

Written and Oral Testimony

To: Representative Adam Thomas, Chair House Education Committee

From: Kathleen Lippert, parent and patron of USD 113

Date: Tuesday, March 22, 2023

Re: 2023 HB 2458 authorizing the state board of education to establish new school districts and providing for administrative and judicial review of resolutions to permanently close a school building

Request to provide written and oral testimony

Neutral

HB 2458 was introduced on March 13, 2023 and set for committee hearing this week. This bill creates significant changes to K.S.A. 72-635 (petitions for disorganization of school district) and K.S.A. 72-1431 (procedure to close a school building).

Current statutory authority provides, pursuant to K.S.A. 72-635, a petition signed by electors can seek to disorganize a district. HB 2458 specifically authorizes creating a new school district if a current district is disorganized. Creating a new school district represents a significant change in existing law.

The fiscal note for HB 2458 recognizes there will be increased cost to the state education budget; however, the nature and extent of the actual costs would depend on how many new school districts would be created and factors such as low enrollment weighting.

In 2002, Augenblick, Myers et al prepared a report (A&M Report) for the Kansas Legislative Coordinating Council examining education costs in Kansas. The A&M report stated, “[o]ur cost estimates for 2000-01 show that per student base costs rise from \$5,811 to \$8,581 as enrollment decreases from over 11,000 students to under 500 students”. (See A&M Report page ES-3). The A&M report defined “very small” school as having less than 325 students.

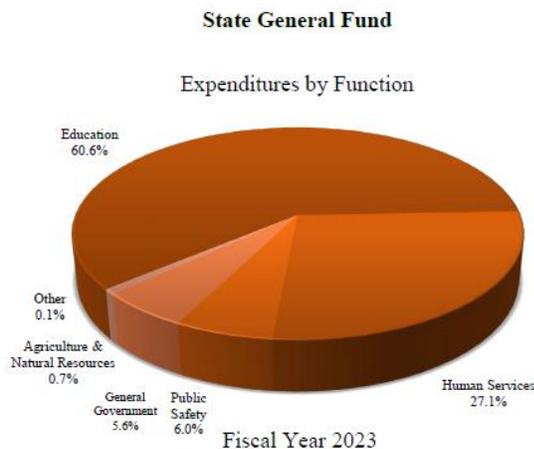
This increased cost for educating students in a very small school was experienced by USD113 in FY 22. USD113 includes three (3) K-12 schools. It cost significantly more to educate a student in a very small school in USD113:

	Headcount FY22	Cost per student FY22
Sabetha Campus	790	\$10,871.
Wetmore Campus	125	\$13,724

It is important to note the Wetmore campus has very low enrollment. The A&M report defined “very small” school as a population of less than 325; the Wetmore campus has 125 students. The Wetmore campus has three (3) students in the 5th grade and has five (5) students in the 9th grade. The 2nd grade is the largest grade with a total of 14 students.

The small enrollment on the Wetmore campus is not new or an aberration. In the past 10 years, Wetmore has dropped 51 students from 174 to 123; between FY14 to FY23. Wetmore's declining enrollment is 66% of the entire district's decline in enrollment. As student numbers decrease, cost per student increases. This mirrors the conclusion in the 2002 A&M report.

The FY2023 Governor's Budget Report, prepared by the Division of Budget, outlines the State General Fund Expenditures by Function in a graph on page 11 of the report.



Education represents 60.6% of the FY23 State General Fund expenditures by function, larger than any other category. Human Services is the next largest category and only represents 27.1% of the General Fund expenditures by function.

If creating additional new districts increases educational costs for the states, what category will be decreased to support the increased educational costs?

Current statutory authority, process, and procedure to close a school building are set out in K.S.A. 72-1431. The current law requires a public hearing after notice published at least once each week for two consecutive weeks in a newspaper of general circulation. The last publication shall be at least 10 but not more than 20 days prior to the date of the public hearing.

HB 2458 creates an extensive and costly review process. The review process set out in the proposed legislation adds the following steps after a BOE holds a public hearing and determines that closure of a building will improve the school system:

- 90 days for any person who is dissatisfied may request an administrative review by the state board of education.
- 60 days after the receipt of a request for an administrative review, the state board of education shall issue an advisory determination on the BOE's resolution to close.
- Additional public hearing must be held by the local BOE to reconsider such resolution after receiving the advisory opinion. The BOE must then reconsider the decision.
- 30 days for any person who is dissatisfied - after reconsideration by the BOE - may bring an action in the district court.

The proposed legislation does not say it, but a district court decision can be appealed to the Court of Appeals and may also be appealed to the Kansas Supreme Court. For a frame of reference, members of the legislature may recall the length of time it took to resolve the school finance litigation. Meanwhile, a local BOE is required to operate a building that may not be fiscally viable.

