

February 12, 2024

Chairperson Williams and K-12 Education Budget Committee Members,

We are writing to you as the Special Education Leadership Team for USD 453 Leavenworth Public School (Leavenworth County). We want to express our opposition to the proposed House Bill 2738, which pertains to several provisions affecting school districts, particularly utilizing the local option budget (LOB) and Medicaid funding to be figured into the calculation for excess costs.

The arbitrary limitations imposed by the bill fail to account for the diverse needs and circumstances of students with disabilities. Many of these students require individualized support plans, specialized instructional materials, and access to assistive technologies — all of which require adequate funding and resources beyond what is currently provided. As district leaders responsible for ensuring the well-being and academic success of our students, we believe this bill poses significant challenges that could hinder our ability to provide quality education and support services to all students.

The provisions outlined in the bill regarding the LOB impose undue restrictions and limitations on the financial flexibility of school districts. Additionally, by accessing funds from the LOB, we are ultimately hindering the school district's ability to use that funding to support all students. Rather than infusing additional monies that are a statutory requirement, House Bill 2738 requires districts to utilize their LOB funds, which are typically allocated to help support all students. The impact of HB 2738 on our district would result in a loss of \$646,536 in funding. This number equates to a loss of 9 teaching positions. The long-term result of this transaction is hurting all students at the expense of covering Special Education costs, rather than addressing the real concern, which is the state's responsibility to fully fund Special Education.

The proposed bill includes the usage of Medicaid monies in the funding formula. First, these monies are fluid, meaning that districts cannot project the amount of funding they will receive each year. Many of our students do not qualify consistently for Medicaid funding throughout the year. While Student A may qualify for 12 months out of the year, Student B may only qualify for 3 months out of the year. Medicaid funding is subject to fluctuations and uncertainties, making it an unreliable source of revenue for sustaining long-term educational initiatives. Relying on Medicaid reimbursements to support essential programs and services could expose our district to financial instability and jeopardize our ability to meet the evolving needs of our students in a consistent and sustainable manner. Additionally, integrating Medicaid funding into the bill may erode local control and decision-making authority over educational matters, as it could introduce external mandates, compliance requirements, and bureaucratic oversight mechanisms that hinder our ability to adapt to local conditions and respond to the diverse needs of our student population effectively. While Medicaid funding serves as a vital source of relief, helping to alleviate some of the financial burdens associated with providing comprehensive educational services to our students, the lack of predictability serves as a barrier to consistent funding.

Moreover, the proposed bill fails to adequately address the unique challenges faced by districts with high populations of students with special needs. These students require specialized support services and resources to thrive academically and socially. For children with special needs, access to quality education and support services is paramount to their academic and personal development. By counting the general education funding that local school boards must currently transfer to special education as state-provided "special education aid", the proposed formula appears to be more calculated to guarantee superficial adherence to the 92% funding of excess cost than actually providing additional dollars to the local school district. This does not infuse additional funding into the system that the state currently has, to

ensure schools are able to meet the diverse needs of special learners. Any legislation affecting school funding must take into account the needs of these vulnerable populations and ensure equitable access to resources and opportunities.

Our professional belief is that the state legislature should strive to meet its statutory obligation to reimburse special education service costs at the mandatory rate of 92 percent of excess costs to ensure student success. We also believe the state should fund special education at the mandatory rate utilizing the current funding formula by gradually increasing funding over the next five years. At the end of those five years, a committee should review the results and make recommendations for any changes that need to be made to the formula. We cannot be certain the funding formula is 'broken' without fully funding it as intended.

Fully funded special education is good for all Kansas students. We urge you to reconsider the provisions outlined in the proposed House Bill 2738 and engage in meaningful dialogue with stakeholders across the state including building and district leadership, local board members, parents, and community members to develop legislation that supports, rather than constrains, our ability to provide quality education to all students. Thank you for your attention to this matter and for ensuring that "Kansas leads the world in the success of each student."

Dr. Cathy Redelberger
Director of Special Education
Cathy.Redelberger@lvpioneers.org

Dr. Rebekah Varvel
Assistant Director of Special Education
Rebekah.Varvel@lvpioneers.org