRENT STATE LAW)**

In addition to the general state aid a school district is entitled to receive, the state school finance formula authorizes school districts to approve additional spending in the form of a local option budget. When enacted, the law was designed to allow school districts to utilize the local option budget to provide enhanced educational services to their students. However, to keep up with inflation, remain competitive with teacher salaries, and offset recent reductions in general state aid, school districts have placed greater reliance on the local option budget in order to fund their ongoing operating costs. All school districts have adopted a local option budget, utilizing the adjusted base state aid per pupil amount of \$4,433, which averaged 28.4 percent statewide for the 2009-10 school year. The maximum percentage authorized under law is 31 percent.

KSA 72-6433d allows for supplemental general state aid to be computed utilizing a higher base state aid per pupil amount of \$4,433. While this measure has helped to offset a small portion of the reduction in general state aid, the State Board of Education is recommending that supplemental general state aid be computed utilizing the base state aid per pupil amount of \$4,492, as provided by state law. The Governor's recommendation pro-rates supplemental state aid at approximately 89.7 percent.

Without funding general and supplemental state aid, as provided under state law, school districts will be required to continue to cut their budgets, eliminate educational services to their students, and increase fees. Approval of this request will help provide the funding required by schools to improve student performance, eliminate the achievement gap, and supply an educated and trained workforce required by business and industry to help turnaround our state's economy.

STATE GENERAL FUND

	FY 2010	FY 2011	FY 2012	Governor's	Amount of
	<u>Expenditures</u>	<u>Revised</u>	<u>Revised Request</u>	<u>Recommendation</u>	<u>Appeal</u>
		<u>Request</u>			
SGF	\$250,491,519	\$416,504,350	\$378,126,000	\$339,212,000	\$38,914,000
ARRA	85,949,000	0	0	0	0
Total	\$336,440,519	\$416,504,350	\$378,126,000	\$339,212,000	\$38,914,000

Note: The FY 2011 Revised Estimate includes \$46.1 million in FY 2010 delayed payments.

FISCAL YEAR 2012

SPECIAL EDUCATION SERVICES AID (FUNDS CURRENT STATE LAW)

The federal Individuals with Disabilities Education Act (IDEA) requires states to provide a free and appropriate public education to all children with disabilities between the ages of 3 and 21. This Act defines "children with disabilities" as those children who need special education and related services because of conditions such as mental retardation, hearing or visual impairment, emotional disturbance, or autism. The Kansas Special Education for Exceptional Children Act augments federal law by requiring school districts to provide special education services to gifted children as well.

In response to the Supreme Court's ruling in the Montoy v. Kansas school finance court case, the legislature made several adjustments in the funding formula including those aimed at increasing funding for special education and at-risk students. Specifically, the legislature amended K.S.A. 72-978, which mandates that state aid for special education be equal to 92 percent of the estimated excess costs of educational services provided to students with disabilities.

On November 1, 2010, staff from the Division of the Budget, Legislative Research Department and Kansas State Department of Education met to compute estimated special education excess costs for Fiscal Years 2011 and 2012. The projected cost to fund 92 percent of special education excess costs for FY 2012 is \$445,678,204 or an additional \$17,959,395 over the amount recommended by the Governor. The Governor's recommendation provides no increase in funding over the current year and is expected to fund special education at 89 percent of excess costs.

The State Board's mission for the 2011-12 school year is to ensure that all students in the state meet or exceed high academic standards and are prepared to succeed in the next steps of their life. In order to meet the needs of special education students, the State Board is recommending that funding for special education be funded at 92 percent of excess costs, as mandated by state law. The percentage of excess costs not funded by the state must be financed by school districts from their general fund or supplemental general fund, thereby reducing the amount of money available to fund general education.

STATE GENERAL FUND and ARRA IDEA FUNDS

	<u>FY 2010 Expenditures</u>	<u>FY 2011 Revised Request</u>	<u>FY 2012 Estimate</u>	<u>Governor's Recommendation</u>	<u>Amount of Appeal</u>
Expenditures	\$423,944,488	\$443,029,673	\$445,678,204	\$427,717,630	\$17,960,574
Funding:					
State General Fund	\$367,427,058	\$388,178,757	\$445,678,204	\$427,717,630	\$17,960,574
ARRA Special Education Funds	\$56,517,430	\$54,850,916	\$0	\$0	\$0

Estimated Special Education Costs FY 2011 - FY 2012				
FY 2010 Actual Expenditures			\$	768,877,370
FY 2011 Estimate				
FY 2010 Actual			\$	768,877,370
Percent Change (Based on teacher salary increase ave.)	1.5%			11,533,161
Added Teachers No./Amount	25	62,576		1,564,400
Estimated Total FY 2011 Expenditures			\$	781,974,931
Excess Cost Computation:				
Projected Total Expenditures				781,974,931
Less Ave per Pupil Cost of Regular Ed.	\$ 6,711			
times FTE special ed pupils exc. SRS residents		26,500		177,841,500
Less Federal Aid				154,900,000
Less Medicaid Reimbursements				27,000,000
Less SRS Administrative Costs (State Hospitals)				300,000
FY 2011 Excess Costs			\$	421,933,431
State Aid at 92.0%			\$	388,178,757

FY 2012 Projection				
FY 2011 Estimate				781,974,931
Percent Change (Based on teacher salary increase ave.)	1.00%			7,819,749
Added Teachers No./Amount	25	\$ 62,206		1,555,150
Estimated Total FY 2012 Expenditures			\$	791,349,830
Excess Cost Computation:				
Projected Total Expenditures				791,349,830
Less Ave per Pupil Cost of Regular Ed.	\$ 6,778			
times FTE special ed pupils exc. SRS residents		26,500		179,617,000
Less Federal Aid				100,000,000
Less Medicaid Reimbursements				27,000,000
Less SRS Administrative Costs (State Hospitals)				300,000
FY 2012 Excess Costs			\$	484,432,830
State Aid at 92.0%			\$	445,678,204

FISCAL YEAR 2012

**CAPITAL OUTLAY STATE AID
(FUNDS CURRENT STATE LAW)**

K.S.A. 72-8801 authorizes local school districts to assess additional property taxes for capital expenditures outside the general fund. In order to correct an inequity for less wealthy school districts in which lower valuations produce less revenue from the mill rate, the legislature amended the law by imposing a cap of 8 mills and equalizing state aid in the same manner as capital improvement state aid. The Legislature established this program in response to the Kansas Supreme Court's opinion in the Montoy v. Kansas school finance lawsuit. This program was funded from FY 2006 through FY 2009; however, the legislature elected not to fund it for FY 2010 and FY 2011.

For FY 2012, the State Board of Education recommends full funding of the Capital Outlay State Aid Program at a cost of \$22 million. Funding for this program is generated through a demand transfer from the state general fund, pursuant to K.S.A. 72-8814.

STATE GENERAL FUND

FY 2010	FY 2011	FY 2012	Governor's	Amount of
<u>Expenditures</u>	<u>Revised Estimate</u>	<u>Request</u>	<u>Recommendation</u>	<u>Appeal</u>
\$0	\$0	\$23,000,000	\$0	\$23,000,000

FISCAL YEAR 2012

PROFESSIONAL DEVELOPMENT AID (FUNDS CURRENT STATE LAW)

Professional development activities help educators improve their teaching skills and enhance student achievement. Teachers must continually be challenged and stimulated to grow and develop their skills and abilities. The success of our state's school improvement initiatives is highly dependent on quality professional development training of teachers and administrators.

Today, even the best-trained teachers need to keep up with changes in their subject field. They must:

- Keep abreast of changes in statewide student performance standards and learn how to incorporate the standards into their teaching;
- Become up-to-date on new research on how children learn;
- Become familiar with new methods of teaching reading, mathematics and other subjects;
- Become familiar with new curriculum resources;
- Learn how to make the most effective instructional use of computers and other technology in their classrooms; and,
- Adapt their teaching to shifting school environments, and to a changing and increasingly diverse student population.

Research studies show that between 20 to 40 percent of the variation in student achievement is attributable to teacher expertise. Put simply, the better the teacher, the more successful the student. High-quality professional development includes rigorous and relevant content, strategies, and organizational supports that ensure the preparation and career-long development of teachers and other educators whose competence, expectations and actions significantly influence the learning environment. The bar for maintaining effective professional development programs for teachers has been set even higher with the No Child Left Behind Act. This law requires states to have a highly qualified teacher in every public school classroom.

The state's current professional development program is designed to allow school districts to use local money and receive matching state aid. All requests for state aid must be preceded by a written plan submitted by the school district and approved by the State Board of Education. Expenditures must be incurred for professional development activities for licensed personnel. The amount of state aid that a school district may receive is limited to $\frac{1}{2}$ of one percent of the district's general fund budget or 50 percent of actual professional development expenditures, whichever is less.

No funding was approved for professional development for FY 2010 nor is any funding available for FY 2011. For FY 2012, the State Board recommends that professional development be fully funded at a cost of \$8.5 million.

The State Board believes that ongoing professional development related to academic standards and instructional methods is paramount to improved educational opportunities for all students and elimination of the achievement gap.

In light of the fact that the State Board of Education recently adopted the Common Core Standards for English language arts and mathematics, it is even more critical that professional development funds be made available to school districts to train teachers on the new standards and the curriculum that districts will be implementing to attain those standards. The new standards are internationally benchmarked and aligned to college and career readiness standards.

STATE GENERAL FUND

<u>FY 2010</u> <u>Expenditures</u>	<u>FY 2011</u> <u>Approved</u>	<u>FY 2012</u> <u>Request</u>	<u>Governor's</u> <u>Recommendation</u>	<u>Amount of</u> <u>Appeal</u>
\$0	\$0	\$8,500,000	\$0	\$8,500,000

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FISCAL YEAR 2012

MENTOR TEACHER PROGRAM GRANTS (FUNDS CURRENT STATE LAW)

The Mentor Teacher Program is authorized pursuant to K.S.A. 72-1412. It was established by the 2000 Legislature for implementation beginning with the 2001-2002 school year. It is a voluntary program maintained by local school boards for providing probationary teachers (under the teacher due process law) with professional support and continuous assistance by an on-site mentor teacher. A mentor teacher is a certificated teacher who has completed at least three consecutive school years of employment in the district, has been selected by the school board as having demonstrated exemplary teaching ability, and has completed training provided by the school district in accordance with criteria established by the State Board of Education.

To receive a grant, a school district must submit an application to the State Board. Within available appropriations, the State Board of Education will provide grants in amounts not to exceed \$1,000 for each mentor teacher. Fiscal Year 2002 was the first year the Mentor Teacher Program was funded. It was not funded during Fiscal Years 2003, 2004 and 2005; however, the Governor recommended funding to resume this program beginning in Fiscal Year 2006.

During Fiscal Years 2006 and 2007 funding was provided only to support beginning teachers in their first year of teaching. During FY 2008 through FY 2010, sufficient funding was available to provide \$1,000 grants to teachers supporting first year teachers and a pro-rated amount to teachers supporting second year teachers. In FY 2008 and FY 2009, the pro-rated amount paid to teachers mentoring second year teachers was \$500 and in FY 2010 it increased to \$700. For FY 2011, the appropriation for the Mentor Teacher Program was set at \$1,450,000. Due to an expected increase in the number of mentor teachers, it is anticipated that the \$1,450,000 appropriation for FY 2011 will be adequate to provide \$1,000 grants to teachers mentoring first year teachers and \$500 grants to teachers mentoring second year teachers. No funding will be available for teachers mentoring beginning teachers in their third year of teaching.

Based on an evaluation that was completed following the end of the 2001-2002 school year, participating school districts strongly agreed that mentors fulfilled their roles and responsibilities and that the program achieved its goals of providing support and continuous assistance to new teachers.

New teachers, whose first few first years on the job include quality mentoring, develop the skills they need to teach successfully and gain the support and confidence they need to remain in the teaching profession. Mentoring programs have thus become a key strategy in not only improving teaching skills, but also in retaining high quality teachers.

Indicated below are some of the areas where mentoring programs prove extremely useful to beginning teachers:

- Setting up a classroom for the first time;
- Learning school routines and procedures;
- Designing lesson plans;
- Developing classroom management skills;
- Responding effectively to behavior and discipline problems;
- Monitoring students and engaging them in class activities;

- Working effectively with English-language learners and learning disabled and special needs students;
- Understanding social and environmental factors that may contribute to student behavior and performance;
- Assessing student performance;
- Understanding district and state standards and assessments and how they impact teaching strategies;
- Understanding curriculum adoption;
- Learning to communicate with and involve parents;
- Developing organization and time management skills; and,
- Connecting theories and teaching methods learned in college to classroom practice.

Research shows that benefits for students and schools that have successful mentoring programs include higher student achievement and test scores; higher quality teaching and increased teacher effectiveness; stronger connections among the teaching staff, leading to a more positive and cohesive environment for students; and, fewer resources expended on recruiting and hiring replacements. Mentoring programs also provide veteran teachers with an opportunity to increase their professional competency, renew their teaching commitment, engage in reflective practice, enhance their self-esteem and increase their leadership capacity.

For 2012, the Kansas State Board of Education recommends fully funding current law which provides \$1,000 grants annually to mentor teachers to support new teachers during their first three years of teaching at a total cost of \$2,550,000.

STATE GENERAL FUND

<u>FY 2010</u> <u>Expenditures</u>	<u>FY 2011</u> <u>Approved</u>	<u>FY 2012</u> <u>Request</u>	<u>Governor's</u> <u>Recommendation</u>	<u>Amount of</u> <u>Appeal</u>
\$1,358,372	\$1,450,000	\$2,550,000	\$1,450,000	\$1,100,000

FISCAL YEAR 2012

SCHOOL FOOD ASSISTANCE STATE AID (FULLY FUNDS CURRENT STATE LAW)

The National School Lunch Act (NSLA) requires states to provide matching funds to help subsidize the cost of school lunch programs. Under federal law, states must appropriate funds each school year equal to at least 30 percent of the federal funds received under section four of the national school lunch program for the 1980-81 school year. Since FY 1983, the Legislature has appropriated \$2,510,486 annually to meet this match. However, this was cut back to \$2,435,171 beginning in FY 2010.

Indicated below are the amounts of federal and state funds distributed for the school lunch program since FY 2000.

Amount of Federal National School Lunch Funds Distributed by the Kansas State Department of Education

State Fiscal Year	Federal Funds	State Funds
FY 2012 allocation	\$99,250,000	\$2,435,171
FY 2011 approved	\$97,145,000	\$2,435,171
FY 2010	\$94,937,441	\$2,435,171
FY 2009	\$89,429,372	\$2,510,486
FY 2008	\$81,729,387	\$2,510,486
FY 2007	\$78,126,923	\$2,510,485
FY 2006	\$70,395,161	\$2,510,486
FY 2005	\$69,027,791	\$2,510,486
FY 2004	\$62,754,488	\$2,510,295
FY 2003	\$59,992,319	\$2,510,471
FY 2002	\$57,023,222	\$2,510,486
FY 2001	\$53,295,814	\$2,510,454
FY 2000	\$52,572,093	\$2,510,461

Between FY 2000 and FY 2010, the amount of federal funds distributed by the state to fund the national school lunch program in state and private schools increased by \$42.4 million, or 80%. As mentioned previously, there has been no increase in the state match since FY 1983.

K.S.A. 72-5512 *et seq.* states, "Each board shall be entitled to receive, from appropriations from the state general fund, six cents for each type A-meal served under an approved school lunch program. In the past ten years, the amount paid per meal has steadily declined from five cents per meal to 4.16 cents per meal.

For FY 2012, the State Board of Education is requesting a total of \$3,510,000 to fully fund current state law and provide state funding equal to 6 cents per each meal served. This additional funding will help reduce the transfer school districts must make from their general fund to subsidize the school lunch program as well as to reduce fees charged to their patrons.

Federal Maintenance of Effort Requirements

In order to participate in the National School Lunch Program the State is required to provide matching funds. In December, the Department was notified that the State must provide \$2,487,458 of matching funds for FY 2012. This is \$52,287 short of the Governor's recommendation.

As noted below in the excerpt from the program regulations if the state fails to meets the matching requirement the entire federal funding utilized by the State for that school year is subject to repayment. This would amount to approximately \$99.0 million in FY 2012.

"Failure to match. If, in any school year, a State fails to meet the State revenue matching requirement, as prescribed in paragraph (a) of this section, the general cash assistance funds utilized by the State during that school year shall be subject to recall by and repayment to FNS."

STATE GENERAL FUND

FY 2010	FY 2011	FY 2012	Governor's	Amount of
<u>Expenditures</u>	<u>Approved</u>	<u>Request</u>	<u>Recommendation</u>	<u>Appeal</u>
\$2,435,171	\$2,435,171	\$3,510,000	\$2,435,171	\$1,074,829

FISCAL YEAR 2012

**JUVENILE DETENTION AND OTHER AUTHORIZED FACILITIES
(FUNDS CURRENT LAW)**

K.S.A. 1999 Supp. 72-8187 authorizes state grants to reimburse school districts for the cost of providing educational services to students who reside at the Flint Hills Job Corps Center, are confined in juvenile detention facilities or are housed in psychiatric residential treatment facilities. The law provides that school districts are to be reimbursed at two times the base state aid per pupil amount or actual expenses, whichever is lesser. Districts are permitted to base their state aid on the highest pupil count taken on September 20, November 20 or April 20.

Shown below are the educational costs for this program and the number of students served. Providing adequate educational opportunities to detained juvenile offenders has consistently been linked to reduced recidivism rates and successful reintegration into society. Failure to provide these students with the necessary job training and work skills required to succeed in life will no doubt result in increased demands on our state's public assistance programs and correctional systems.

	Actual FY 2010	Estimated FY 2011	Governor's Recommendation FY 2012	Amount of Appeal
State Aid	\$6,092,160	\$6,659,920	\$6,012,355	\$647,565
Students Served	808.4	830.0	830	---
Maximum State Aid per Pupil	\$8,024	\$8,024	\$7,244	\$8,024

The State Board's FY 2012 request utilizes a base state aid per pupil amount of \$4,012 to fund the formula for this program.

STATE GENERAL FUND

<u>FY 2010</u> <u>Expenditures</u>	<u>FY 2011</u> <u>Estimated</u>	<u>FY 2012</u> <u>Request</u>	<u>Governor's</u> <u>Recommendation</u>	<u>Amount of</u> <u>Appeal</u>
\$6,092,160	\$6,659,920	\$6,659,920	\$6,012,355	\$647,565

FISCAL YEAR 2012

**GOVERNOR'S TEACHING EXCELLENCE AWARDS PROGRAM
(NATIONAL BOARD CERTIFICATION)
(FUNDS CURRENT LAW)**

Funding for this program was approved beginning in FY 1999 and supports teachers who attain national board certification. A certificate awarded by the National Board attests that a teacher has been judged by his or her peers as one who meets high rigorous professional standards and has demonstrated the ability to make sound professional judgments about students' best interests and to act effectively on those judgments.

To become certified, a \$2,500 fee must be paid to the National Board and the teacher must successfully complete a two-part assessment. K.S.A 72-1398 sets the scholarship fee at \$1,100 for initial certification and \$500 for recertification (\$1,150 fee). A teacher who attains National Board Certification is issued a master teacher's certificate by the State Board of Education which is valid for ten years.

Kansas teachers who have attained National Board Certification are paid an annual incentive bonus of \$1,000 by their employing school district for up to ten years, as long as the teacher retains a valid master teacher's certificate. The state pays state aid to reimburse each school district, within available appropriations, for any bonuses paid to teachers.

During FY 2010, scholarships totaling \$26,500 were paid by the department. For FY 2011, the legislature appropriated \$55,525 to fund this program. A reappropriation of \$35,669 provides a total of \$91,194 available to fund the Governor's Teaching Excellence Program in the current year. Under the Governor's FY 2012 recommendation, \$55,525 is available. Without any additional funding, it is projected that bonus payments to local school districts will be prorated at approximately 17.8 percent in FY 2011 and 6.5 percent in FY 2012.

In order to fully fund this program for FY 2012, the department is requesting a total appropriation of \$350,000, including \$35,000 for scholarship payments and \$315,000 to reimburse local school districts for bonus payments paid to teachers who have successfully attained nation board certification. Full funding of this program will increase the number of highly trained teachers in our state, improve job satisfaction and increase teacher retention, and improve student achievement.

STATE GENERAL FUND

<u>FY 2010</u> <u>Expenditures</u>	<u>FY 2011</u> <u>Estimate</u>	<u>FY 2012</u> <u>Request</u>	<u>Governor's</u> <u>Recommendation</u>	<u>Amount of</u> <u>Appeal</u>
\$26,500	\$91,194	\$350,000	\$55,525	\$294,475

FISCAL YEAR 2012

DISCRETIONARY GRANTS

ENVIRONMENTAL EDUCATION

The Kansas Association for Conservation & Environmental Education (KACEE) supports environmental education in our state. KACEE's workshops and environmental education resources for pre-service and in-service educators provide opportunities for professional development in using the engaging and relevant context of the environment as an integration tool to more effectively teach mathematics, science, social studies, and reading/writing standards developed at the state level. Funding earmarked for KACEE was deleted from our FY 2010 budget.

During the next two years, KACEE will continue to work with the Kansas State Department of Education to integrate environmental education into core curricular areas. An increased focus will be on establishing models for using environmental education across the curriculum to help Kansas schools address the lack of classroom time for teaching science and social studies. Studies continue to show that hands-on, environmentally-focused learning helps to boost test scores, increase attendance, and spur parent and community involvement in schools. Programs such as those sponsored by KACEE, including Project Learning Tree, Project WET, WET in the City, Project WILD, Leopold Education Project, and Investigating Your Environment provide teachers with the tools to integrate environmental education into curriculum areas in age- and grade-appropriate ways. These programs encourage the presentation of all points of view, using critical thinking and problem solving skills to analyze information and improve written and verbal communication. The programs also address many 21st Century Learning Skills and 21st Century Learning Environments.

KACEE will continue to provide professional development for teachers organizing Water Festivals and to assist teachers in addressing science standards. KACEE will also continue the Kansas Green Schools initiative, which provides technical support and professional development for teachers, schools, and districts to engage students in hands-on projects that not only help conserve natural resources, but also serve as a tool for real-life and relevant learning across the curriculum. The first-ever Kansas Green Schools Conference was held this summer that focused on all aspects of healthy, sustainable learning environments including, in part, green infrastructure, projects for the classroom, environmental education curriculum and teaching students about green career.

Other programs include developing a teacher liaison program for every public school district in Kansas, and obtaining funding to provide in-service environmental education workshops to more school districts across the state.

KACEE's programs and activities address several of the Kansas State Board of Education's *Goals and Objectives* to ensure that all students meet or exceed high academic standards and are successfully prepared for their next steps (e.g., continue their education and/or enter the world of work). Programs to assist Kansas schools with upcoming assessments across the curriculum under the No Child Left Behind Act will be undertaken in FY 2011.

State funding to support KACEE was first approved in the Kansas State Department of Education's budget in FY 1997 in the amount of \$25,000. For the past several years, state funding was increased to \$35,000 a year.

Contained in the State Board's Enhancement Request for FY 2012 is \$35,000 to restore funding for KACEE. If approved, these state funds will be matched as they have in the past on a dollar-for-dollar basis with private funds.

KANSAS HISTORY TEACHING MATERIALS

K.S.A. 72-1117 requires that the “state board of education shall provide for a course of instruction in Kansas history and government, which shall be required for all students graduating from an accredited high school in the state.” K.A.R. 91-31-20 further requires that each local board of education shall include in its social studies curriculum, within grades seven to twelve, a course of instruction in Kansas history and government that shall be offered a minimum of nine consecutive weeks. Funding approved for this program would enable the Kansas State Historical Society to continue with the development and dissemination of teaching materials for these courses that are aligned with the current history curricular standards adopted by the State Board.

In its Enhancement Budget, the Kansas State Board is requesting \$35,000 to award to the State Historical Society to increase access to online resources through current initiatives including Kansas Memory and Kansaspedia. Internet connectivity between the Historical Society’s collections and student learning is critical for teaching Kansas history in the 21st century. In addition, funds would be used to create short video clips lasting approximately five minutes on Kansas history topics. The videos would use primary sources from the Historical Society’s collections. Teachers have encouraged the Society to use this format as a way to get students engaged in “seeing” history. In the past, funding provided by the state has been utilized to develop a Kansas history textbook, Kansas thematic workbooks, Read Kansas! cards and other teaching materials.

STATE GENERAL FUND

<u>FY 2010</u> <u>Expenditures</u>	<u>FY 2011</u> <u>Estimate</u>	<u>FY 2012</u> <u>Request</u>	<u>Governor’s</u> <u>Recommendation</u>	<u>Amount of</u> <u>Appeal</u>
\$635,890	\$670,000	\$740,000	\$670,000	\$70,000

FISCAL YEAR 2012

PARENT EDUCATION PROGRAM (FUNDS CURRENT STATE LAW)

Parents As Teachers (PAT) is a primary prevention program. It is designed to maximize children's overall development during the first three years of life, thus laying the foundation for school success and minimizing developmental problems that might interfere with learning.

As a child's first and most influential teacher, parents deserve and can benefit from practical information and support, particularly during the crucial early years of birth to age 3. PAT is designed to serve all parents from single, teenage mothers to two-parent, well-educated families. The program is not targeted to income level or category of risk. Experience has shown that parents want to be good parents and welcome the kind of support that PAT offers.

The Parents As Teachers curriculum is based on the most current brain research and is designed to strengthen the foundations of later learning including language and intellectual development, curiosity, and social skills. To achieve this goal, PAT provides the following services:

- Personalized home visits by specially trained parent educators who offer timely information about stages of child development and suggest practical ways for parents to encourage children's development. Parent educators also offer general guidance and tips on home safety, effective discipline, constructive play activities and other topics.
- Group meetings with parents of like-aged children where parents can share their experiences, common concerns, frustrations and successes.
- Periodic monitoring and formal screening to assure that youngsters do not reach age 3 with an undetected health problem, handicap or developmental delay.
- A referral network that helps parents who need special assistance (medical or financial help, for example) that is beyond the scope of PAT.

The program is voluntary for parents. Ideally, the program reaches first-time parents, but all families are eligible to participate, regardless of the number or age of other children.

Research shows that PAT programs can be an important component in supporting and developing healthy relationships between infants and toddlers and their parents, setting the stage for success in school and beyond. A number of studies have been conducted in Kansas and Missouri in the past 15 years assessing the impact of PAT programs. Results include:

- Children who participate in parent education programs are more likely to attend preschool than children who do not participate in parent education programs.
- The academic achievement of children who participate in parent education programs is higher in comparison to children who do not participate in parent education programs.
- Parents who participate in parent education programs read more frequently to their children at home and visit classrooms more often than parents who do not participate in parent education programs. (Reading and parent involvement are two of the strongest indicators for success in school.)

- Children who participate in parent education programs demonstrate increased verbalization and socialization skills in comparison to children who do not participate in parent education programs. Children who participate in parent education programs also often have a higher degree of self-esteem with regard to their academic achievement.
- Low income children who participate in parent education programs and early childhood programs are better prepared to enter kindergarten ready to learn than low income children who have no involvement in either program. Low income children who participate in parent education and early childhood programs also score higher on state assessments than do low income children who do not participate in either program.

In order to address the waiting list of parents to be served under this program, the State Board recommends an additional \$920,000 above the amount approved by the Legislature for FY 2011 which would be sufficient to serve an additional 1,764 families and 2,256 children. Funding of this request will reduce the need for remedial education, increase identification of vision, hearing and developmental problems and increase the opportunity for the reporting of child neglect and abuse. Funding for the Parents As Teachers Program has remained approximately the same for four years. Over 14,000 families and 18,000 children currently receive services through the Parents As Teachers Program.

CHILDREN'S INITIATIVES FUND

<u>FY 2010</u> <u>Expenditures</u>	<u>FY 2011</u> <u>Revised Request</u>	<u>FY 2012</u> <u>Request</u>	<u>Governor's</u> <u>Recommendation</u>	<u>Amount of</u> <u>Appeal</u>
\$7,527,019	\$7,539,500	\$8,459,500	\$7,539,500	\$920,000

FISCAL YEAR 2012

**STATE SAFETY FUND
(FUNDS CURRENT STATE LAW)**

The State Safety Fund was established by the Legislature in 1969, pursuant to K.S.A. 8-272, for the purpose of providing state aid to local school districts and non-public schools to provide driver education courses. Certain percentages of driver license fees are deposited into the State Safety Fund to fund driver education courses, pursuant to K.S.A. 8-267. K.S.A. 8-272 specifically states, "No moneys in the state safety fund shall be used for any purpose other than that specified in this subsection or for the support of driver improvement programs." The statute further specifies that the distribution of funds is to occur on or before November 1.

Prior to July 1, 2006, K.S.A. 8-272 imposed a maximum limitation of \$1,540,000 that could be distributed annually. However, due to increases in driver license fees, larger than normal balances began accumulating in the fund and during the 2005 session the Legislature removed the limitation. At the same time, rather than making significantly larger amounts of funding available to support driver education courses, the Legislature began approving transfers from the State Safety Fund to improve the financial condition of the state general fund.

Indicated below is a summary of the distributions and transfers from the State Safety Fund in recent years, as well as the number of students participating in programs and the amount of state aid per student. Under the State Board's request, an estimated \$1,010,000 would be available to support the cost of driver education programs in FY 2012.

Fiscal Year	Distribution	Enrollment	Amount Per Student	Transfer
2005	\$1,520,973	18,381	\$81.00	\$0
2006	\$1,597,939	17,647	\$91.00	\$2,600,000
2007	\$1,594,257	17,486	\$91.50	\$2,000,000
2008	\$1,789,076	16,278	\$110.00	\$1,700,000
2009	\$596,330	15,992	\$38.00	\$1,550,574
2010	\$722,854	14,470	\$50.00	\$0
2011 (budgeted)	\$1,010,000	14,428	\$70.00	\$3,150,000
2012 (budgeted)	\$1,010,000	14,428	\$70.00	\$0

Safety is the main reason school districts and non-public schools offer driver education courses to their students. Nationally, automobile accidents continue to be the number one killer of teenagers. Statistics show that not only do students completing a driver education course have a better chance of staying alive than students who do not, they also receive fewer traffic citations, are more likely to wear their seatbelts, and are less likely to drink and drive. Many insurance companies also offer financial incentives for students completing an approved driver education program.

For FY 2012, the Governor is recommending to transfer \$1.8 million from the State Safety Fund to the state general fund. Assuming the transfer is made in the latter part of the fiscal year, the FY 2012 distribution would remain at the FY 2011 level of \$1,010,000. The true impact of a transfer in FY 2012 would not be felt until FY 2013 when funding levels would once again remain flat.

Considering the significant budget reductions already imposed on local school districts with more to come, approval of the Governor's recommendations for FY 2012 will force schools to continue to increase fees to students participating in driver education programs or eliminate programs altogether. Several school districts in Kansas are already charging \$200 or more in driver education fees. Commercial programs are charging between \$300 and \$400.

In order to maintain driver education programs currently in place and help protect Kansas drivers, the State Department of Education is requesting that the Legislature restore all funding for this program and eliminate the transfer to the state general fund.

STATE SAFETY FUND

Revenue Transfers

FY 2010 <u>Actual</u>	FY 2011 <u>Budgeted</u>	FY 2012 <u>Budgeted</u>	Governor's <u>Recommendation</u>	Amount of <u>Appeal</u>
\$0	\$3,150,000	\$0	\$1,800,000	\$1,800,000

2-55

Budget Reduction Stakeholder Committee Report: Administrative Recommendations to the Board: 2-17-11 Draft

Rank	Item Description	Committee	Committee	Admin	Admin	Admin
Rank	Item Description	Item Savings	Cumulative Savings	Item Savings	Completed Budget Cut	Comment
1	Eliminate all food and beverages for meetings	\$ 28,807	\$ 28,807	28,807	28,807	
2	Reduce Board of Education travel by half	\$ 3,975	\$ 32,782	3,975	3,975	
3	Decrease technology travel budget	\$ 25,000	\$ 57,782	25,000	25,000	
4	Reduce IT consultation fees	\$ 50,000	\$ 107,782	50,000	50,000	
5	Reduce telephone expenses at IT	\$ 20,000	\$ 127,782	20,000	20,000	
6	Reduce non-school department supplies by 2.5%	\$ 24,250	\$ 152,032	24,250	24,250	
7	Reduce IT data processing services budget	\$ 19,000	\$ 171,032	19,000	19,000	
8	Eliminate all out of state travel in General & LOB	\$ 184,798	\$ 355,830	84,798	84,798	Can't eliminate all, e.g., KS Learning Network, National Competitions
9	Eliminate contract for Hummer Sports Park Endowment Fund Raiser	\$ 60,000	\$ 415,830	30,000	30,000	Position generates more income than expense
10	Reduce Executive secretary in Pod A to half .50 FTE	\$ 30,500	\$ 446,330	30,500	30,500	Staffing Allocations
11	Decrease WashTech contribution rate by 20%	\$ 137,047	\$ 583,377	13,000	13,000	Wash Tech Consortium negotiations
12	Reduce all certified staff professional development by one day (before start of school year)	\$ 274,050	\$ 857,427	0	0	Consider during negotiations with NEA-T
13	Reduce electricity usage by 5%	\$ 77,044	\$ 934,471	77,044	0	Added to Gas reduction
14	Eliminate the Director Of School Safety	\$ 78,000	\$ 1,012,471	0	0	Long term planning for security
15	Reduce one professional development day of certified staff contract	\$ 392,000	\$ 1,404,471	0	0	Consider during negotiations with NEA-T
16	Reduce staff communications department .5 FTE	\$ 12,000	\$ 1,416,471	12,000	12,000	Consider with #16 and #31
17	Eliminate recruiter/retention coordinator human resource 1.0 FTE	\$ 84,570	\$ 1,501,041	84,570	84,570	
18	Eliminate legislative consultant	\$ 40,000	\$ 1,541,041	0	0	Board decision
19	Reduce purchased property services in Print Shop/Service Center	\$ 12,300	\$ 1,553,341	12,300	12,300	
20	Reduce one staff member from Assessment Dept.	\$ 35,000	\$ 1,588,341	57,000	57,000	Staffing Allocations
21	Salary shrinkage-Increase estimated amount from \$800,000 to \$1,000,000	\$ 200,000	\$ 1,788,341	200,000	200,000	

House Education Budget Committee
Date: Feb. 17, 2011
Attachment #: 3

2	Eliminate one sports park supervisor 1.0 FTE	\$ 54,000	\$ 1,842,341	0	0	Additional space at natatorium
23	Reduce an extended day for 227 positions receiving extra day	\$ 61,500	\$ 1,903,841	61,500	61,500	Staffing Allocations
24	Reduce student summer hours (Human Resource)	\$ 20,000	\$ 1,923,841	20,000	20,000	
25	Defer purchases of new trucks and vans for one year	\$ 349,000	\$ 2,272,841	249,000	249,000	Leave \$100,000 for emergency
26	Reduce second professional development day of certified staff contract	\$ 392,000	\$ 2,664,841	0	0	Consider during negotiations with NEA-T
27	Reduce IT operations services budget	\$ 20,000	\$ 2,684,841	20,000	20,000	Coordinate with #27, #45, #48, #97
28	Topeka School Foundation pay more salary coordinator (Paying portion now)	\$ 32,000	\$ 2,716,841	0	0	Assumption of Ombudsman duties; reduction last year
29	Reduce heating, natural gas usage by lowering thermostat save 5%	\$ 72,078	\$ 2,788,919	72,078	92,000	
30	Reduce second extended day for 227 positions receiving extra days	\$ 61,500	\$ 2,850,419	0	61,500	Cut one day this year, #23.
31	Reduce position in communications .50 FTE	\$ 27,000	\$ 2,877,419	0	0	Consider with #16 and #31
32	Eliminate all addenda paid to administrators	\$ 19,087	\$ 2,896,506	0	0	Consider contracts with administrators
33	Transfer all sports park and KANZA budget to Capital Outlay or Sports Park Fund, except for \$500,000	\$ 439,600	\$ 3,336,106	0	0	Coordinate with #25, #33, #45, #49
34	Replace all staff members drawing KPERS retirement, that require the district to pay an additional 16.07% or 20.07% or reduce their pay to amount of KPERS	\$ 133,089	\$ 3,469,195	133,089	65,000	Staffing Allocations
35	Eliminate pep rally, save cost of bus	\$ 1,480	\$ 3,470,675	1,480	1,480	
36	Reduce property and liability insurance	\$ 30,000	\$ 3,500,675	30,000	30,000	
37	Reduce extended day addenda by 20%	\$ 97,000	\$ 3,597,675	0	0	Coordinate with #23, #30, #37, #44
38	Eliminate all memberships professional organizations for district individuals	\$ 7,000	\$ 3,604,675	3,500	3,500	Reduce by half
39	Transfer program to Washburn, & send students to New Directions -- would eliminate the fund transfer and decrease mill levy by .3 (one option)	\$ 24,080	\$ 3,628,755	0	0	Need more information, e.g., contract review
40	Cancel underground cable locator contract, train employee	\$ 50,000	\$ 3,678,755	0	0	Ongoing program and training costs exceed current cost.
41	Close one elementary school 8.5 FTE	\$ 402,678	\$ 4,081,433	0	0	Plan for 2011-12 but consider 10-11
42	Reduce elementary teacher contingency	\$ 60,000	\$ 4,141,433	60,000	60,000	
43	Move Holland staff to Burnett center or HPHS & close Holland eliminate utilities and janitor	\$ 66,556	\$ 4,207,989	0	0	Insufficient room
44	Reduce third professional development day of certified staff contract	\$ 392,000	\$ 4,599,989	0	0	Consider during negotiations

						with NEA-T
45	Reduce 1.0 FTE from IT	\$ 40,000	\$ 4,639,989	40,000	0	Coordinate with #27, #45, #48, #97
46	Eliminate all magazines & journals that are not in the classroom	\$ 3,090	\$ 4,643,079	3,090	3,090	
47	Reduce Sports Park staff by 1.0 FTE	\$ 40,000	\$ 4,683,079	0	0	No increase with Kanza purchase
48	Transfer IT repair salaries to Capital Outlay (reduce summer maintenance projects)	\$ 500,000	\$ 5,183,079	0	0	Coordinate with #25, #33, #48, #49
49	Transfer maintenance salaries to Capital Outlay (reduce summer maintenance projects)	\$ 500,000	\$ 5,683,079	0	0	Coordinate with #25, #33, #48, #49
50	Close Chandler Field house, move THS football to Hummer (Would there be transportation to go to Hummer?)	\$ 10,075	\$ 5,693,154	0	0	Cost of Transportation; Field maintenance & availability. Consider closing HPHS stadium.
51	Reduce curriculum coordinator and athletic coordinator, by having each teach half day, saving 9.0 FTE;s	\$ 396,000	\$ 6,089,154	250,000	250,000	Staffing Allocations—OVERLAP 5.0 FTE only
52	Eliminate incentive pay for hard to fill positions	\$ 134,850	\$ 6,224,004	0	0	Consider in future reductions
53	Reduce all copy budgets by 10%	\$ 23,760	\$ 6,247,764	23,760	23,760	
54	Eliminate fund transfer but keep program (second option)	\$ 24,080	\$ 6,271,844	0	0	Still under consideration
55	Reduce all twelve month employees pay by one day for Wednesday before Thanksgiving, currently majority of staff nonpaid non-duty day	\$ 57,000	\$ 6,328,844	0	0	Consider in future reductions
56	Reduce addenda at all schools (Budget reduced by \$87,000 FY 2010)	\$ 232,000	\$ 6,560,844	232,000	0	
57	Reduce the counseling positions to half time in the smaller elementary schools - 3.5 FTE (Second option)	\$ 154,000	\$ 6,714,844	88,000	132,000	Staffing Allocations--OVERLAP 2.0 FTE only
58	Reduce all twelve month employees by one day for Presidents day, currently nonpaid non-duty days for majority of staff	\$ 57,000	\$ 6,771,844	0	0	Consider in future reductions
59	Reduce one social worker in general fund 1.0 FTE	\$ 44,000	\$ 6,815,844	44,000	0	Staffing Allocations--OVERLAP
60	Eliminate community liaison at High Schools	\$ 20,000	\$ 6,835,844	20,000	20,000	Staffing Allocations
61	Reduce one position from service center 1.0 FTE	\$ 35,000	\$ 6,870,844	0	0	Too many cuts previously
62	Eliminate transporting students to Living the Dream program	\$ 3,000	\$ 6,873,844	0	0	Strong community support for program.

63	Eliminate department chair addenda at school	\$ 140,230	\$ 7,014,074	50,000	0	Staffing Allocations
4	Eliminate one custodial staff at Hope Street Academy	\$ 25,000	\$ 7,039,074	25,000	25,000	Staffing Allocations
65	Cancel New Directions contract, provide services at Hope Street	\$ 300,000	\$ 7,339,074	0	0	Need more information, e.g., contract review
66	Eliminate grant compliance coordinator business office 1.0 FTE	\$ 51,640	\$ 7,390,714	40,000	40,000	Staffing Allocations
67	Reduce insurance coverage paid by district to single for all employees	\$ 24,206	\$ 7,414,920	0	0	Contract considerations
68	Eliminate technical assistant addenda at all centers, have people contact IT help desk	\$ 38,062	\$ 7,452,982	0	0	Need school level support
69	Eliminate elementary addenda for Sp Ed instructional coaches	\$ 7,500	\$ 7,460,482	7,500	0	Consider during negotiations with NEA-T
70	Prorate elementary counselor by school size-reduce 2.0 FTE (One option)	\$ 88,000	\$ 7,548,482	0	0	Coordinate with #57, #70
71	Reduce instructional coaches and interventionists in general fund 2.0 FTE	\$ 88,000	\$ 7,636,482	88,000	0	Staffing Allocations
72	Employees must work more than 1,000 hours to receive insurance benefits, there are 36 employees that would lose coverage	\$ 183,816	\$ 7,820,298	183,816	0	
73	Reduce sub budget in HR	\$ 50,000	\$ 7,870,298	50,000	50,000	
74	Eliminate paying disability benefits for administrators	\$ 51,361	\$ 7,921,659	0	0	Contract considerations
75	Reduce social security and Medicare for sick leave pay offs, due to paying through section 403(b)	\$ 33,900	\$ 7,955,559	33,900	33,900	
76	Sell part of KANZA ground, use funds	\$ 500,000	\$ 8,455,559	0	0	Long term plan
77	Combine coordinators for counselors, social workers and psychologist to one position, saving 2.0 FTE's	\$ 123,300	\$ 8,578,859	0	0	Need coordination level as other cuts being made. New SpEd director.
78	Combine switchboard operators at Burnett, Holland and Central Service Eliminate 2.0 FTE's	\$ 79,000	\$ 8,657,859	0	0	Consider in future reductions; other duties
79	Close Burnett Center for one week, require vacation, save on utilities	\$ 1,067	\$ 8,658,926	1,067	0	
80	Eliminate Dean of Students 4.0 teachers	\$ 176,000	\$ 8,834,926	200,000	88,000	Staffing Allocations--OVERLAP
81	Eliminate elementary curriculum coordinators at Scott & Williams 2.0 FTE	\$ 88,000	\$ 8,922,926	88,000	88,000	Staffing Allocations--OVERLAP
82	Reduce 1 custodian at Burnett Center	\$ 27,173	\$ 8,950,099	27,173	0	Staffing Allocations
83	Close second elementary school 8.5 FTE	\$ 402,678	\$ 9,352,777	0	0	Savings in 2011-12
84	Reduce 1.0 assistant principal at each high school 3.0 FTE	\$ 218,500	\$ 9,571,277	145,000	0	Staffing Allocations--OVERLAP
85	Eliminate M-M sports transportation	\$ 17,000	\$ 9,588,277	0	0	Providing equity
86	Eliminate block scheduling at high schools (plan time)	\$ 528,000	\$ 10,116,277	0	0	Consider during negotiations with NEA-T

7	Eliminate summer school for elementary and middle schools, high school fees pay for majority of program)	\$ 100,000	\$ 10,216,277	0	0	Impact on student achievement
88	Eliminate Second Chance School	\$ 126,277	\$ 10,342,554	126,277	0	Consider merging options, e.g., Second Chance, Hope Street
89	Eliminate the Grow Our Own Teacher program	\$ 46,000	\$ 10,388,554	0	0	Long term benefit for district
90	Eliminated weight addenda at HS	\$ 13,600	\$ 10,402,154	13,600	0	
91	Eliminate middle school tennis	\$ 46,565	\$ 10,448,719	46,565	0	
92	Decrease all administrators salaries by 1% plus taxes	\$ 65,514	\$ 10,514,233	0	0	Contracted salaries
93	Implement Pay to Play for Athletics	\$ 40,000	\$ 10,554,233	0	0	Equity impact
94	Eliminate all out of state travel for students	\$ 9,900	\$ 10,564,133	0	0	National competitions
95	Eliminate elementary assistant principals at Meadows, Scott & Williams (only elementary schools with assistant principals) 3.0 FTE	\$ 195,000	\$ 10,759,133	0	0	Size dictates need; eliminating curriculum coordinators at Scott and Williams
96	Reduce counselors at high schools to 1.0 per division for a total of 10.0, this would be a reduction of 3.3 FTE	\$ 145,200	\$ 10,904,333	110,000	66,000	Staffing Allocations—OVERLAP 2.5
97	Reduce second position from IT 1.0 FTE	\$ 40,000	\$ 10,944,333	0	0	Coordinate with #27, #45, #48, #97
98	Reduce middle school health aides to .5 FTE (reduce noncertified staff by 3.0 FTE)	\$ 54,000	\$ 10,998,333	0	0	Health room coverage
99	Reduce one counselor at each middle school (there are 2 now) 6.0 FTE	\$ 300,000	\$ 11,298,333	150,000	150,000	Staffing Allocations—OVERLAP 3.0 FTE
100	Decrease administrators salaries by another 1% (3% reduction in total)	\$ 65,514	\$ 11,363,847	0	0	Contracted salaries
101	Have all M-M students use city bus	\$ 78,542	\$ 11,442,389	0	0	Need more information on savings
102	Reduce number of school days: add 30 min to each day 8:15-3:45 (9 days)	\$ 85,500	\$ 11,527,889	0	0	Impact on instruction
103	Eliminate golf at HS (Boys & Girls)	\$ 19,620	\$ 11,547,509	0	0	Need more information
104	Reduce security salaries and benefits by 15%, approximately 2.0 FTE, due to transfer of services to Topeka Police Department	\$ 80,000	\$ 11,627,509	0	0	Savings in 2011-2012
105	Reduce school paras in General Fund & At Risk by 10%	\$ 70,000	\$ 11,697,509	70,000	0	Staffing Allocations
106	Decrease administrators salaries by another 1% (2% reduction in total)	\$ 65,514	\$ 11,763,023	0	0	Contracted salaries

107	Reduce custodian at each high school 3.0 FTE	\$ 90,000	\$ 11,853,023	90,000	0	Staffing Allocations
108	Close Central Media Services & incorporate into individual schools, reduce noncertified staff by 2.0 FTE	\$ 38,000	\$ 11,891,023	0	0	Negative Impact on schools
109	Reduce 4.0 FTE truancy coordinators at high schools classified positions	\$ 140,000	\$ 12,031,023	0	0	Impact on truancy
110	Reduce one media specialist at each HS 3.0 FTE	\$ 132,000	\$ 12,163,023	88,000	132,000	Staffing Allocations— OVERLAP 2.0 FTE
111	Go to one Blue Cross Blue Shield health insurance policy with higher co-pays	\$ 275,000	\$ 12,438,023	0	0	Consider during negotiations with NEA-T
112	Change transportation qualification to over 2.5 miles	\$ 224,000	\$ 12,662,023	0	0	Board decision
113	Eliminate middle school assistant principals 6.0 FTE	\$ 420,000	\$ 13,082,023	0	0	Coordinate with #99, #113
114	Eliminate AVID programs in General Fund	\$ 37,300	\$ 13,119,323	0	0	Success of program
115	Reduce support for truancy program	\$ 16,815	\$ 13,136,138	0	0	Impact on truancy
116	Go to monthly paychecks for all employees (technology and business office)	\$ 30,000	\$ 13,166,138	0	0	Inaccurate savings
117	Reduce second secondary teachers from each building-10 secondary teachers (Reduced 10 for FY 2010)	\$ 440,000	\$ 13,606,138	440,000	440,000	Staffing Allocations-- OVERLAP
118	Eliminate paying dependant life for classified staff	\$ 6,000	\$ 13,612,138	0	0	Employee benefit
119	Reduce number of school days: add 1 hour each day 8:00-4:00 (18 days)	\$ 171,000	\$ 13,783,138	0	0	Impact on achievement
120	Reduce counselors at HS by one at each school (3.0 FTE)	\$ 132,000	\$ 13,915,138	0	0	Coordinate with #96
121	Close third school 8.5 FTE	\$ 402,678	\$ 14,317,816	0	0	Savings in 2011-12
122	Initiate district-wide 4 day work week (utilities and transportation savings)	\$ 300,000	\$ 14,617,816	0	0	Impact on families
123	Decrease all certified salaries by 1% plus related taxes	\$ 660,190	\$ 15,278,006	0	0	Consider during negotiations with NEA-T
124	Staff kindergarten & 1st grade elementary school classrooms at 25:1 - 10 FTE	\$ 440,000	\$ 15,718,006	0	0	Impact on achievement
125	Reduce elementary school teacher from each building - elementary 21 teachers (Reduced elementary in FY 2010 budget)	\$ 924,000	\$ 16,642,006	704,000	704,000	Staffing Allocations— OVERLAP 16.0 FTE
126	Increase combination rooms in elementary schools - reduce 5 teachers	\$ 220,000	\$ 16,862,006	0	0	Included in #125
127	Close fourth school 8.5 FTE	\$ 402,678	\$ 17,264,684	0	0	Savings in 2011-2012
128	Reduce AP Class's from each high school - 1.5 teachers	\$ 66,000	\$ 17,330,684	0	0	Impact on achievement

129	Eliminate second assistant principal at each High School 3.0 FTE	\$ 218,500	\$ 17,549,184	0	0	As positions open; Coordinate with #84, #129
130	Decrease certified salaries by another 1% plus related taxes (2% reduction in total)	\$ 660,190	\$ 18,209,374	0	0	Consider during negotiations with NEA-T
131	Decrease all classified salaries by 1% plus taxes	\$ 215,006	\$ 18,424,380	0	0	Already well below area salaries
132	Reduce secondary music instruments	\$ 5,000	\$ 18,429,380	0	0	Impact on program
133	Eliminate elementary band 2.0 FTE and supplies	\$ 88,900	\$ 18,518,280	88,000	88,000	Staffing Allocations-- OVERLAP
134	Decrease certified salaries by another 1% plus related taxes (3% reduction in total)	\$ 660,190	\$ 19,178,470	0	3,692,930	Consider during negotiations with NEA-T
135	Reduce elementary strings 1.0 FTE and supplies	\$ 115,300	\$ 19,293,770	100,000	101,200	Staffing Allocations-- OVERLAP
136	Reduce High School music at each school (1.5 FTE)	\$ 66,000	\$ 19,359,770	0	0	
137	Reduce middle school music teachers at each school 1.5 FTE	\$ 132,000	\$ 19,491,770	0	0	
138	Decrease classified salaries by another 1% plus related taxes (2% reduction in total)	\$ 215,006	\$ 19,706,776	0	0	Already below area salaries
139	New: Reduce Durham transportation contract			216,500	216,500	
139	New: Reduce cost of district financial audit			8,000	8,000	
139	New: Reduce additional salary costs in HR department			81,000	81,000	
TOTAL REDUCTIONS BUDGET STAKEHOLDERS & ADMINISTRATIVE RECOMMENDATIONS					4,099,630	
ADDITIONAL ADMINISTRATIVE STAFFING RECOMMENDATIONS (high staffing cuts)						
140	K-5 Computer	4.0 FTE		176,000	176,000	
141	K-5 Media Specialist	3.0 FTE		132,000	132,000	
142	K-5 General Music	2.0 FTE		88,000	88,000	
143	K-5 Instrumental	1.3 FTE		57,200	57,200	
144	K-5 PE	2.5 FTE		110,000	110,000	
145	K-5 Tech Facilitator	2.0 FTE		88,000	88,000	
146	6-8 Regular Education	6.0 FTE		264,000	264,000	
147	6-8 Academic Assistance/Alt. Ed.	2.0 FTE		88,000	88,000	
148	6-8 Skills for Adolescents	3.0 FTE		132,000	132,000	

49	9-12 Regular Education	5.0 FTE		220,000	220,000	
150	9-12 Achievement Coordinator	1.0 FTE		44,000	44,000	
151	9-12 Remedial Reading	1.0 FTE		44,000	44,000	
152	K-12 Special Education	13.0 FTE		572,000	572,000	
153	Early Childhood	3.0 FTE		132,000	132,000	
154	Administration	2.0 FTE		88,000	600,000	
	TOTAL ADDITIONAL STAFFING RECOMMENDATIONS			\$ 2,235,200	2,747,200	
	TOTAL REDUCTIONS (BRSC and High Level Staffing Cuts)				6,846,830	



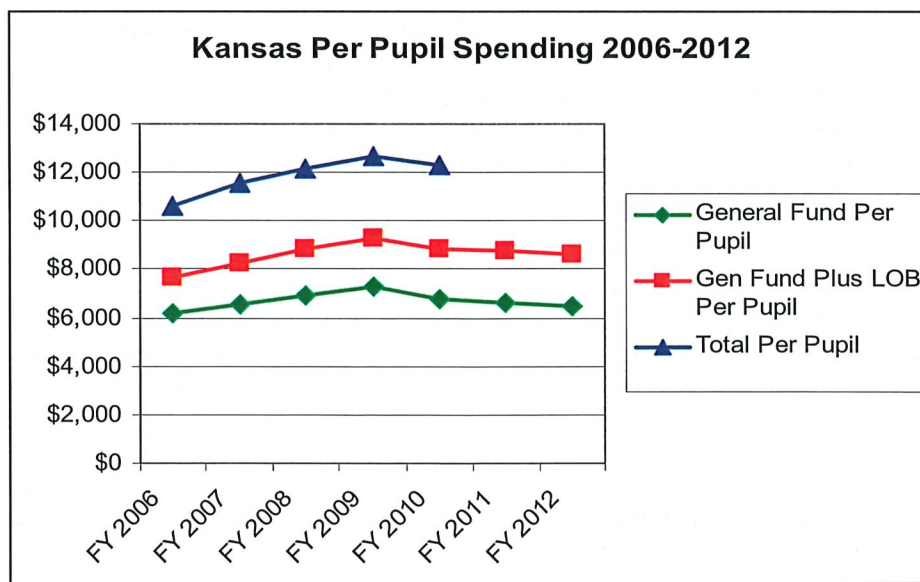
Testimony before the
House Education Budget Committee
on
Kansas State Department of Education Budget

by
Mark Tallman, Associate Executive Director for Advocacy
Kansas Association of School Boards

February 17, 2011

Madam Chair, Members of the Committee:

Thank you for the opportunity to testify on the Department of Education Budget on behalf of the Kansas Association of School Boards. We want to thank the Legislature for its efforts to protect education funding during the extraordinary economic and budget crisis confronting the state. However, even with the support of federal stimulus funds and the passage of the sales tax increase, per pupil general fund spending under the Governor's budget will fall nearly back to the 2006 level.



The following table provides the details.

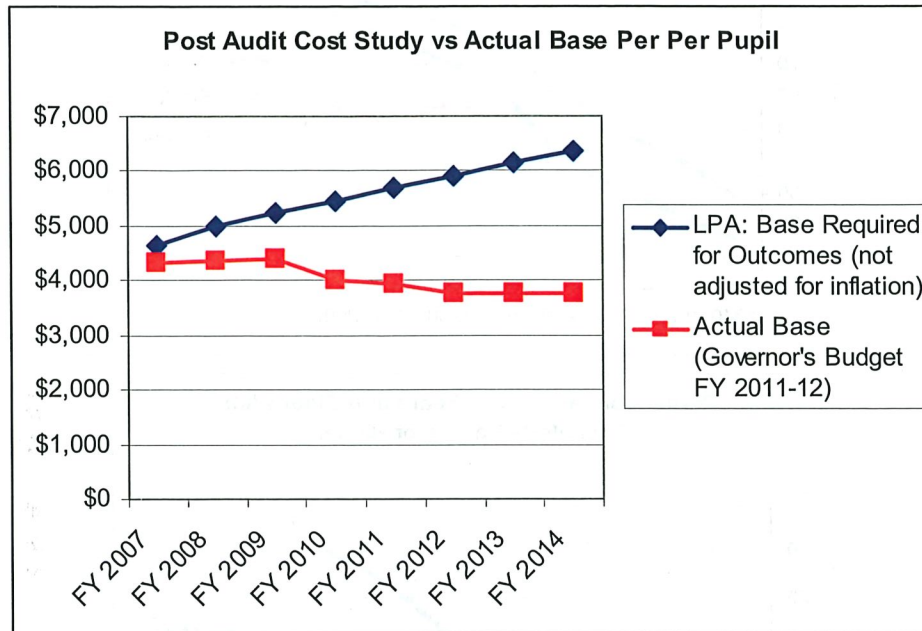
School District Expenditures Per Pupil, 2006 to 2012 (Projected)							
<i>(Amounts in Thousands except for per pupil or per FTE)</i>							
<i>(Multiply enrollment numbers by 1,000)</i>							
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Base Budget Per Pupil	\$4,257	\$4,316	\$4,374	\$4,400	\$4,012	\$3,937	\$3,780
Weighted FTE Enrollment	568.6915	592.1956	613.464	636	655.123	666.842	666.842
Special Ed Weighted Enr.	67.3533	76.0401	90.4067	97.2166	90.89	90.027	113.153
Total Weighted Enrollment	636.0448	668.2357	703.8707	733.2166	746.013	756.869	779.995
General Fund	\$2,707,643	\$2,884,105	\$3,078,730	\$3,226,153	\$2,993,004	\$2,979,793	\$2,948,381
ARRA Special Education					\$55,748	\$55,748	
General Fund+ARRA Sped	\$2,707,643	\$2,884,105	\$3,078,730	\$3,226,153	\$3,048,752	\$3,035,541	\$2,948,381
Unweighted FTE Enrollment	439.0958	441.115	442.9868	443.3304	448.7277	455.405	455.405
General Fund per Pupil	\$6,166	\$6,538	\$6,950	\$7,277	\$6,794	\$6,666	\$6,474
Local Option Budget	\$659,520	\$760,709	\$838,196	\$901,535	\$929,168	\$959,602	\$979,602
LOB Per FTE Enrollment	\$1,502	\$1,725	\$1,892	\$2,034	\$2,071	\$2,107	\$2,151
Bond and Interest Aid	\$57,488	\$63,697	\$69,128	\$75,591	\$86,700	\$94,647	\$100,000
Capital Outlay Aid	\$19,294	\$20,492	\$23,124	\$22,339	0	0	0
Total Capital Aid	\$76,782	\$84,189	\$92,252	\$97,930	\$86,700	\$94,647	\$100,000
Capital Aid per FTE Enroll.	\$175	\$191	\$208	\$221	\$193	\$208	\$220
KPERS School Contributions	\$161,531	\$192,426	\$220,813	\$242,277	\$249,856	\$283,502	\$319,862
KPERS Per FTE Enroll.	\$368	\$436	\$498	\$546	\$557	\$623	\$702
Note: Includes Community, Technical Colleges							
Total GF, LOB, Capital Aid,							
KPERS Per FTE Enrollment	\$8,211	\$8,890	\$9,549	\$10,078	\$9,615	\$9,603	\$9,547
Note: Does not include non-stimulus federal aid, local capital outlay and bond levies, students fees							
Total Expenditures Per							
Pupil, All Sources	\$10,596	\$11,558	\$12,188	\$12,660	\$12,330	NA	NA
FY 2011 and 2012 based on Governor's Budget							

Because the base budget per pupil doesn't tell the whole story, this table includes the total school district general fund, including weightings and special education. This is really the funding the state provides for educational programs, including regular classroom instruction, special education, at-risk and student services and other support. School district spending did not significantly increase in the "regular" education area, but in response to state and federal mandates increased in special education and restricted weightings such as at-risk and bilingual.

After reaching a high \$7,277 in 2009, the amount is projected to fall below the 2007 level under the Governor's budget. Note that as districts received increased Local Option Budget authority, LOB per pupil also rose from 2006 to 2009, and has leveled off. Although districts can use these funds to supplement that general fund, over 90 percent of available funding is being used. The table also reported bond and interest and capital outlay state aid, which has grown modestly as local voters approved new bond issues in recent years. The per pupil amount for KPERS has doubled over this period.

Finally, total spending, which includes federal funds, and tax revenues for bond and interest payments and capital outlay, and other local revenues like student fees, also peaked in 2009 and began to decline. The total amount per pupil is not available for this year and FY 2012.

However, as per pupil funding declines, education expectations continue to increase. The following chart compares the base budget per pupil identified by the Legislative Post Audit study with the actual base budget since 2007, and the Governor's budget recommendation. Even if the FY 2012 base is extended out without further reductions, school funding will fall farther behind the LPA cost study estimate every year.



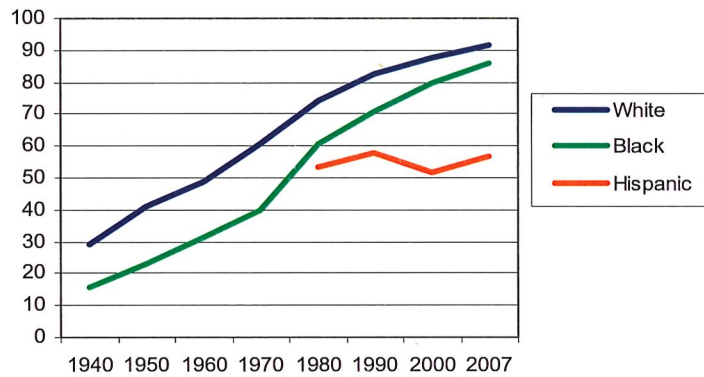
This leads us to our recommendations:

- We support increasing funding for base state aid, special education, capital outlay state aid and other programs not funded at statutory levels, but the most important goal is to avoid deeper cuts than the Governor's proposal. We appreciate the Governor's effort to replace some, but not all, of the expiring stimulus funding.
- We support adding funds to meet federal special education maintenance of effort (MOE) requirements. The best estimate for the current year is \$25.3 million. The Governor has recommended \$60 million for FY 2012. Without those funds, Kansas will be penalized in future federal special education allocations. Either the state will have to make up those funds under the "excess cost" formula, or districts will have to shift regular education dollars to comply with federal and state requirements. Furthermore, the funding allocated to Kansas will go to other states.
- To help districts deal with the impact of funding cuts as costs and expectations continue to increase, the KASB Board of Directors has approved a recommendation from a special committee of school board members and superintendents from across Kansas. We support an increase in local option funding authority to allow school boards to raise some local revenues if they believe this step is necessary. However, our support is conditioned on providing state equalization aid for the LOB that increases the state aid ratio, and is not subject to special election requirements. We urge this committee to work with the Education Committee to develop legislation to accomplish this goal and provide the necessary funding.

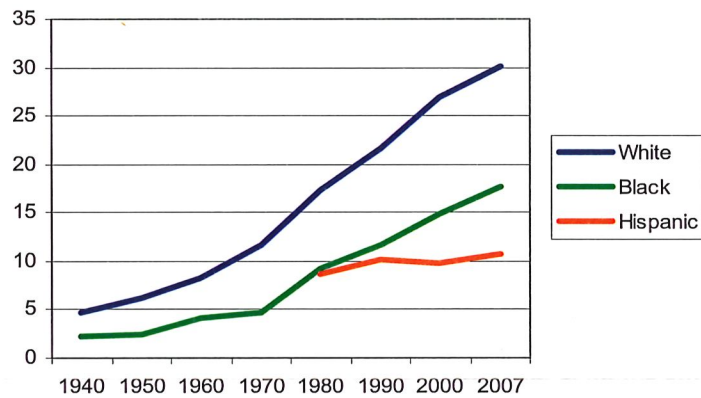
The balance of my testimony is background information that supports our concern about maintaining adequate funding for student achievement and addresses several other issues that have been raised by legislators and others.

Thank you for your consideration. I would be happy to respond to questions.

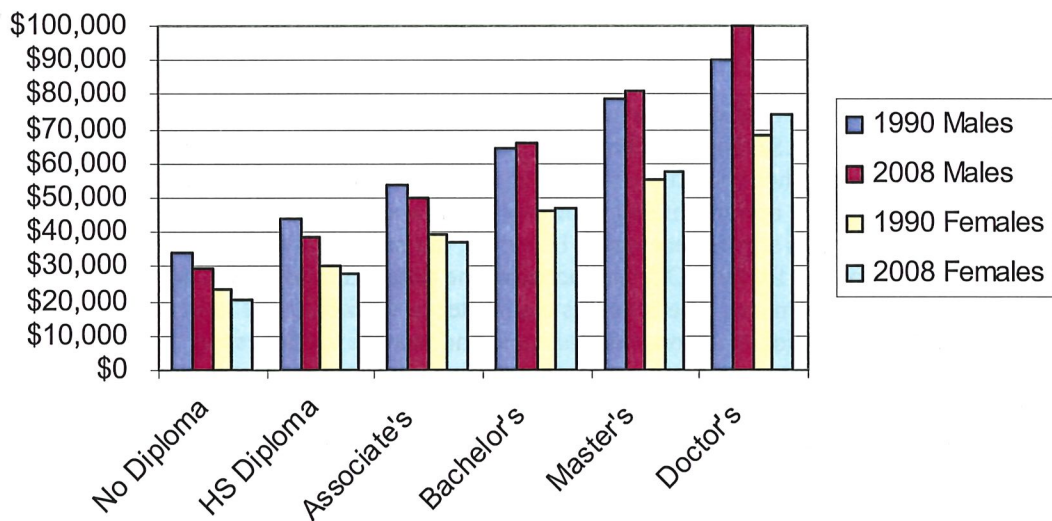
Percent of Kansans 25 Years and Older With High School Diploma or Higher



Percent of Kansans 25 Years and Older With Bachelor's Degree or Higher



Median Annual Earnings, Full Time Workers over 24
Adjusted for Inflation

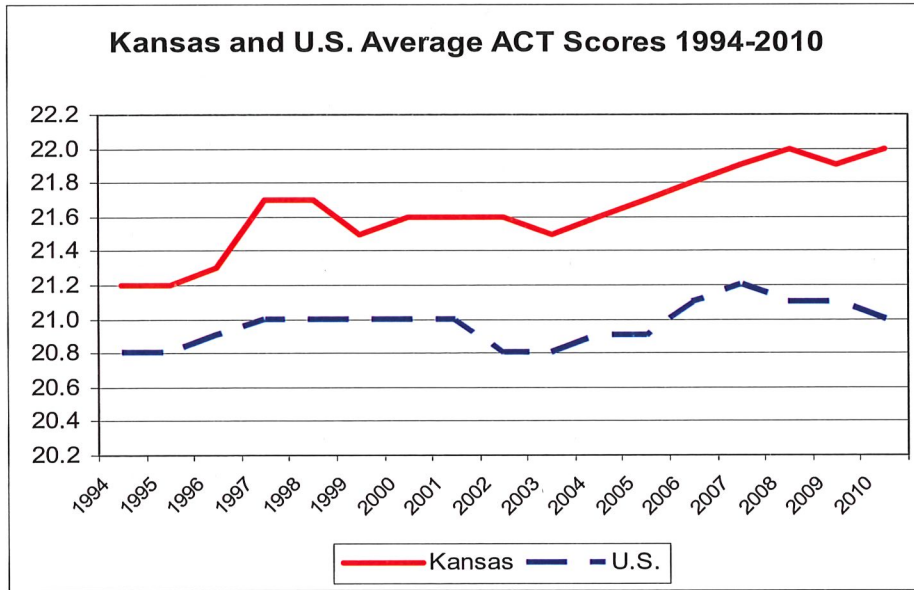


% High School Completers 18-24, 2005-2007		% Adults w. B.A. Degree or Higher, 2005-2007		% Adults w. Advanced Degree, 2005-07			
North Dakota	91.2	1	Massachusetts	37	1	Massachusetts	15.7
Hawaii	91	2	Maryland	34.8	2	Maryland	15.6
Iowa	87	3	Colorado	34.7	3	Connecticut	14.8
Nebraska	87	4	Connecticut	34.2	4	New York	13.4
Connecticut	86.7	5	New Jersey	33.6	4	Virginia	13.4
Massachusetts	86.7	6	Vermont	32.9	6	Vermont	12.8
Rhode Island	86.7	6	Virginia	32.9	7	New Jersey	12.5
Utah	86.4	8	New Hampshire	31.4	8	Colorado	12.2
Minnesota	86	9	New York	31.2	9	Rhode Island	11.3
Virginia	85.9	10	Minnesota	30.4	10	New Hampshire	11.2
New Hampshire	85.8	11	Washington	30	11	Illinois	10.8
Wisconsin	85.7	12	California	29.1	12	Delaware	10.6
Kansas	85.6	12	Rhode Island	29.1	13	New Mexico	10.5
Pennsylvania	85.4	14	Illinois	29	14	Washington	10.5
Wyoming	85.3	15	Hawaii	28.5	15	California	10.4
New Jersey	85	15	Kansas	28.5	16	Alaska	10
Maryland	84.8	17	Utah	28.3	16	Oregon	10
Maine	84.6	18	Oregon	27.5	18	Pennsylvania	9.8
Michigan	83.8	19	Delaware	26.8	19	Hawaii	9.7
West Virginia	83.8	20	Nebraska	26.6	19	Kansas	9.7
Illinois	83.7	21	Georgia	26.4	21	Minnesota	9.6
Ohio	83.7	21	Montana	26.4	22	Michigan	9.4
New York	83.4	23	North Dakota	26.3	23	Arizona	9.2
Montana	83.1	24	Alaska	26.2	23	Georgia	9.2
Vermont	83	25	Maine	25.9	25	Maine	9.1
South Dakota	82.8	26	Pennsylvania	25.6	25	Utah	9.1
Oregon	82.4	27	Wisconsin	25.5	27	Florida	8.8
Colorado	82.3	28	Arizona	25.3	28	Missouri	8.7
Idaho	82.1	29	Florida	25.2	29	Wisconsin	8.6
Tennessee	82.1	30	North Carolina	25.1	30	Ohio	8.5
Kentucky	82	31	New Mexico	24.8	31	Nebraska	8.3
Missouri	82	31	Texas	24.8	31	North Carolina	8.3
Washington	81.9	33	Michigan	24.7	33	Texas	8.1
Arkansas	81.8	34	South Dakota	24.4	34	Montana	8
North Carolina	81.8	35	Missouri	24.1	34	South Carolina	8
South Carolina	81.5	36	Iowa	23.9	36	Indiana	7.9
California	81.3	37	Idaho	23.8	36	Kentucky	7.9
Indiana	81.2	38	Ohio	23.4	38	Alabama	7.7
Oklahoma	81.2	39	South Carolina	23	39	Tennessee	7.6
Alaska	81.1	40	Wyoming	22.7	39	Wyoming	7.6
Delaware	80.8	41	Oklahoma	22.2	41	Idaho	7.5
Florida	80.2	42	Tennessee	21.8	42	Iowa	7.3
Alabama	79.3	43	Indiana	21.7	42	Oklahoma	7.3
Texas	78.6	44	Alabama	21	44	Nevada	7
Arizona	77.8	45	Nevada	20.9	44	North Dakota	7
Georgia	77.8	46	Louisiana	20	44	South Dakota	7
Mississippi	77.3	47	Kentucky	19.7	47	Louisiana	6.8
New Mexico	77.3	48	Arkansas	18.7	47	West Virginia	6.8
Louisiana	77.2	49	Mississippi	18.6	49	Mississippi	6.5
Nevada	76.7	50	West Virginia	17	50	Arkansas	6.2

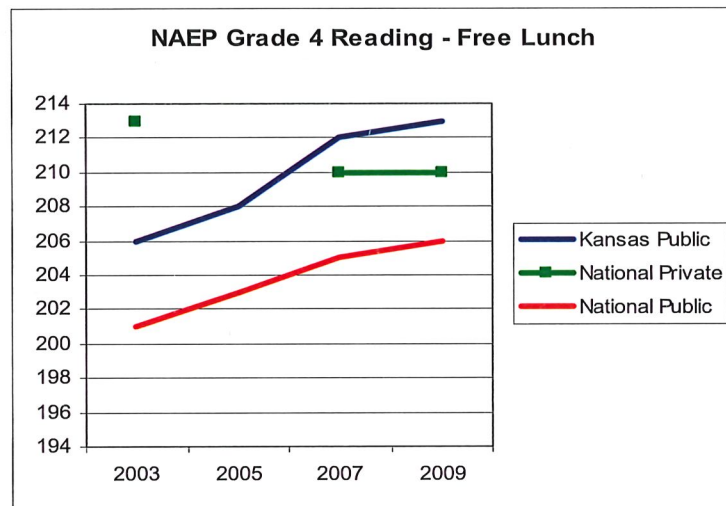
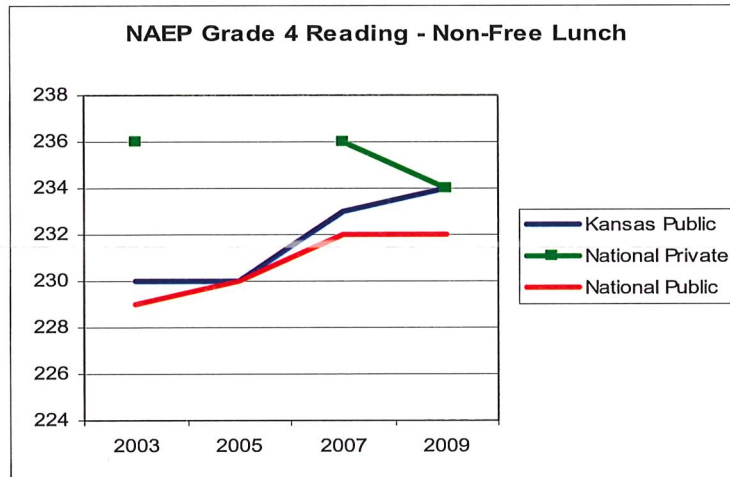
States Ranked by Per Pupil Spending with Educational Performance Measures										
	NAEP Combined % All Students at Basic & Above			NAEP Combined % Free Lunch Students at Basic & Above			% High School Completers 18-24	Current Spending Per Pupil		
	2003	2009	Change	2003	2009	Change	2005-2007	2001-02	2007-08	Change
New York	291	302	11	228	256	28	83.4	\$11,546	\$17,173	48.7%
New Jersey	301	327	26	207	255	48	85	\$11,436	\$16,491	44.2%
Alaska	270	284	14	195	226	31	81.1	\$9,586	\$14,630	52.6%
Vermont	316	329	13	255	280	25	83	\$9,678	\$14,300	47.8%
Connecticut	306	321	15	216	235	19	86.7	\$10,001	\$13,848	38.5%
Wyoming	312	319	7	265	276	11	85.3	\$8,667	\$13,840	59.7%
Rhode Island	268	290	22	195	224	29	86.7	\$9,178	\$13,539	47.5%
Massachusetts	314	340	26	233	279	46	86.7	\$9,856	\$13,454	36.5%
Maryland	273	307	34	185	242	57	84.8	\$8,507	\$12,966	52.4%
Delaware	297	310	13	235	261	26	80.8	\$9,271	\$12,848	38.6%
Pennsylvania	288	313	25	205	247	42	85.4	\$8,841	\$12,035	36.1%
Hawaii	238	266	28	187	220	33	91	\$7,253	\$11,800	62.7%
New Hampshire	322	332	10	246	276	30	85.8	\$7,750	\$11,619	49.9%
Maine	307	315	8	258	272	14	84.6	\$8,351	\$11,572	38.6%
Wisconsin	299	309	10	212	240	28	85.7	\$8,574	\$10,680	24.6%
Virginia	303	313	10	225	253	28	85.9	\$7,501	\$10,659	42.1%
Illinois	277	295	18	196	226	30	83.7	\$8,022	\$10,246	27.7%
Ohio	302	312	10	228	251	23	83.7	\$8,100	\$10,173	25.6%
Minnesota	313	324	11	235	251	16	86	\$7,691	\$10,140	31.8%
Michigan	284	282	-2	206	218	12	83.8	\$8,489	\$10,069	18.6%
Louisiana	237	249	12	197	217	20	77.2	\$6,519	\$9,954	52.7%
West Virginia	275	267	-8	239	231	-8	83.8	\$7,748	\$9,852	27.2%
Georgia	259	280	21	196	231	35	77.8	\$7,340	\$9,788	33.4%
North Dakota	314	339	25	265	298	33	91.2	\$6,728	\$9,675	43.8%
Kansas	304	320	16	251	276	25	85.6	\$7,052	\$9,667	37.1%
Montana	311	317	6	259	286	27	83.1	\$7,027	\$9,666	37.6%
Nebraska	298	307	9	232	249	17	87	\$7,418	\$9,577	29.1%
Oregon	287	296	9	239	244	5	82.4	\$7,621	\$9,558	25.4%
Iowa	308	309	1	243	257	14	87	\$7,305	\$9,267	26.9%
Missouri	297	309	12	238	255	17	82	\$7,018	\$9,216	31.3%
South Carolina	275	277	2	223	230	7	81.5	\$6,984	\$9,170	31.3%
Alabama	235	256	21	174	202	28	79.3	\$6,115	\$9,103	48.9%
Washington	296	308	12	235	255	20	81.9	\$6,894	\$9,099	32.0%
California	234	249	15	173	197	24	81.3	\$7,511	\$9,079	20.9%
Colorado	298	310	12	219	242	23	82.3	\$6,884	\$9,079	31.9%
New Mexico	224	249	25	184	214	30	77.3	\$6,606	\$9,068	37.3%
Indiana	299	314	15	234	267	33	81.2	\$7,580	\$9,036	19.2%
Florida	269	305	36	211	270	59	80.2	\$6,056	\$9,035	49.2%
Kentucky	279	302	23	234	260	26	82	\$6,493	\$8,686	33.8%
Arkansas	259	279	20	218	238	20	81.8	\$6,119	\$8,541	39.6%
South Dakota	311	323	12	260	269	9	82.8	\$6,319	\$8,367	32.4%
Texas	281	301	20	235	264	29	78.6	\$6,746	\$8,320	23.3%
Nevada	243	264	21	181	218	37	76.7	\$6,034	\$8,285	37.3%
North Carolina	295	296	1	231	242	11	81.8	\$6,511	\$7,996	22.8%
Mississippi	223	240	17	180	203	23	77.3	\$5,382	\$7,901	46.8%
Tennessee	255	275	20	189	222	33	82.1	\$5,984	\$7,739	29.3%
Oklahoma	273	288	15	229	250	21	81.2	\$6,256	\$7,685	22.8%
Arizona	251	262	11	189	208	19	77.8	\$5,521	\$7,608	37.8%
Idaho	293	309	16	247	267	20	82.1	\$5,923	\$6,931	17.0%
Utah	293	301	8	236	234	-2	86.4	\$4,890	\$5,765	17.9%

State Educational Performance, Ranked by Increase in Per Pupil Spending									
	NAEP Combined % All Students at Basic & Above			NAEP % Combined Free Lunch Students at Basic & Above			Current Spending Per Pupil		
	2003	2009	Change	2003	2009	Change	2001-02	2007-08	Change
Hawaii	238	266	28	187	220	33	\$7,253	\$11,800	62.7%
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Alabama	235	256	21	174	202	28	\$6,115	\$9,103	48.9%
New York	291	302	11	228	256	28	\$11,546	\$17,173	48.7%
Vermont	316	329	13	255	280	25	\$9,678	\$14,300	47.8%
Rhode Island	268	290	22	195	224	29	\$9,178	\$13,539	47.5%
Mississippi	223	240	17	180	203	23	\$5,382	\$7,901	46.8%
Group Ave.	271	290	19	210	241	31	\$8,020	\$12,155	51.6%
New Jersey	301	327	26	207	255	48	\$11,436	\$16,491	44.2%
North Dakota	314	339	25	265	298	33	\$6,728	\$9,675	43.8%
Virginia	303	313	10	225	253	28	\$7,501	\$10,659	42.1%
Arkansas	259	279	20	218	238	20	\$6,119	\$8,541	39.6%
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New Mexico	224	249	25	184	214	30	\$6,606	\$9,068	37.3%
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Massachusetts	314	340	26	233	279	46	\$9,856	\$13,454	36.5%
Pennsylvania	288	313	25	205	247	42	\$8,841	\$12,035	36.1%
Group Ave.	287	305	18	223	253	30	\$7,882	\$10,958	38.9%
Kentucky	279	302	23	234	260	26	\$6,493	\$8,686	33.8%
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South Carolina	275	277	2	223	230	7	\$6,984	\$9,170	31.3%
Group Ave.	291	304	13	230	249	19	\$6,953	\$9,193	32.2%
Tennessee	255	275	20	189	222	33	\$5,984	\$7,739	29.3%
Nebraska	298	307	9	232	249	17	\$7,418	\$9,577	29.1%
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California	234	249	15	173	197	24	\$7,511	\$9,079	20.9%
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Utah	293	301	8	236	234	-2	\$4,890	\$5,765	17.9%
Idaho	293	309	16	247	267	20	\$5,923	\$6,931	17.0%
Group Ave.	282	291	10	222	239	17	\$6,737	\$8,080	19.9%

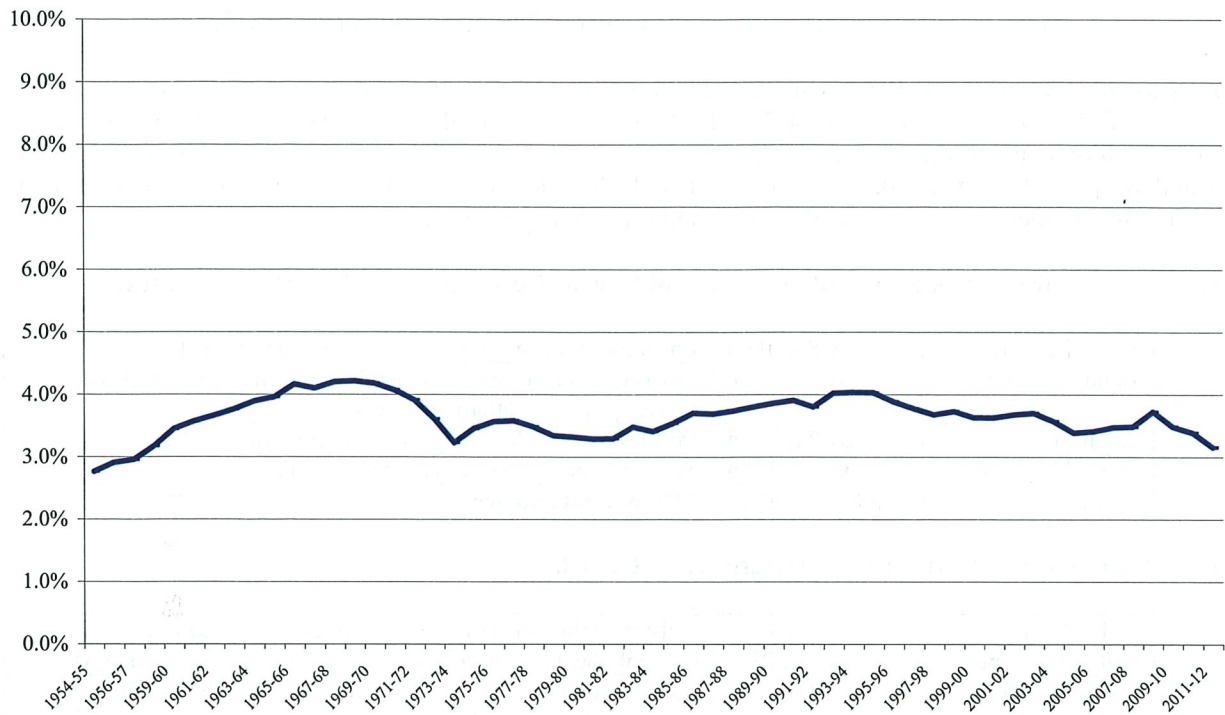
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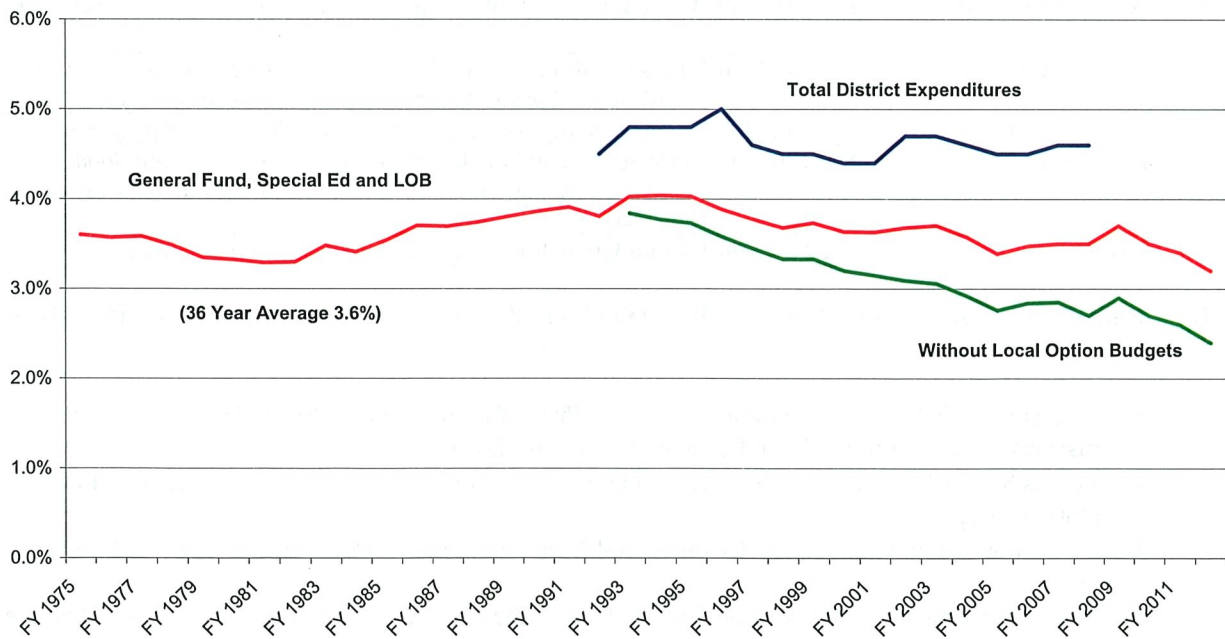
FOURTH GRADE READING, NATIONAL ASSESSMENT OF EDUCATION PROGRESS:



District GF Expenditures As % of Kansas Personal Income



School District Budgets as Percent of Kansas Personal Income



School District Cash Balances: What is Available? What is Prudent to Spend?

Kansas Association of School Boards, January 25, 2011

Mark Tallman, Associate Executive Director, 785-273-3600, mtallman@kasb.org

A major area of interest in recent years has been the amount of money in various school district budget funds, which are reported each year on July 1. At the beginning of the current year, districts had a total of \$1.567 billion in unencumbered cash balances. Some have suggested these funds could help school districts absorb deeper cuts in state aid. But “unencumbered” does not mean districts can spend these funds as they wish. Most of these funds are already committed for certain purposes.

1. Funds raised from local mill levies cannot be constitutionally used for other purposes.

Capital Outlay	\$429.8 million	Local mill levy; no state equalization aid provided
Bond and Interest	\$361.9 million	Proceeds from construction bonds or required for scheduled debt service payments later in the year
Adult Education	\$1.2 million	Mill levy for adult basic education programs
Special Liability	\$7.2 million	Mill levy for attorney fees, judgments, etc.
Total	\$800.1 million	51% of total balances

2. Certain other funds are also effectively restricted.

Federal Funds	\$1.1 million	Only available for purposes authorized by federal law
Gifts and Grants	\$24.0 million	Can only be used for purposes of donation (i.e. scholarships)
Special Reserve	\$102.4 million	Used by for a few districts for self-insurance: health care, uninsured losses, worker's compensation as actuarially required
Textbooks and Student Materials	\$50.5 million	Primarily composed of fees for scheduled purchases of books and supplies. If fees are used for general education purposes, they could be considered “tuition” which is prohibited by the state constitution
Total	\$178.0 million	Cumulative total: \$978.1 million; 62.4% of total balances

3. Several funds have balances on July 1 to cover operating expenses until revenues are received.

Special Education	\$181 million	These funds must be on-hand for the first 3.5 months of the year until state aid payments are made in October (if on time)
Special Ed Co-op	\$35.1 million	Same as above for districts in special education cooperatives
Food Service	\$46.1 million	Primarily federal funds and student fees; used to begin food service operations until new meal charges and reimbursements are received
Total	\$262.2 million	Cumulative total: \$1,240.3; 79.1% of total balances

4. Remaining cash balances: \$327.1 million (\$193.9 million in Contingency Reserve Fund; balance in 14 other funds.)

- This amount is less than the money *not actually paid* by the state by the end of the year, but school districts were required to book by June 30 (\$400 million).
- Equals 8.2% of operating budgets (\$3,036.6 million total general fund plus \$959.6 total Local Option Budgets).
- This amount equal almost exactly one month's operating costs. (One month equals 8.3% of a year).
- State aid payments have been consistently late for the past two years. Without reserves, districts could delay salaries and other vendor payments.
- Statutory ending balance requirement for State General Fund: 7.5%.



Making public schools great for every child

KANSAS NATIONAL EDUCATION ASSOCIATION / 715 SW 10TH AVENUE / TOPEKA, KANSAS 66612-1686

Mark Desetti, Testimony
House Education Budget Committee
February 16, 2011

I would like to take this opportunity today to share thoughts on the education budget that are a little different than I might normally share. I believe I can do this because I can't give you any more data than that which you get from Mark Tallman. He's a master at the data and I can't argue with or augment it.

I intend to speak first as an advocate for teachers. Ever since I arrived in Kansas in 1998, I have been hearing legislators and my colleagues at KASB fret about the teacher shortage. There is a lot we know about that shortage.

We have many, many teachers very close to retirement. Enrollments in our teacher preparation programs have been declining. Fewer of our young people look to teaching as a career option and so many of our current teachers are actively planning their retirement. The reasons for the decline in those interested in education are many. They see their friends quitting the profession in droves. Attrition rates in Kansas are appalling. They read a continual barrage of attacks on schools and teachers in the media. They are encouraged by parents to go into other fields – fields which demand more respect and better pay. And they are heeding this advice.

And today we are looking at thousands of Kansas teachers whose pay has been frozen; many others are being asked to take pay cuts. Many teachers are picking up the increases in health insurance premiums. With cuts to school budgets teachers are purchasing more supplies out of their own pockets. A lot of teachers are doing this because they can't sit idly by and watch opportunities for their students disappear or their support colleagues lose their jobs. And while this goes on, their schools are being blasted – and they see themselves in this by extension – as greedy, loaded with fat, a drain on the state.

The worst thing we can do as a state is to continue on this path. So far, much of the state budget cuts to education have been offset by an influx of federal stimulus money. But that money is set to disappear very soon. The Governor's budget proposal does not replace that federal aid and when it goes, our schools and our teachers will be staring into an abyss. Without action by this legislature, the funding cliff becomes our reality. As bad as things have been to this point, we have seen nothing yet.

When Kansas schools fall off that cliff, we will see crippling losses in support services. Counselors, library-media specialists, reading specialists, school nurses, assistant principals – these are the first positions that will be cut. Classroom teachers will follow and as a result the teachers who stay on will be working with larger classes without the benefit of support services for learning. But the demands on those teachers and our schools will continue to increase.

It will take several years, but you will see serious declines in student achievement – especially among our most challenging students.

House Education Budget Committee
Date: 2-17-11
Attachment #: 5

I can address some of this if I look at it as a parent. I have four children; three of them have already graduated from Kansas public schools. One went to the Marine Corps, one is in chef school, one is a senior at a four year university in Ohio, and the fourth, my baby, graduated from Lawrence Free State High School last spring.

My daughter is a brilliant student. Bill Brady knows her, he can attest to the facts here and that she is proof positive that brilliance skips generations or that she takes after her mother. She graduated at the top of her high school class and was accepted at every college to which she applied. Today she attends Smith College in Northampton, Massachusetts.

I attribute some of her success to her natural intelligence and to her hard work and drive. But what makes her a student capable of getting into Smith or Boston College or Oberlin or Carnegie Mellon is due to the opportunities she had as a student in Kansas public schools.

She has had the opportunity to take advanced sections of regular classes as well as advanced placement classes. Personal attention from caring teachers allowed her to complete four years of German in three years and then to study German at the University of Kansas while still in high school. She had unique academic opportunities because the school offers more than just the traditional curriculum. She was able to study biology, chemistry, and physics and then take a stretch to anatomy and physiology.

Her school provided her with many opportunities to serve both the school and the greater community because of support for clubs including the Key Club, the Social Awareness Club, and the LINK Crew. She grew in other ways as well, having taken advantage of many fine arts offerings including band, ceramics, and digital imaging. She even had the chance to letter in a sport – women's golf – because her school offered it even with so few students participating.

And I thank God that she was born when she was. That she was able to be in high school at a time when a high school was not deemed to be efficient because it was cheap; when audits show that we can have low-cost schools if we just increase those class sizes and do away with low-enrollment classes. These suggestions get to the heart of what makes Kansas schools so effective. The opportunities most at-risk today are those that serve children like my daughter – the top students who will be leaders in this nation – and those that serve the children who need personal attention the most – English language learners, children in poverty, children with developmental or physical disabilities.

I thank God that she was able to graduate from high school just before these cuts begin to eat away at teaching and learning and personal attention.

And that takes me to one more viewpoint on school funding.

My grandson will turn five years old next month. He is a few short months from beginning Kindergarten. As a grandparent, I fear for what is in store for him. He will enter Kindergarten just as the federal stimulus funds disappear and our schools drop off the funding cliff – the reality of state cuts coming home to roost.

What opportunities will there be for his future? Will his Kindergarten teacher have 20 children or 30? Will his elementary school be able to take him to museums or on a visit to the capitol? What is the vision for his education?

I fear for a whole generation of kids like my grandson. When programs and classes are cut in the name of efficiency or just to be low-cost or because someone decided that a particular opportunity was deemed not to be "suitable," what will happen to him? As teacher salaries and benefits are frozen or reduced, where will we find dedicated enthusiastic teachers to replace those that retire?

This is not all about the budget; but it is about our vision – yours and mine – of what we want schools to do and be for our next generations. We cannot afford to tell next year's Kindergarteners to just hang in there; that things will get better in a few years. Kindergarten, first grade – these are once in a lifetime opportunities.

I urge you to look into the eyes of today's four and five-year olds. Talk to their parents and grandparents. Ask what it is they want for those children. And then do what it takes to create that future for them and for our state. Do what it takes to give them opportunities and to give their parents hope for a better future.

It's not just what you do in this committee. It's what you do in every committee and on the floor.

Last year, this legislature worked hard to minimize the damage to K-12 and higher education. Your work is equally difficult this year. Perhaps it is especially difficult as you contemplate the cliff. There are thousands of teachers, parents, grandparents and children looking to you for leadership and courage once again.



House Education Budget Committee
Rep. Gordon, Chair

Fiscal 12 Education budget

Submitted by Diane Gjerstad
Wichita Public Schools

February 17, 2011

Madame Chair and members of the Committee:

Kansas public schools continue to increase achievement. As noted by the recent speaker from the Goldwater Institute Kansas ranks fifth in the nation on the combined NAEP score for economically disadvantaged students. Wichita Public Schools educates 11% of the state's public school students, representing 89 languages and 7800 special education students. The hard work and dedication of thousands of Wichita Public School employees is reflected in state and local scores.

The recession has been extremely difficult. Many businesspeople have asked Superintendent Allison why the schools can't "right size" or scale back as they have during the economic downturn. Unfortunately many businesses have seen their customer base diminish. That is not the case for Kansas school districts. Our customer base is increasing, not decreasing, we have more students who have greater needs. Wichita Public Schools has the highest enrollment since the mid 1970s.

The standards by which schools are measured and penalized by increase each year. The good part of No Child Left Behind is schools have been forced to focus on the learning of each group of students – no longer can the high scores of one group pull up the lagging scores of another. However, the 4 – 5% annual increase for each independent group of students sets a specific goal with no recognition for achievement growth. The current system does not give credit for growth in scores. A school not making the goal but making tremendous gains is penalized the same as a school which has not made gains. It is a punitive system.

Wichita Public Schools is the third largest employer in the MSA with over 9000 employees; maintaining over 8.5 million square feet of facilities on 1800 acres. The district's monthly payroll and benefits is \$38 million. Monthly vendor payments average \$12 million (excluding bond related payments). We serve 30,000 school lunches each day!

With the expectation schools will have another sizable mid-year cut after the FY 11 budget is resolved. The Board of Education has agreed to use contingency reserve funds to meet the \$5.3 million reduction proposed in the House budget. The district's contingency is 4.5%, far

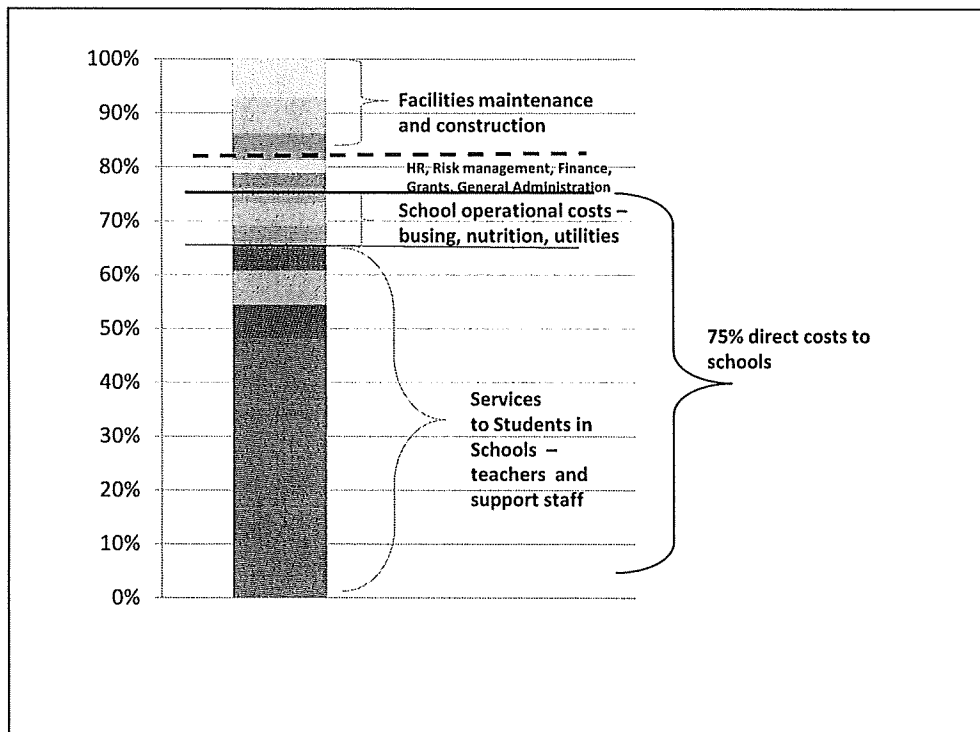
House Education Budget Committee

Date: 2-17-11

Attachment #: 6

short of the statutory 10% permitted. Putting the district's \$16.4 million contingency in context we need to remember the state has been late 10 out of 12 payments and a \$38 million salary obligation plus \$12 million for vendor could not be covered by the a \$16.4 million contingency. The use of contingency is a onetime fix.

This chart reflects our investment of resources in schools to benefit our students. Over seventy percent of the all funds budget is in staff largely based in the schools to work with a diverse student body. Wichita's student population represents over 89 languages from 100 countries. The district's exceptional special education program serves mildly disabled students to profoundly disabled students. Dedicated school nurses provide the safety net to allow parents to students with medical issues the security to attend school each day. It takes a wide ranging group of dedicated personnel to attend to the safety and educational needs of 50,000 students each day. The chart reflects the investment in the personnel groups which best serve this diverse student body. The largest portion, about 65%, are the people who work with students and teachers in schools each day. Then there are operational costs to get students safely to school each day; lunch; and the electricity, water, natural gas costs for schools. All totaled over 75% of the budget is spent directly in schools (excluding custodial and capital costs). Ten years ago the district did not have a bond payment, so if we would have looked at this graph back then the percentages would have been higher because bond would not have been part of the total.



From 2004 to now the districts has increased funding in six primary areas: instruction, special education, AARA funding, KPERS pass through, bond and capital. Instructional FTE increased by 16% and all other areas decreased by 2%.

Soon after being named Superintendent of Schools, John Allison has reviewed the data resources the district was using to determine efficiencies and productivity. Through the Kansas Learning Network established by the Kansas Department of Education, the district has engaged SchoolStat a firm which has worked with large districts across the nation using performance management processes. SchoolStat is a data driven, collaborative performance management process. Through monthly sessions SchoolStat helps district personnel – from tradesman in the School Service Center to principals – engage in detailed reviews of data to problem solve. Building performance measures under review include student attendance, student behavior, staff absenteeism and survey of student, staff and families on school safety issues. The monthly review sessions dig deeper into what the data is indicating or weaknesses of data collection. This process was used first at the School Service Center to modify the work order process.

The district's mature energy management system has cost avoided \$50 million since its inception in 1996. The district is managing about 112 buildings (8.5 million square feet) 25-30% more efficiently. The district's energy manager, through Greenbush Education Cooperative, buys natural gas for over 50 school districts helping district save money on the commodity and by watching monthly billings from the utility. This buying cooperative has a good track record of saving around \$2/mcf on natural gas for the member districts.

Legislative Post Audit through the school audits has encouraged districts to benchmark costs on a per pupil basis against peer school districts. Wichita with 50,000 students has no peer Kansas district. However, for about five years the district has been involved in an operations evaluation audit with about 60 of the largest school districts in the nation. This information allows district managers to measure cost compared to other large urban district across the nation.

Wichita continues to upgrade our budget book and Budget at a Glance to answer common questions and help our patrons put the large budget numbers into perspective. This year graphs explaining where we spend our money and fund balances throughout the year were added. In December Wichita Public Schools posted an electronic checkbook on the district website which can be searched by function or fund.

Fiscal 12 budget

The budget recommendations before you today will:

- Reduce the base an additional \$11.1 million
- Net decrease in special education 1.1
- Loss of stimulus Title funds 10.0
- Fixed cost increase 3.0
- FY 11 anticipated midyear cut 5.3

Total anticipated budget reduction \$30.5 m

Last year Wichita made \$14m in reductions by closing an alternative school last year, eliminating drivers' education, cutting 22% from central administration, salaries have been frozen since 2008 and supplies/travel/computer purchases. Our entire testing department was laid-off; we now share testing services with Topeka Public Schools.

Yet the requirements to reach 100% proficiency have not been repealed or put on pause during the recession. The increased requirements for special education 20 performance indicators have not been put on pause for the recession. The expectations for Career and Technical Education, financial literacy, reading performance and preparing a labor force to fill the jobs to be created by NBAF or the 40% of aviation workers who are soon eligible for retirement have not diminished.

While we won't let dollars define us, the legislature should understand that Kansas schools, which have proven to be among the best in the nation, will have a great deal of difficulty educating diverse student populations with fewer and fewer resources. And those young people are the ones who will stay here and fill all the jobs important to our protection and safety of our communities in the future. As the world increases investments in education, we will have a great deal of difficulty maintaining our national reputation. The decisions made this session and next several will impact generations of students. We cannot minimize the collective impact of cutting education – whether early childhood, K 12 or post secondary. All are building blocks for future success. This pathway of cuts is not a pathway to future economic vitality.

Testimony on FY 2012 Education Budget House Education Budget Committee

Written by: Cheryl L. Semmel, Executive Director

February 17, 2011

The mission of United School Administrators of Kansas (USA|Kansas), through collaboration of member associations, is to serve, support, and develop educational leaders and to establish USA|Kansas as a significant force to improve education. I appreciate the opportunity to speak with you regarding **K-12 education funding for FY 2012.**

Accountability for preparing students for post-secondary education and the workforce has never been higher. At both the federal and state levels, Kansas has supported policies that increase expectations for student performance and establish rigorous goals for student outcomes. For example:

- **No Child Left Behind (NCLB)** demands that 100 percent of our students demonstrate proficiency in math and language arts by 2014 – this includes our at-risk, special education, and non-English speaking students. The State Accountability Plan, approved by the U.S. Department of Education, establishes benchmarks that increase annually.
- **Common Core Standards.** Kansas is one of forty-one states that has adopted these more rigorous standards. The Common Core standards are designed to be relevant to the real world, reflecting the knowledge and skills that our students need for success in college and the workforce. The State Department of Education (KSDE) is currently rewriting state standards for math and language arts and will be phasing in new state assessments over the next three years. This will require new textbook adoptions, instructional support materials and professional development.
- **Qualified Admissions.** The Kansas State Board of Regents recently amended the Qualified Admissions criteria and, effective this Fall, high school freshman will be required to meet additional math requirements prior to graduation.

While the economy has faltered and K-12 education funding has decreased, performance expectations and school accountability have continued to increase. In a Legislative Post Audit study, there was a nearly one-to-one correlation between increased education funding and increased student performance. This is due to the ability to invest in a high-quality workforce and in research-based programs that are proven to be successful in supporting students with the greatest needs.

House Education Budget Committee

Date: 2-17-11

Attachment #: 7

K-12 Education Funding

As you deliberate on the FY 2012 budget, administrators encourage you to consider the impact additional cuts would have on the education workforce and on our children. In a Legislative Post Audit study, there was a nearly one-to-one correlation between increased education funding and increased student performance. This is due to the ability to invest in a high-quality workforce and in research-based programs that are proven to be successful in supporting students with the greatest needs. Administrators believe that this is especially important as we prepare our students for a global, competitive workforce.

The American Recovery and Reinvestment Act (ARRA) and State Stabilization Funds will not be available in FY 2012. The Governor's budget recommends additional spending reductions, replacing only part of the federal Recovery Act grants with State General Fund support.

The **Base State Aid Per Pupil (BSAPP)** will likely be reduced from \$4,012 to \$3,937 in the current fiscal year, based on the Governor's recommendation. The Governor has further recommended that the BSAPP be reduced another \$157, to \$3,780, in FY 2012. This would represent a cumulative decrease of \$232 on the BSAPP in FY 2011 and FY 2012 and would be \$792 below the current statutory requirement of \$4,492 per pupil. We are concerned that these additional cuts will further negate the work districts have done to ensure a quality education for each child and are not sustainable over time.

While we appreciate the Governor's proposed increase of \$129.3 million in FY 2012, it is important to note that those funds are directed to KPERS, capital improvement and special education.

Special education funding

Administrators recognize the importance of supporting those students with special needs and challenges. USA|Kansas supports the Governor's request to increase **special education funding** in FY 2012. However, we also believe that funding the ARRA maintenance of effort requirement in FY 2011 is absolutely necessary to avoid penalties in future years. Our belief is that the Kansas children are better served if those funds are not sent to Washington, D.C. and instead support programs and services here.

Local Option Budget

The Governor's budget recommendation does not increase the state aid for the Local Option Budget (LOB). As a result, any LOB increases will impact the pro-ration. In FY 2011, the pro-ration is estimated at 91-92%. In FY 2012, we expect that will decrease to approximately 88-89%. Administrators believe that continued equalization of the LOB is extremely important given the significant variance in the value of a mill across the state.

Unfunded mandates and burdensome administrative functions

As new initiatives and opportunities arise, administrators encourage the Legislature to consider whether these initiatives enhance student learning, are more *effective* in achieving the

desired outcome and whether there are sufficient new resources to support implementation and delivery. We strongly encourage you to oppose any new mandate that increases district administrative costs without commensurate reimbursement.

Suitable Education and State Spending

Although administrators believe the current funding formula is sound, we recognize that there is a lot interest in discussing how education is funded and in defining “suitable education.” *Administrators across the state are committed to working with you. USA|Kansas supports working collaboratively to define a suitable provision for finance* that ensures Kansas students receive a quality education that helps them reach their potential and become successful, productive citizens.

We further support long-term planning for school finance to create stability and allow for the efficiencies and effectiveness that can be gained through advanced planning.

The education workforce

Finally, as districts have repeatedly cut budgets, administrators across the state have worked to maximize resources, create efficiencies and identify innovative solutions. Districts have sought first to make reductions in administrative functions and non-instructional services, but **all changes impact students and their families either directly or indirectly**. The elimination of programs and support services will result in reductions to the workforce and the opportunities available to students.

Beyond the most immediate impact in the classroom, workforce reductions in K-12 education impact local communities across Kansas. K-12 education is a major workforce and economic driver in Kansas. From the district and building level personnel to contracted vendors, these individuals support local economies in many ways, whether it be supporting local retail or contributing to the tax base. In some of our small communities, with limited employment options, these individuals and families will relocate entirely – having a devastating, long-term impact on local communities.

Recent personnel reports by the Kansas State Department of Education indicate that certified personnel decreased by approximately 818 Full Time Equivalents (FTE) between 2009-2010 and 2010-2011. Noncertified personnel have decreased by approximately 844 FTE between 2009-2010 and 2010-2011. In total, the K-12 education workforce has eliminated more than 1,600 FTE through attrition and elimination of positions.

Administrators recognize that there are many competing interests for the same limited dollars every year and that all Kansans have been called to sacrifice in this economic climate. K-12 education funding, representing a large percentage of the general fund budget, has decreased significantly since 2009. As you consider the FY 2012 budget, educational leaders hope that you recognize all the progress Kansas students have made. Kansans have been called upon to compromise and work together for the common good of the State. We remain committed to working with you, in partnership, to support Kansas students and the communities we serve.