

**No. 15-113,267-S**

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**IN THE SUPREME COURT OF THE STATE OF KANSAS**

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**LUKE GANNON, *et al.*,**  
Plaintiffs-Appellees,

v.

**STATE OF KANSAS, *et al.*,**  
Defendants-Appellants.

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Appeal from Appointed Panel  
Presiding in the District Court of Shawnee County, Kansas

Honorable Franklin R. Theis  
Honorable Robert J. Fleming  
Honorable Jack L. Burr

District Court Case No. 2010-CV-1569

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**BRIEF OF APPELLANT STATE OF KANSAS**

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## INTRODUCTION

In formulating 2017 Senate Bill 19 (“SB 19”), the Legislature went back to the drawing board, starting with the School District Finance and Quality Performance Act (“SDFQPA”) as the basic structure for a school finance system. But the Legislature did not simply re-adopt the SDFQPA. Instead, it vastly improved on the SDFQPA and provided more than \$290 million in new funding to be phased in over two years.

Of particular note, the Legislature took great pains not only to address but to prioritize this Court’s concerns about at-risk students. Further, the Legislature took into account cost-related evidence, inputs and outputs, and provided for meaningful and continual review and monitoring of the system to ensure its effectiveness going forward. Finally, the Legislature has carefully “shown its work.” SB 19 is a dramatic, positive step for Kansas, its students, and its schools. Constitutional compliance has been achieved, and the Court should dismiss this case.

## NATURE OF THE CASE

This school finance case was brought against the State by four school districts, which remain as the only plaintiffs: U.S.D. 259 in Wichita, U.S.D. 308 in Hutchinson, U.S.D. 443 in Dodge City, and U.S.D. 500 in Kansas City, Kansas (“Districts”).

On December 30, 2014, after this Court’s opinion in *Gannon v. State*, 298 Kan. 1107, 319 P.3d 1196 (2014) (*Gannon I*), a three-judge panel released a Memorandum Opinion and Order on Remand declaring that the Kansas public education financing system provided by the Legislature for grades K-12 violated the adequacy component

of Article 6 of the Kansas Constitution. Vol. 24, p. 3047. The Legislature subsequently passed the Classroom Learning Assuring Student Success Act of 2015 (“CLASS”). Vol. 130, p. 12. On June 26, 2015, the panel entered another Memorandum and Order declaring that CLASS did not correct, but worsened, the constitutional infirmities about adequacy described in its December 2014 Order. Vol. 136, p. 1420.

The State appealed, and on March 2, 2017, this Court affirmed the panel’s judgment, although not fully accepting the panel’s reasoning. *Gannon v. State*, 305 Kan. 850, 390 P.3d 461, 494, 504 (2017) (*Gannon IV*). The Court stayed its mandate to allow the Legislature to cure the identified constitutional violations. *Id.* at 503-04.

In response to this Court’s decision, the Legislature passed SB 19, which includes the Kansas School Equity and Enhancement Act (“KSEEA”). The Governor signed SB 19 into law on June 15, 2017.

### STATEMENT OF THE ISSUES

1. Is SB 19 “reasonably calculated to address the constitutional violations identified” in *Gannon IV* and thus in compliance with the adequacy requirement of Article 6?
2. Should any new equity challenges by the Districts to SB 19 be rejected as improperly raised at this time and as without merit?
3. If the State has failed to substantially comply with *Gannon IV*, despite the Legislature’s good faith and significant response, should the Court at most issue declaratory relief, allowing the Legislature adequate time and opportunity to address any remaining constitutional issues identified by the Court?



## STATEMENT OF FACTS

The Legislature responded to *Gannon IV* by passing SB 19, which provides hundreds of millions of dollars in additional school funding and targets additional funding to aid the underperforming subgroups identified in this Court's decision.

To comply with the structure requirement of the *Gannon I* adequacy test, SB 19 returns the Kansas school finance system to formulas materially identical to those in the SDFQPA, which were approved by this Court in *Montoy*, found constitutional by the panel, Vol. 14, 1948-50, and endorsed by the Districts as "a dynamic school funding formula that had evolved over time, consistently being evaluated and fine-tuned by the Court and the Kansas Legislature," Response Brief of Appellees (filed Jan. 12, 2016), p. 1.

Under SB 19, local school districts will continue to have access to multiple sources of revenue. SB 19 provides for the distribution of State Foundation Aid to local school districts, local option budget ("LOB") funding, and state supplemental general and capital outlay aid. State Foundation Aid is calculated by multiplying the base aid for student excellence ("BASE") by the "adjusted enrollment" of the district and deducting the local foundation aid of the district. SB 19, § 5.

To comply with the implementation requirement of the adequacy test, SB 19 sets the BASE at \$4,006 for school year 2017-18 and \$4,128 for school year 2018-19. SB 19, § 4(e). The BASE will be adjusted thereafter according to the average percentage increase in the Midwest region consumer price index. *Id.* The artificial base for calculation of LOB remains the same as under previous law until FY20, but

SB 19 allows any district to adopt an LOB up to 33% of the product of the artificial base and adjusted enrollment by simple resolution of its board, requiring an election only if a protest petition is filed. SB 19, § 16.

By the Kansas State Department of Education's ("KSDE") estimates, SB 19 provides an additional \$194 million above last year's level in state foundation education money for the 2017-18 school year. Appx. 2, p. 2. In the 2018-19 school year, the increased BASE will raise State Foundation Aid to an estimated \$292 million above last year's state aid. *Id.* The KSDE estimates LOB revenue (a combination of local property tax proceeds and state supplemental aid) will increase \$32 million for 2017-18. Appx. 3, p. 2 (column 5). In theory, if all districts raise their budgets to 33%, LOB could provide approximately \$89 million in additional operating revenue. Appx. 3, p. 2 (column 2 times 33% minus column 3).

In addition to the return to pre-CLASS formulas and the provision of hundreds of millions of dollars in more funding, SB 19 targets funding for the educational opportunities of the underperforming subgroups of students this Court identified in *Gannon IV*. Specifically, SB 19 applies the recognized "at-risk" student definition and increases the at-risk weighting from 0.456 (the weighting approved in *Montoy*) to 0.484 (the weighting recommended by the "Elementary and Secondary Education in Kansas: Estimating the Costs of K-12 Education Using Two Approaches," dated January 2006 ("LPA study"), Vol. 81, 3954), with a 10% of enrollment minimum. This provides about \$23 million more in aid for at-risk students during the next school year. *See Minutes of March 18, 2017, Senate Select Committee on Education Finance*

at p. 2.<sup>1</sup> Starting in the 2018-19 school year, at-risk education funds must be used for implementing best practices identified by the State Board of Education. SB 19, §§ 23(a), 23(b), 25(d)-(f). Additionally, SB 19 provides approximately \$2 million for early education of four-year-old at-risk programs, SB 19, §§ 4(ii)(2)(B), 26; Minutes of May 10, 2017, Senate Select Committee on Education Finance at p. 1, attachment 3 (Testimony of Dr. Randy Watson, State Commissioner of Education) (“Watson Testimony”), p. 58 (serving close to 35,000 children over 5 years), and fully funds all-day kindergarten by counting a kindergarten student as 1 FTE in the adjusted enrollment formula as opposed to ½ FTE under former acts. SB 19, §§ 4(m)(1) & (m)(4), 26. SB 19 also restores previous SDFQPA weightings applicable to bilingual, high-density at-risk, and preschool-aged at-risk students. SB 19, §§ 22, 23(b), 26.

Further, SB 19 reaffirms that the State Board of Education’s accreditation system must be based upon improvement in performance that equals or exceeds the educational goals set forth in K.S.A. 2016 Supp. 72-1127(c) (the *Rose* standards). SB 19, § 42. The Board is tasked to prepare and submit annual reports on the school district accreditation system and school district funding to the Governor and the Legislature. SB 19, § 43.

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<sup>1</sup> The legislative committee minutes and attachments cited in this brief are included in Appendix 1. In addition, all of the minutes of the Senate Select Committee on Education Finance may be found online at: [http://www.kslegislature.org/li/b2017\\_18/committees/tte\\_spc\\_select\\_committee\\_on\\_education\\_finance\\_1/documents/](http://www.kslegislature.org/li/b2017_18/committees/tte_spc_select_committee_on_education_finance_1/documents/). The House Committee on K-12 Budget minutes have not all been posted yet, but will be available at: [http://www.kslegislature.org/li/b2017\\_18/committees/ctte\\_h\\_k12\\_education\\_budget\\_1/documents/](http://www.kslegislature.org/li/b2017_18/committees/ctte_h_k12_education_budget_1/documents/).

Finally, the Legislature committed to rigorous review of the efficacy of the funding formulas and funding levels. SB 19 directs Legislative Post Audit to audit and provide reports to the Legislature within stated deadlines concerning transportation services, at-risk education funding, bilingual education funding, and state-wide virtual school programs. SB 19, § 45. The Legislature also directed Legislative Post Audit to provide performance audits to “provide a reasonable estimate of the cost of providing educational opportunities for every public school student in Kansas to achieve the performance outcome standards adopted by the state board of education” on or before January 15, 2019, January 15, 2022, and January 15, 2025. *Id.* The Legislature also set statutory deadlines for its own continued evaluation of the KSEEA and the implementation of several of its important features: by July 1, 2023, all provisions of the KSEEA; by July 1, 2018, the low enrollment and high enrollment weightings; by July 1, 2020, virtual school programs and aid; by July 1, 2021, the at-risk student and high-density at-risk weightings; by July 1, 2023 and again by July 1, 2026, the successful school model; and by July 1, 2024, the bilingual student weighting. *Id.*

## ARGUMENT

The Legislature responded to this Court’s decision in *Gannon IV* by targeting additional funding to address the at-risk student performance issues this Court identified and by providing hundreds of millions of dollars in additional overall funding based on a successful schools model. When all sources of funding are considered, this funding is in line with the amounts specified in the LPA cost study.

SB 19 also comports with the equity prong of Article 6 by continuing to fully fund the equalization formulas previously approved by this Court. This Court should hold that SB 19 complies with *Gannon IV* and Article 6 and dismiss this case. *See Montoy v. State*, 282 Kan. 9, 24-25, 138 P.3d 755 (2006) (*Montoy IV*) (finding “substantial compliance” with the Court’s order).

**I. SB 19 Is Reasonably Calculated to Address the Constitutional Violations Identified in *Gannon IV* and Meets the Adequacy Requirement of Article 6.**

Following this Court’s decision in *Gannon IV*, the State has the burden of demonstrating “that its proposed remedy is reasonably calculated to address the constitutional violations identified, as well as comports with previously identified constitutional mandates such as equity.” *Gannon IV*, 390 P.3d at 469. As this Court has stated many times, the question is not whether the Legislature has enacted an ideal school finance system. *See Montoy v. State*, 279 Kan. 817, 847, 112 P.3d 923 (2005) (*Montoy III*) (acknowledging the approved “remedy is far from perfect”). Rather, the “test for adequacy is one of minimal standards. Accordingly, once they have been satisfied, Article 6 has been satisfied.” *Gannon IV*, 390 P.3d at 503 (citation omitted).

The Legislature has “considerable discretion in satisfying the requirements of Article 6.” *Gannon IV*, 390 P.3d at 485. As this Court has recognized, the “constitutional infirmities ‘can be cured in a variety of ways—at the choice of the legislature.’” *See, e.g., Gannon v. State*, 303 Kan. 682, 743, 368 P.3d 1024 (2016) (*Gannon II*) (quoting *Gannon I*, 298 Kan. at 1181, 1188-89); *Gannon I*, 298 Kan. at

1151 (“[O]ur Kansas Constitution clearly leaves to the legislature the myriad of choices available to perform its constitutional duty.”); *see also Gannon IV*, 390 P.3d at 502-03 (“Our adequacy test, as described in *Gannon I*, rejects any litmus test that relies on specific funding levels to reach constitutional compliance.”). In determining compliance, this Court looks to the record and to the remedial legislation’s history to decide whether the State has carried its burden. *See Gannon v. State*, 304 Kan. 490, 499, 372 P.3d 1181 (2016) (*Gannon III*); *Montoy IV*, 282 Kan. at 18-21.

**A. SB 19 targets additional funding for at-risk students to address the student performance issues identified in *Gannon IV*.**

This Court’s decision in *Gannon IV* relied on its conclusion that the Districts “have shown through the evidence from trial—and through updated results on standardized testing since then—that not only is the State failing to provide approximately one-fourth of all its public school K-12 students with the basic skills of both reading and math, but that it is also leaving behind significant groups of harder-to-educate students.” *Gannon IV*, 390 P.3d at 469.

SB 19 addresses this violation by targeting additional funding for at-risk students in a manner that is reasonably calculated to improve student success generally and among subgroups. The law adopts the at-risk weighting recommended by the LPA study, raising the weighting from 0.456 to 0.484. SB 19 § 23(a); Vol. 81, 3954. SB 19 thereby provides additional at-risk aid of about \$23 million each year. *See Minutes of March 18, 2017, Senate Select Committee on Education Finance* at p. 2 (contrasting Senate with House version ultimately accepted). The law also provides about \$2 million for preschool-aged at-risk students and fully funds all-day

kindergarten. SB 19, §§ 4(m)(1) & (2), 4(ii)(2)(B), 26. This substantial new funding benefits underperforming subgroups directly and also frees up additional at-risk funding for other purposes because many districts have been using at-risk money to fund all-day kindergarten. *See* Testimony of Mark Desetti, Kansas National Education Association, Attachment 13 to Minutes of March 18, 2017, Senate Select Committee on Education Finance; Minutes of March 14, 2017, House Committee on K-12 Budget at p. 2 (discussion on the “importance of fully funding all-day kindergarten, noting how evidence has shown it (along with early childhood education) is the most efficient and effective way to help under-performing students and would free up at-risk funds to help under-performing students in more targeted ways”). Undeniably, SB 19 targets *more* aid for the education of at-risk students than what this Court found constitutionally sufficient in *Montoy*.

Moreover, SB 19 requires that the at-risk state aid and funding raised under the LOB attributable to the at-risk weightings be used for at-risk students. Starting with the 2018-19 school year, at-risk education funds must be spent on the best practices to be developed and identified by the BOE. *See* SB 19, §§ 23(a)(3), 23(b)(4), 25(c)-(f). Dale Dennis, Deputy Commissioner of the KSDE, testified that this provision strengthens a preexisting requirement that specific funds be used for their intended purpose, and he stated that the KSDE will have no problem providing a list of best practices. Minutes of May 24, 2017, Senate Select Committee on Education Finance at p. 5. By providing additional at-risk funding and requiring that this

funding be used to help the underperforming subgroups identified in *Gannon IV*, SB 19 is more than reasonably calculated to satisfy the adequacy component of Article 6.

**B. The Legislature employed a “successful schools” analysis to ensure that funding levels are reasonably calculated to satisfy Article 6.**

SB 19 provides additional overall funding based on a “successful schools” analysis conducted by the Kansas Legislative Research Department (“KLRD”), an analysis that is reasonably calculated to address the constitutional violations this Court identified and to meet the adequacy requirement of Article 6.

The first step in the successful schools model was based on KSDE research on student achievement, as described by Dr. Randy Watson, the Kansas Commissioner of Education. He testified that KSDE has identified risk factors that may limit student success and explained that KSDE uses these risk factors to come up with a “predictive effective rate” for every school and district. Minutes of May 10, 2017, Senate Select Committee on Education Finance, attachment 3 (“Watson Testimony”), p. 35. KSDE then compares actual performance to the predicted effective rate to identify schools and districts that are “out-performing what we would predict them to do.” *Id.* at 37. By studying these successful schools and districts, KSDE hopes to learn more about the factors that contribute to student success. *Id.* at 38.

KLRD employed a similar methodology in its successful school analysis. KLRD began by identifying 41 school districts that most out-perform how KLRD predicted they would perform based on their at-risk levels. Minutes of March 12, 2017, Senate Select Committee on Education Finance at pp. 3-4 & attachment 3. KLRD used four



critical accountability measures of student performance: “the percent of students at grade level on state math and English language arts assessments, the percent of students at college and career ready level on state math and English language arts assessments, the average composite ACT score, and the 4-year graduation rate.” Minutes of March 12, 2017, Senate Select Committee on Education Finance at pp. 3-4 & attachment 3. For each measure, the metric was graphed opposite the percentage of students in that district eligible for free lunch under the National School Lunch Program for every district with 500 or more students. Those graphs were used to identify a “line of best fit,” and the formula associated with that line was used to set the expected results, as determined by KSDE’s studies, of a district at any given percentage of students eligible for free lunch. The districts’ actual results were then compared to the expected results of districts with the same percentage of students eligible for free lunch. *Id.*; Watson Testimony, p. 35.

Once the 41 successful school districts were identified, KLRD calculated these districts’ expenditures from their general fund, supplemental general fund (LOB), at-risk funds, and bilingual fund, excluding flow-through-aid and transportation funding. *Id.* The analysis then applied the adjusted enrollment weightings recommended by the LPA study, Vol. 81, 3931 *et seq.*, and divided that sum by 1.4 (as LOB funding has been approximately 40% of general fund spending) to determine that the average spending by successful school districts was \$4,080 *per weighted student. Id.*

The Augenblick & Myers study also used a successful schools methodology. See “Calculation of the Cost of a Suitable Education in Kansas in 2000-2001 Using Two Different Approaches,” dated May 2002 (“A&M study”), Vol. 82, p. 4151. But the KLRD’s successful schools approach is different—and better—than that employed in the A&M Study in that the KLRD used *current* measures for accreditation—measures developed by the KSDE—for selection of the 41 successful districts. Minutes of May 12, 2017, Senate Select Committee on Education Finance at p. 3, attachment 3. By contrast, the A&M study looked mostly at student performance on tests for reading and math given in both 2000 and 2001. Vol. 82, p. 4151. Dr. Watson testified that the new KSDE accreditation system reviews student performance and success against a different standard than what had been in place when the now-repealed No Child Left Behind Act drove the Kansas standards. Minutes of May 10, 2017, Senate Select Committee on Education Finance at p. 1 & attachment 3, p. 2-3.

A second difference from the A&M study is that the KLRD considered LOB funding in determining the appropriate base for the foundation education. KLRD reduced the average spending by the successful districts by 40% to reflect their LOB revenue. Minutes of May 12, 2017, Senate Select Committee on Education Finance at p. 3, attachment 3. This reflects the Legislature’s rational recognition that local spending should be included as part of the funding of K-12 public education.

As noted above, KLRD calculated the BASE of \$4,080 using the successful schools methodology. But rather than increasing the BASE to this level in one fell swoop, SB 19 phases in additional funding, providing a BASE of \$4,006 in FY18,

\$4,128 in FY19, and indexing the BASE to inflation in subsequent years. Dr. Watson emphatically supported a decision to phase in funding increases over time, as he explained the problems of waste arising from an immediate, one-time influx of additional funding. He testified that “the most significant disadvantage of a large single-year funding increase is that the most pressing need of most schools is to hire new personnel, many of which would not be available in such a short period of time regardless of new funding.” Minutes of May 22, 2017, Senate Select Committee on Education Finance at p. 3. This Court also has previously recognized the rationality of phased funding: “We are mindful of the Board’s argument that there are limits on the amount the system can absorb efficiently and effectively at this point in the budget process.” *Montoy III*, 279 Kan. at 845.

Thus, the Legislature reasonably decided to phase in additional funding. Moreover, the \$4,128 BASE for FY19 *exceeds* the \$4,080 BASE the Legislature determined would be reasonably calculated to ensure compliance with Article 6 using the successful schools methodology. The Legislature also indexed the BASE to inflation thereafter in accordance with a recognized CPI. On this point, the Legislature accepted testimony from the Kansas Association of School Boards that keeping the formula in line with inflation is the most important aspect of ensuring adequate funding for schools. Minutes of March 18, 2017, Senate Select Committee on Education Finance at p. 4.

Given the Legislature’s eminently rational decisions and its “considerable discretion in satisfying the requirements of Article 6,” *Gannon IV*, 390 P.3d at 485,

this Court should accept the Legislature’s successful schools methodology and the conclusions drawn therefrom. SB 19 satisfies Article 6.

**C. The SB 19 funding increases align with the LPA cost study’s estimates when all sources of revenue are considered.**

The 2006 LPA cost study provides further support for the Legislature’s conclusion that SB 19 is reasonably calculated to remedy the constitutional violations identified in *Gannon IV*. In preparing the LPA cost study in 2006, the Legislative Division of Post Audit did not consider LOB funding. *See* Minutes of March 21, 2017, Senate Select Committee on Education Finance at p. 3 (testimony of Scott Frank, one of the study’s authors); Minutes of March 30, 2017, House Committee on K-12 Budget at p. 2 (same). But this Court has since clarified that *all sources* of funding should be considered in determining compliance with Article 6. *See Gannon I*, 298 Kan. at 1171. And when all sources of funding are considered, the funding increases in SB 19 exceed the amounts specified in the LPA cost study.

The “adequacy test, as described in *Gannon I*, rejects any litmus test that relies on specific funding levels to reach constitutional compliance.” *Gannon IV*, 390 P.3d at 502. Thus, this Court has recognized “that the estimates of the various cost studies are just that: estimates.” *Id.* at 502-03; *see also Montoy IV*, 282 Kan. at 24 (“The legislature is not bound to adopt, as suitable funding, the ‘actual costs’ as determined by the A&M and LPA studies.”).<sup>2</sup>

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<sup>2</sup> Likewise, the authors of the LPA Study cautioned:

It’s important for the reader to understand that any study involving the estimation of costs for something as complex as K-12 education involves

But this Court also directed that the Legislature should not ignore the cost studies in creating a remedy. *Gannon IV*, 390 P.3d at 502-03. And it has not. See Minutes of March 23, 2017, House Committee on K-12 Budget, Attachment 1 (noting that the Legislature considered the cost studies in drafting the KSEEA).

With LOB considered, SB 19 provides \$118,297,424 more funds in FY18 than if the LPA study's base—as calculated by the panel—were applied without LOB funding (which was not considered in the LPA cost study). The LPA consultant's study, according to the panel, determined that a base aid of \$5,119 was required in 2011-12 dollars. Vol. 14, pp. 1821-22. Inflated to May 2017, that is \$5,468. See [https://www.bls.gov/data/inflation\\_calculator.htm](https://www.bls.gov/data/inflation_calculator.htm) (July 2012 to May 2017). With SB

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a significant number of decisions and assumptions. Different decisions or assumptions can result in very different cost estimates. For example, in the input-based cost study, the estimated cost of funding enough teachers in all school districts to achieve an average class size of 20 students is significantly more expensive than funding enough teachers to achieve an average class size of 25 students. Our goal was to make decisions and assumptions in both cost studies that were reasonable, credible, and defensible. Because K-12 education funding levels ultimately will depend on the Legislature's policy choices, we designed the input-based cost study to allow different what if scenarios. For the outcomes-based cost study, we can adjust certain variables, such as the performance outcome standards, to develop other cost estimates. In either study, we could adjust assumptions about the level of efficiency at which districts are expected to operate. *In other words, it's important to remember that these cost studies are intended to help the Legislature decide appropriate funding levels for K-12 public education. They aren't intended to dictate any specific funding level, and shouldn't be viewed that way.*

Vol. 81, p. 3836 (emphasis added). In fact, the Legislature expressed its intent not to be bound by the studies' recommendations with the passage of K.S.A. 2016 Supp. 46-1226.

19's BASE of \$4,006 in FY 18, KSDE estimates that \$2,801,381,770 in State Foundation Aid, excluding special education funds, will be provided to local districts in FY18 and that local districts will raise \$1,099,865,497 by their LOB authority. Appx. 2, p. 4 (column 11); Appx. 3, p. 2 (column 3). By these estimates, together the State Foundation Aid and LOB for the 2017-2018 school year will be \$3,901,247,267. Thus, the *effective* BASE for FY18, with LOB considered, is \$5,639 (\$3,901,247,267 divided by a weighted enrollment, special education excluded, of 691,797.8, *see* Appx. 2, p. 4 (column 1 plus column 10)).

Furthermore, SB 19's BASE increases in FY19 from \$4,006 to \$4,138 and by inflation thereafter. In FY19, the effective base, with LOB included, will be roughly \$5,728 ((weighted FTE, special education excluded, of 691,797.8 times \$4,138, plus LOB of \$1,099,865,497) divided by 691,797.8). This is approximately \$180 million more for FY19 than if the LPA consultant's study's base, adjusted for inflation, were used without LOB funding ((\$5,728 minus \$5,468) times 691,797.8). And this amount does not even include federal funding, which accounts for about 7% of local districts' revenue and which this Court has held must be considered in determining compliance with Article 6.

## **II. SB 19 Does Not Violate the Article 6 Equity Requirement.**

The Districts indicated in the parties' scheduling conference call with the Chief Justice that they will argue SB 19 violates the equity requirement of Article 6. The State recognizes that, in the remedial stage, the State has the burden of demonstrating legislation cures the constitutional violations identified by the Court.

*See Gannon II*, 303 Kan. at 709. When it comes to equity challenges unrelated to violations previously found by this Court, however, SB 19 should be entitled to a presumption of constitutionality, and the Districts should have the burden of demonstrating that the law violates Article 6, assuming they are allowed to raise new equity challenges at all.

Any new equity challenges the Districts may raise at this stage by definition have never been litigated before. Thus, there is no evidence introduced by the parties, no lower court record, and no findings or conclusions of a lower court. Further, there would be serious separation of powers questions if this Court ignored presumptions of constitutionality and deference to legislative judgments when the plaintiffs are asserting *newly alleged* constitutional infirmities for the first time in this Court.

In *Gannon IV*, this Court held that the panel could not impose on the State the burden to prove adequacy when this Court itself had found only an equity violation: “The State correctly notes that the burden shifts to the State only in the remedial phase of the litigation, and unlike the issue of equity in *Gannon I*, this court had not yet ruled on the constitutionality of adequacy—the issue before the panel on remand. So the burden remains on the plaintiffs to show noncompliance.” *Gannon IV*, 390 P.3d at 486 (citation omitted). Here, this Court has not ruled on any *new* equity challenges the Districts may raise. Thus, the burden of establishing that SB 19 violates the Article 6 equity requirement, if properly before the Court at all, lies with the Districts.

Regardless of who bears the burden, however, SB 19 satisfies the equity requirements of Article 6. *Gannon IV*, 390 P.3d at 503. The equity component requires

that “[s]chool districts must have reasonably equal access to substantially similar educational opportunity through similar tax effort.” *Gannon I*, 298 Kan. at 1175. The test “does not require the legislature to provide equal funding for each student or school district”; “wealth-based disparities should not be measured against such mathematically precise standards.” *Id.* at 1173, 1180.

Although the Districts’ precise equity challenges are not yet known to the State, their arguments may well reflect concerns raised by Democratic leaders in the Legislature. The available information demonstrates that those concerns are unfounded, and thus SB 19 satisfies the equity component of Article 6.

**A. SB 19’s expansion of LOB authority does not raise equity concerns because all LOB funding is fully equalized under the formula this Court previously approved.**

SB 19 allows districts to adopt a 33% LOB, but any LOB over 30% is subject to protest petition (as opposed to an election requirement under the old law). SB 19, § 15. SB 19 also provides that LOB is calculated using an artificial base of \$4,490, increasing with inflation beginning with the 2019-2020 school year. SB 19, § 16.

Previously, the Districts complained that requiring an election to raise LOB to 33% was unconstitutional because they claimed voters in poorer areas would be less likely to approve an LOB increase. *See, e.g.*, Response Brief of Appellees (filed April 25, 2016) at 17. Yet, this Court found that law satisfied the equity component of Article 6. Because an election requirement is constitutional, there is no plausible argument that a protest petition provision is not.



Likewise, any concerns with the “artificial” base are meritless. If the actual base rises to \$4,490, there is no reason to believe that LOB funding would violate the equity component of Article 6. Equity concerns only arise if local funding is not equalized, and SB 19 continues to fully equalize *all* LOB funding up to the 81.2 percentile. *See Gannon I*, 298 Kan. at 1198-99.

**B. Allowing districts to use capital outlay funds for utilities, property insurance, and casualty insurance does not raise equity concerns because capital outlay is fully equalized under the formula this Court previously approved.**

SB 19 amended K.S.A. 2016 Supp. 72-8801 to include “utility expenses” and “property and casualty insurance” among the expenses a district’s capital outlay revenue can fund. SB 19, § 89. These property maintenance expenses logically and obviously relate to the purposes of capital outlay. This aspect of SB 19 applies in the same way to every district, and in no way affects the districts’ relative tax efforts. Further, the legal limit on the capital outlay levy remains at 8 mills. SB 19, § 89. *Cf.* K.S.A. 72-8801(b)(2). No district is given additional authority to raise such funds.

Finally, SB 19 continues to fully fund capital outlay equalization aid, which the Districts stipulated was constitutional and which this Court approved. *See Order, Gannon v. State* (June 28, 2016).

**C. The use of a three-year average AVPP for supplemental general state aid and capital outlay aid provides predictability for both school districts and the State.**

Beginning with FY19, SB 19 calculates supplemental aid and capital outlay aid by identifying a district’s assessed valuation per pupil (“AVPP”) and then ranking districts based on the average AVPP over the previous three years. For FY18, SB 19

uses the assessed valuation from only the previous year, as has been the practice. *See Gannon II*, 303 Kan. at 690. Thus, for the upcoming school year, there is no change at all in the calculation method, which has never used “current” year assessed values because those figures are not available until about halfway through the school year. *See* Vol. 138, pp. 53-55; 55-61, 129-41; 151, 308-09.

For FY19 and after, the calculation changes to use average AVPP for the preceding *three* years. But it does so to bring greater predictability in the budgeting process, which is to the benefit of both the Districts and the State. This future change does not deny districts reasonably equal access to substantially similar educational opportunity through similar tax effort. Instead, an average over time necessarily smooths out temporary peaks and valleys in data for any district.

Predictability in funding greatly facilitates the ability of districts to identify the required level of local tax levies, as well as to better plan their future staffing, operational, and maintenance expenditures. Secondly, such predictability permits the Legislature to better estimate the amount of state aid necessary to satisfy Article 6 and ensure that Kansas schools are operating in a constructive and optimal fashion.

Annual variations in AVPP are inevitable and unavoidable. Each district’s AVPP is determined by dividing assessed taxable property values by a head count of students. *Cf.* SB 19, § 50 with K.S.A. 72-8814; *cf.* SB 19, § 17 with K.S.A. 72-6434. These numbers will vary each year, in either direction. Thus, aid calculations based on only one year’s data are subject to potentially dramatic variations year-to-year, particularly among smaller school districts. Vol. 138, pp. 144, 150-51.

In striking contrast, districts' overall costs will not vary much from year to year. For example, in many districts a change of even 100 FTE spread over 12 grades might not require hiring or laying off even one teacher, depending on class sizes. Maintenance costs, which are addressed by capital outlay, are certainly even less variable.

Any challenge to the three-year average boils down to an impossible (as a practical matter) attempt to impose mathematically precise standards every single school year, rather than follow this Court's *Gannon I* standard of ensuring that districts have "reasonably equal access" to funding based on "similar tax effort."

**D. The 10% floor for at-risk funding rationally recognizes that districts with extremely low numbers of free lunch students may have much higher numbers of truly at-risk students.**

Under the KSEEA, any school district maintaining kindergarten through 12th grade classes may substitute 10% of the district's enrollment multiplied by 0.484 for the purposes of the at-risk pupil weighting. SB 19, § 23(a)(3). The Districts may complain that this additional funding is unequal because it only benefits districts with less than 10% at-risk students.

But this additional funding addresses the very adequacy issues central to this Court's conclusion that the CLASS system was unconstitutional. The 10% floor is based on testimony in the Legislature that the free lunch measure for at-risk funding is a good proxy for most districts when measuring underperforming students, but it fails to work for districts with extremely low numbers of free lunch students. *See* Minutes of May 19, 2017, Senate Select Committee on Education Finance at p. 4,

attachment 23. In other words, districts with extremely low numbers of free lunch students have higher numbers of truly at-risk students than the free lunch proxy would indicate. *Id.* (testimony that the Blue Valley School District has only 1,215 free lunch students but 4,346 underperforming students that qualify for at-risk services); *see also* Testimony of Mark Desetti, Kansas National Education Association, Attachment 13 to Minutes of May 18, 2017, Senate Selection Committee on Education Finance (“We believe the 10% base is important as it addresses the fact that while funding is generated by poverty, at-risk programs are not exclusively for students in poverty. Districts with a low percentage of student in poverty still need funding to address the needs of their at-risk population.”). The Legislature, both rationally and admirably, carefully considered this situation.

In addition, common experience demonstrates that there is a minimum expense for districts to provide at-risk programs and services. Application of the at-risk pupil weighting, .484, against one student next year is \$1,938.904. How many at-risk students does it take to hire an additional learning coach, for example? The Legislature reasonably selected a minimum 10% enrollment level for at-risk funding to accommodate minimum expenses of at-risk programs.

**E. Stare decisis and the law of the case doctrine preclude the Districts from challenging the ancillary facilities, cost of living, and declining enrollment weightings.**

The Districts are precluded from challenging three weightings about which they may express concern: ancillary facilities, cost of living, and declining enrollment. The ancillary school facilities weighting provides additional funding for costs

attributable to commencing operations of new school facilities. *See* SB 19, §§ 4(b) & 30. The cost of living weighting provides additional funds to districts with higher costs of living. *See* SB 19, §§ 4(j) & 31. The declining enrollment weighting counterbalances moderate reductions in revenue due to declining enrollment. *See* SB 19, §§ 4(l) & 32.

Any challenges to these weightings are precluded by the *stare decisis* and law of the case doctrines. First, each of these weightings was in the SDFQPA and was in place when this Court found the State had substantially complied with the Court's orders to cure the constitutional violations in *Montoy IV*. *See* K.S.A. 72-6407(m), (l) & (q), -6441, -6449, -6541. Second, in this very case, the panel rejected the Districts' challenges to these weightings, and the Districts *did not appeal*. Vol. 14, pp. 1948-50. Thus, both *stare decisis* and the law of the case doctrine preclude the Districts from challenging the constitutionality of these weightings *now*. *See Gannon IV*, 390 P.3d at 473-74; *State v. Finical*, 254 Kan. 529, 532, 867 P.2d 322 (1994) ("We repeatedly have held that when an appealable order is not appealed it becomes law of the case.").

**III. If this Court Finds that SB 19 Does Not Substantially Comply with *Gannon IV*, the Court Should at Most Issue Declaratory Relief, Allowing the Legislature to Address any Remaining Issues.**

There can be no doubt that the Legislature has responded in good faith and with careful deliberation to this Court's decision in *Gannon IV* and has cured the constitutional defects previously identified. But if the Court nevertheless concludes that SB 19 does not fully comply in some respect with Article 6, the Court should at most issue declaratory relief explaining the violation and then allow the Legislature adequate time and an opportunity to cure any violations identified by the Court.

There is no reason that any remedy should include closing the schools or disrupting ongoing financial obligations of the school districts. Closing the schools would, in fact, itself violate Article 6, federal law, and K.S.A. 60-2106(d).

**A. Any remedy should be limited to declaratory relief.**

If this Court were to hold that the new school finance system violates Article 6, § 6, in some respect, then the Court’s remedy should be limited to declaratory relief, allowing the Legislature to cure the violation, as this Court and others consistently have done. *See Gannon IV*, 390 P.3d at 502-04; *Gannon III*, 304 Kan. at 527-28; *Gannon II*, 303 Kan. at 741-43; *Gannon I*, 298 Kan. at 1198-99; *Montoy v. State*, 278 Kan. 769, 120 P.3d 306, 310 (2005) (*Montoy II*); *see also* Richard E. Levy, *Gunfight at the K-12 Corral: Legislative v. Judicial Power in the Kansas School Finance Litigation*, 54 U. Kan. L. Rev. 1021, 1090 (2006) (“[T]he most common course of action for courts has been to declare the system of school finance unconstitutional and afford the legislature an opportunity to fix the problem . . .”). As courts in other states have recognized, it would be inappropriate to mandate a specific remedy or attempt to judicially rewrite the relevant statutes. *See, e.g., Abbeville County School District v. State*, 410 S.C. 619, 655-56, 767 S.E.2d 157 (2014); *DeRolph v. State*, 78 Ohio St. 3d 193, 212-13 & n.9, 677 N.E.2d 733 (1997); *Claremont School Dist. v. Governor*, 142 N.H. 462, 475-76, 703 A.2d 1353 (1997); *Leandro v. State*, 346 N.C. 336, 355-57, 488 S.E. 2d 249 (1997); *Brigham v. State*, 166 Vt. 246, 268, 692 A.2d 384 (1997); *Bismarck Public School Dist. No. 1 v. State*, 511 N.W.2d 247, 263 (1994).

If the Court were to find an Article 6 violation—even though the Legislature in good faith and with careful deliberation provided substantial additional funding (and the means to generate the necessary revenue) in an effort to correct the issues identified in *Gannon IV*—the Court should issue declaratory relief explaining what it finds to be any remaining problems, and the Court should then allow the Legislature to choose how to address those problems.

**B. At bare minimum, the Court should allow the first year of SB 19 to remain in effect.**

For the reasons set forth above, SB 19 is constitutional and should be approved in its entirety by the Court. But if the Court disagrees, it should at least acknowledge that SB 19 provides a substantial amount of new funding—approximately \$194 million in additional state aid and an estimated \$32 million in additional LOB revenue—to school districts for the 2018 fiscal year, commencing on July 1, 2017, and that students return for the new school year only about one month after oral argument in this case. In the event this Court were to find an Article 6 violation, the Court should allow year one of the law to remain in effect and allow the Legislature to address any remaining issues during the 2018 legislative session. Given that the 2017-18 school year is fast approaching, even if the Legislature came back in special session and provided additional funding for the coming school year, it is doubtful that school districts would be able to effectively and efficiently use any funds to address the student performance issues identified in *Gannon IV*. Such funding so late in the game likely would not be spent (in some ways, could not be spent) in ways that further the requirements of Article 6. *See Minutes of May 22, 2017, Senate Select Committee*

on Education Finance at p. 3 (Dr. Watson testifying that the most significant disadvantage of a large, single-year funding increase is that the most pressing need of most schools is to hire new personnel, many of whom would not be available in such a short period of time regardless of new funding). A Court order effectively compelling districts to waste funds would serve no legitimate purpose. Instead of requiring additional funding for this coming school year, if this Court continues to believe the Kansas school funding system is constitutionally infirm, it should accept the substantial additional funding for the 2017-18 school year as the first step in phasing in additional funding, as in *Montoy IV*, and allow the Legislature to resolve any outstanding funding issues in its 2018 legislative session.

**C. In no event should any “remedy” involve closing the schools.**

In no circumstances is there justification for the Court to order a remedy that would have the effect of closing the schools. As the State has previously explained, such an extreme remedy would itself violate the Kansas Constitution, a Kansas statutory prohibition on closing schools, and federal law. *See* State’s Motion for Rehearing or Modification, *Gannon v. State* (filed June 10, 2016). Defunding, and thus closing, Kansas schools would be unconstitutional and unwise, regardless of which branch of government is responsible, and must not occur.

If the Court finds any remaining violation(s) of Article 6, it should identify and explain any such violation(s), and then permit the Legislature adequate time and opportunity to address any such violation(s).



## CONCLUSION

SB 19 cures the constitutional deficiencies this Court identified in *Gannon IV*.  
At a minimum, SB 19 constitutes good-faith, substantial compliance with *Gannon IV*.  
The Court should declare SB 19 constitutional and dismiss this case.

Respectfully submitted,

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## CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 30th day of June 2017, the above brief was electronically filed with the Clerk of the Court using the Court's electronic filing system, which will send a notice of electronic filing to registered participants, and copies were electronically mailed to:

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## **APPENDIX 1**

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\* The March 30 House minutes have been approved by the Committee, but they are still marked as draft because they have not yet been posted on the Legislature’s website.

MINUTES OF THE SENATE SENATE SELECT COMMITTEE ON EDUCATION FINANCE  
COMMITTEE

The meeting was called to order by Chairperson Jim Denning at 1:00 pm on Tuesday, March 21, 2017, in room 144-S of the Capitol.

All members were present

Committee staff present:

Amy Robinson, Kansas Legislative Committee Assistant  
Eddie Penner, Legislative Research Department  
J.G. Scott, Legislative Research Department  
John Hess, Legislative Research Department  
Lauren Mendoza, Legislative Research Department  
Nick Myers, Office of Revisor of Statutes  
Tamera Lawrence, Office of Revisor of Statutes

Conferees appearing before the Committee:

Eddie Penner, Analysis, Kansas Legislative Research Department  
Scott Frank, Fiscal Analyst, Kansas Legislative Post Audit

Others in attendance:

See Attached List

**Please Note Meeting Time Change**

No minutes information to display

**Presentation on:**

Chairperson Denning called the meeting to order. The Committee began by continuing the presentation on school finance by Eddie Penner from the March 16th meeting.

Mr. Penner began by discussing follow-up questions from the last committee meeting. Senator Hensley and Senator Bollier had asked questions on Special Education numbers. Mr. Penner provided a spreadsheet on head count and weightings per district, as requested by Chairperson Denning.  
(Attachment1)

Mr. Penner continued his discussion on school finance. He discussed weighted enrollment and referred to the documents presented on March 16th.

Senator Kerschen questioned whether virtual schools are the fastest growing area of education. Mr. Penner stated it is growing, and a discussion ensued on how students that take classes in a school

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CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 1:00 pm on Tuesday, March 21, 2017, in room 144-S of the Capitol.

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building as well as virtual classes are weighted.

Mr. Penner concluded his presentation and provided materials for the next Select Committee on Education Finance meeting.

**Presentation on:**

Scott Frank, Kansas Legislative Division of Post Audit, presented on the 2006 LPA Cost Study that was discussed during the March 16th meeting. Mr. Frank provided the Committee with the full report "Elementary and Secondary Education in Kansas: Estimating the Costs of K-12 Education Using Two Approaches" and the abridged version. Mr. Frank noted that the full report is extensive and that he would be referring to the abridged version through most of the meeting. ([Attachment2](#))

Mr. Frank stated that this report is the most comprehensive look at school funding that followed from the Kansas Supreme Court's decision in the *Montoy* school finance case. He noted that this report is from two different ideas (input and output analysis) that led to two different studies in the report. Senator Hensley noted that the full and abridged reports are available on the Kansas Legislative Post Audit website for anyone to view.

Mr. Frank spent time discussing the input based approach and he noted it started on page twenty-one of the Abridged Cost Study Report. Mr. Frank discussed the logic of the weightings and how they are tied to the idea of small and large districts having different economic needs.

Mr. Frank discussed in detail with the Committee funding for Special Education, specifically how it is funded. Mr. Frank noted that on page fifty-two the report discusses how other states address this type of funding. He also provided the Committee a handout on Special Education Services Aid and Federal Maintenance of Effort (MOE) requirements. ([Attachment3](#))

Senator Kerschen wanted clarification on over-identification. Mr. Frank stated it's when a district labels students as needing Special Education just to receive the funding. It was noted that Kansas does not have any issues with this practice.

Senator Baumgardner questioned if there was data on states that have included student outcomes as a basis for special education funding. Mr. Frank responded that he is not aware of any states that fund Special Education in that fashion. Senator Bollier stated she also felt it should be something that is looked at. **Mr. Frank provided a follow-up on March 22nd to provide resources to the Committee on Special Education funding.** ([Attachment4](#))

Senator McGinn questioned where the Cost-of-Living weighting (COLA) was in the data, noting that it was included the formula in 2005. Mr. Frank ensured the Committee it was included in the report.

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CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 1:00 pm on Tuesday, March 21, 2017, in room 144-S of the Capitol.

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Senator Baumgardner asked Mr. Frank to provide information on any other sources that are providing vocational funding for schools besides 2012 **SB155**. She asked if he could provide information to the Committee on how funding has increased since the passage of 2012 **SB155**.

Mr. Frank noted that Section 1.5, concerning the Transportation weighting, will be discussed in depth during the next committee meeting. He noted that due to what the Legislative Post Audit believed is a math error, this section needed to be discussed in depth.

Mr. Frank discussed how education costs vary starting on page seventy. He noted that Section 1.6 addresses how education costs vary in different regions within the State of Kansas. Mr. Frank stated that the biggest component to these costs are teacher pay. He discussed how the LPA built a model that examines the relationship between four factors of teacher salaries: characteristics such as experience and education, how expensive is it to live in the district, cultural amenities that are available, and the working conditions of the schools. He noted that if you take those factors all together, differences in teacher salaries can be better understood and higher wages are found in larger cities.

Senator McGinn spoke to the Committee on teacher salaries, including cost of living differences. She noted that there were more employment options in an urban area as compared to rural areas in Kansas, which further drives the need for higher teacher salaries in metropolitan areas. She commented that she hoped this was addressed in the new funding formula.

Chairperson Denning asked if the Committee would count 100% of the Local Option Budget money when evaluating any new formula. Mr. Frank noted that LPA did not consider LOB money in its previous study because such funds had not been considered by the Kansas Supreme Court at the time the 2006 study was undertaken. He stated that he would recommend counting such funds in the future, as long as doing so followed legal guidance.

Senator Hensley pointed out that in the School District Finance and Quality Performance Act (SDFQPA) passed in 1992, the goal was to eliminate the Local Option Budget. Senator Hensley noted that the original intent was not to be a permanent part of the formula, but instead was to decrease as the base state aid per pupil increased. Mr. Frank noted that Mark Tallman, Kansas Association of School Boards, wrote his masters thesis on the development of the 1992 formula.

Mr. Frank finished his presentation discussing what programs and services special needs students receive and what is available to them, specifically pertaining to At-Risk, Bilingual, and Special Education programs and services.

Senator Hensley asked Mr. Frank to provide further details on the other findings discussed on page forty of the abridged version of the study. This page discusses how the study found strong correlations between funding and outcomes, reporting that the LPA is more than 99% confident there is a

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## CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 1:00 pm on Tuesday, March 21, 2017, in room 144-S of the Capitol.

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relationship between spending and outcomes. Mr. Frank elaborated on differences of opinion whether there is a systematic relationship between funding and outcomes.

Senator Denning asked Mr. Frank to address the methodology for estimating transportation costs. Mr. Frank discussed figure 1.5-3 and figure 1.5-4, which shows the "Transportation Cost Allocation Formula" and "Student Density - Transportation Cost Chart With the "Curve of Best Fit" 2004-05 School Year". Mr. Frank also reviewed the methodology used in estimating the cost of transporting students more than 2.5 miles.

Senator McGinn asked whether Mr. Frank knew if there was any feedback for the future formula from the past formula, regarding transportation weightings. Mr. Frank has not heard any person come up with an explanation if the current formula was correct in these calculations, as the formula leads to inaccurate conclusions due to an inaccurate algorithm. He stated that he feels no one has been in favor of fixing the math yet, as it doesn't save the State money in and of itself.

Chairperson Denning asked clarification questions on analysis of high density at-risk. Mr. Frank responded that on page thirty-eight, urban poverty was included in the high density at-risk category, and noted that high density at-risk was a category created in a 2005 Special Session of the Kansas Legislature to address the increase cost of educating under-performing students in environments with a high density of at-risk students.

Senator Bollier commented she has a 2014 article from Stanford University that is a good reference for academic achievement gaps, and would provide that to the Committee:

<http://cepa.stanford.edu/content/patterns-and-trends-racial-ethnic-and-socioeconomic-academic-achievement-gaps-1>

With no further questions on the Legislative Post Audit Report, Chairperson Denning adjourned the meeting.

MINUTES OF THE SENATE SENATE SELECT COMMITTEE ON EDUCATION FINANCE  
COMMITTEE

The meeting was called to order by Chairperson Jim Denning at 1:30 pm on Wednesday, May 10, 2017, in room 548-S of the Capitol.

All members were present except:

Senator Carolyn McGinn – Excused

Committee staff present:

Amy Robinson, Kansas Legislative Committee Assistant  
Eddie Penner, Legislative Research Department  
J.G. Scott, Legislative Research Department  
John Hess, Legislative Research Department  
Lauren Mendoza, Legislative Research Department  
Nick Myers, Office of Revisor of Statutes  
Tamera Lawrence, Office of Revisor of Statutes

Conferees appearing before the Committee:

Dr. Randy Watson, Commissioner, Kansas State Department of Education

Others in attendance:

See Attached List

**Informational briefing:**

Chairperson Denning called the meeting to order. He reminded the Committee that they would be having an informational briefing by Dr. Randy Watson, Commissioner, Kansas State Department of Education. Dr. Watson presented on the KSDE vision for education. (Attachment 1) (Attachment 2). The transcript of this briefing is included with these minutes. (Attachment 3)

Dr. Watson began by discussing the five categories that KSDE believes make up a successful high school graduate: Academic preparation, cognitive preparation, technical skills, employ-ability skills, and civic engagement. Dr. Watson discussed evidence-based practices and foundational structures known as the *Rose Standards*, which provide educational benchmarks, and come from a landmark 1989 school finance case in Kentucky, *Rose v. The Council for Better Education*, as adopted by the Kansas Supreme Court in *Gannon v. State*.

Dr. Watson discussed the process of establishing a five-year cycle of accountability for school districts and what the Kansas State Board of Education (KSBE) is doing to achieve this. He discussed the Kansas Report Card website that will keep track of information such as data on graduation rates, teacher licensure, demographics, test scores, and more. Dr. Watson noted that after July 1st, 2017, the site will have an upgrade and changes will be made.

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## CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 1:30 pm on Wednesday, May 10, 2017, in room 548-S of the Capitol.

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Dr. Watson spent time discussing the data on the Student Report Card website. He noted that users can set many parameters to narrow down information, as well as to create comparisons. Dr. Watson discussed how the website will have data on test scores, such as ACT, and it will only improve as more data each year is added.

Dr. Watson discussed the National Student Clearinghouse Data. He noted this is data that shows where students go after graduation. Dr. Watson provided an additional handout on Post-secondary Enrollment and Progress. (Attachment 4) He spent time explaining the chart and the data it represented.

Dr. Watson discussed risk factors that influence success for students. He noted that KSBE has data for the seven categories. Dr. Watson stated that the scatter-plot chart took into account all the risk factors. He noted that 40% of school performance is based on the risk factors listed, and they are working on understanding the other 60% and obtaining data for other risk factors identified.

Dr. Watson thanked the Kansas State Board Members that attended, Senator Baumgardner for her leadership in Committees, and the Select Committee on Education Finance Chairperson Denning.

Senator Pettey asked for clarification on the Post-secondary Progress chart, and how they are classifying what a graduate is. She also asked about the cost of implementing the State Board's accountability plan.

Senator Baumgardner requested data on demographics for virtual schools, and data on virtual school funding, stating she felt this would be beneficial for the Committee to view.

Senator Goddard asked about chronic absenteeism in schools, noting that there are areas with more foster care children than others. He also asked for clarification on the Early Childhood Development programs, noting that areas with strong programs are showing improvements for children. Dr. Watson agreed that this was an important area to look at, and noted that he felt all-day kindergarten should be funded.

Senator Bollier asked about the effective rate graph, and what type of changes should the Committee be looking at over time. She noted that change doesn't occur over night, and wondered what to look for along the way. Dr. Watson responded that graduation rates should be looked at every year, as well as all five recognized areas of success for high school graduates as discussed earlier in the meeting. A discussion ensued on resources needed to identify these areas, and the shortage of teachers in Kansas. Dr. Watson stated that they need to drive teachers into the profession, and noted that salaries are not the only reason people become teachers.

Senator Kerschen asked about the teacher component, asking what funding will be allocated to teaching positions. Dr. Watson responded that it is local school districts that make those

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CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 1:30 pm on Wednesday, May 10, 2017, in room 548-S of the Capitol.

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determinations.

Chairperson Denning asked for clarification on math scores being part of the academic preparation. Dr. Watson stated that they were, but this was only one component that measures achievement. Chairperson Denning also asked for clarification that the LPA found different outcomes for virtual students and was it based solely on test scores. Dr. Watson stated they had looked at different information from the LPA to evaluate the progress of virtual students.

Senator Estes questioned the cost factor for Early Childhood Development classes, and the sources of that funding. Dr. Watson responded that the money from the formula only goes to at-risk students, but that these classes can and are receiving money from other programs, companies, as well as parents and private donors.

Chairperson Denning stated that the Committee was out of time for the day, and they would continue in the morning to hear testimony from other individuals. Chairperson Denning adjourned the meeting.

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TRANSCRIPTION OF  
 SENATE SELECT COMMITTEE  
 ON EDUCATION FINANCE  
 May 10, 2017



1           RANDY WATSON: Gradation of K12 schools  
2 in Kansas. I want to go through this in a way  
3 that certainly answers all of your questions that  
4 you have and I'm going to be sharing with you some  
5 data that I've shared with Senator Baumgarner and  
6 some members of the education committee but not  
7 many others. So it will be a little bit new  
8 information for some and please ask questions as  
9 we go through it.

10           You should have a large sheet that looks like  
11 this that I'm going to be referring to, it's --  
12 it's a graphic that we put together for the agency  
13 that is our accreditation model. And I'm going to  
14 -- and talk about this some but it has several  
15 components to it; and, for me anyway, it's a nice  
16 visual to keep because it reminds me of all the  
17 different parts that we have going forward.

18           So the first part of this as you can see the  
19 top half are kind of the outcomes of where we're  
20 headed in Kansas, and I want to differentiate  
21 between two distinct areas and we're going to  
22 measure all of these and I'll talk about that.  
23 But there are two distinct areas. The first, the  
24 very top is what is a successful high school  
25 graduate? So I'm going to ask you this afternoon



1 to think a little bit differently of how we've  
2 thought about schools in the last decade from a  
3 policy level. Because we've tended to think  
4 whether at the federal level or the state level,  
5 let's go measure how students are doing on third  
6 grade reading and that will give us an indication  
7 of future success; and what we find is maybe --  
8 maybe is the answer to that and it has to do with  
9 how we deliver policy. So we're going to talk  
10 about what happens with students as they leave us  
11 and what skill sets they have as they leave K-12  
12 and enter into what we call a post-secondary  
13 education.

14 So this first, this top part talks about five  
15 skill sets. You are all familiar with the  
16 academic. We talk about that all the time. Can a  
17 student read? Can a student do mathematics? Can  
18 a student know history or science? I'm going to  
19 talk a little bit about what we're doing in that  
20 domain, in the academic domain and the  
21 accountability for that.

22 But there are four others that the state board  
23 recognizes that research points out very clearly  
24 that make up what successful young people or  
25 successful older people, I realize that -- at one



1 -- do you remember the day you woke up and you  
2 think I'm the old person on the block, not the  
3 young person any more, it's a scary thing. But  
4 any adult would have and that is they have a  
5 cognitive skills, they have some technical skills  
6 which we just -- if you happen to walk outside on  
7 the east side here at the capital you may have  
8 seen a tiny house that the students of Ness City  
9 had built and brought over to share with the state  
10 board today, and that was certainly lots of  
11 technical skills. Employability skills, can I be  
12 hired? Do I have the skill set to show up and set  
13 goals and know what it is to work hard and pass a  
14 drug test and all of those things that make up  
15 employability and (inaudible) Kansans were very  
16 clear to us that they said, we want people that  
17 engage in giving back to others. So I'm going to  
18 walk through some of those today and how we're  
19 going to measure that; and then I'm going to spend  
20 some time on these, what we call the results are  
21 and go through those with you and kind of  
22 illustrate the -- the total picture of  
23 accreditation and how we're going to measure  
24 student success starting July 1, 2017.

25 The second part of that chart are the details





1 that schools will be going into about how to  
2 arrive at that. So these aren't things for the  
3 legislature necessarily to be concerned about and  
4 we will only be concerned at the state board,  
5 state department level if results aren't being  
6 shown then we'll want to look to these -- to these  
7 indicators of relationships, relevance, response  
8 of culture and rigor, to see does that school and  
9 -- and/or school district have a good plan in  
10 place for those R's to achieve the outcomes that  
11 they believe that they will achieve. So that's --  
12 this is where all the schools will do all of the  
13 work will be in here.

14 You may recognize the foundational structures  
15 that underpin the accreditation model. They are  
16 often referred to as the rose capacities or the  
17 rose standards and those certainly are the  
18 foundational structures by which this -- this  
19 accreditation model was built. So before we get  
20 into this I just want to let you know that the  
21 accreditation model was being worked on for many  
22 years prior to me coming to the department; and we  
23 put that on hold for a while because we needed to  
24 spend some time on where we were going and I liken  
25 it to this. You're getting ready to take a family



1 vacation, two week family vacation, it's going to  
2 be great, got the kids ready to go, we're loading  
3 up the car, we get the details ordered, we don't  
4 know where we're going. We don't know what we're  
5 going to see, we don't -- we don't -- we don't  
6 know. What's the destination? So we needed to  
7 know the destination of what was it we wanted to  
8 look for. And we went out and asked Kansans that,  
9 and what I'm going to be sharing with you is the  
10 largest qualitative study ever done in the history  
11 of Kansas, done through Kansas State University  
12 where we had over 2,000 responses and some on-line  
13 responses of business leaders and Kansans of all  
14 classes said this is what we want in an education  
15 system. That coupled with research that validated  
16 it from Gallup and the Georgetown Policy Institute  
17 make up this part of the top part of the  
18 accreditation law, which are the results are.

19 So let's just jump right in. Let's start  
20 talking about accountability. We're going to talk  
21 about it from two lenses. First, briefly, federal  
22 accountability through the oversight of the Every  
23 Student Succeeds Act or ESSA. You may remember  
24 that act, it used to be called No Child Left  
25 Behind and it's the name of the elementary and



1 secondary education act. Here's some  
2 accountability with that. We must with school  
3 districts establish long term goals and  
4 measurements of interim progress, thus the  
5 accreditation model has a five year cycle of  
6 accreditation with yearly checks and monitoring  
7 toward that five years.

8 So one of the questions that you're going to  
9 have, that I would have, is so you're only  
10 checking on schools at the end of each five years?  
11 And the answer is no. We're monitoring and the  
12 public will have visibility of that monitoring of  
13 the accountability system every year through the  
14 five year cycle. All that happens at the end of  
15 five years is a determination of accreditation  
16 conditionally accredited or not accredited as we  
17 go forward.

18 So we have to require to differentiate the  
19 public schools in the state on an annual basis.  
20 We do that and we have to identify the lowest  
21 performing five percent of the schools, not school  
22 districts, the lowest five percent of performing  
23 schools. That will be done by academic and  
24 cognitive achievement. It may not be surprising  
25 to you that the lowest five percent of schools



1 academically in Kansas happen in the areas with  
2 the highest risk factors, namely poverty.  
3 Shouldn't be a surprise and I'll talk about that  
4 as we go through the afternoon. We have to  
5 identify any high schools that do not graduate  
6 two-thirds of their students. They are  
7 automatically on improvement if you do not  
8 graduate 67 percent of the students in your high  
9 school. So that's some accountability on a --  
10 that we have -- these are base level and we must  
11 identify schools. So this will be important I  
12 think to our discussion about subgroups. We have  
13 to identify schools with consistently under-  
14 performing subgroups, male, female, ethnicity,  
15 racial. That is the accountability in the law and  
16 that's the accountability that you will see  
17 throughout this document as we go forward today.

18 So this is what it looks like. It's a public  
19 website. We call it a report card. I was  
20 actually going to jump out on it today and -- and  
21 demonstrate it and then as -- as your day probably  
22 goes I started walking across short walk from our  
23 office here and the heavens unleashed the water  
24 upon me and I thought you know, if we jumped off  
25 on a website things could go wrong. So I'm going



1 to show you what you can do on the website and how  
2 it will change July 1 of 2017. This is currently  
3 all there. It's transparent. It's there for  
4 anyone with an account on the internet to go look  
5 at on your phone. It's called the district --  
6 building district and state report cards and all  
7 you do is simply search by whatever you want to  
8 search by. Want to look at accounting, call up  
9 accounting. Want to look at the city, call the  
10 city. You know the school district's name, call  
11 it up by Lewisburg. You know the number, call it  
12 up by the number. You know the school at  
13 Sunflower Elementary School in Ottawa, Kansas,  
14 call up that. You can look any way that you want  
15 to look and you're going to look at several  
16 different accountability measures. I'm going to  
17 walk you through some of those today and I'm going  
18 to walk -- spend a great deal of time on a new  
19 accountability measure that the state board is  
20 really excited about because we think it's a game  
21 changer.

22 First of all, post-secondary. We know this,  
23 the research is abundantly clear, and I spent a  
24 great deal of time in the last year with Mike  
25 O'Neal when he was with the Kansas chamber and



1 local chambers of Commerce talking about what the  
2 job market is in Kansas, what it will take to move  
3 that job market, and what it will do to help  
4 students to get into that job market, especially  
5 middle class and upper middle class jobs. You're  
6 going to hear us talk a lot of about most of the  
7 students in our schools today, most, have to go on  
8 to school beyond high school. That's a different  
9 transition for the generation that I grew up in  
10 but I'll give you this as an illustration.

11 On Friday morning where the town which I still  
12 call home, and I've spent 23 years, McPherson has  
13 a celebration called All Schools Day. It's a  
14 great celebration county wide of all the school  
15 districts in that county. It was started in 1913  
16 by a lazy county superintendent whose job was to  
17 get on horseback and go to every one-room school  
18 house in the county and was still eighth grade  
19 graduation diplomas, because in 1913 8th grade  
20 marked the end of formal education for the vast  
21 majority of Kansans; and we had hundreds and  
22 thousand -- we had hundreds in McPherson County  
23 and thousands across the state in one-room school  
24 houses. My grandparents are illustrative of that.  
25 They had sixth grade educations. My grandfather



1 owned the local IGA store in Coffeyville. My  
2 grandmother was the hospital dietician. That job  
3 that my grandmother held with a sixth grade  
4 education for her entire life until her retirement  
5 in 1985, the entry requirement for that job today  
6 is a master's degree in dietary management or  
7 nutrition. She had a sixth grade education.

8 So most of our students in order to be into  
9 the job market that we're going to talk about,  
10 most, not all, are going to need some level of  
11 education past high school. Doesn't mean four  
12 years of college, we'll talk about that.  
13 Graduation, we would like students to graduate  
14 high school. We still -- I would guess some of  
15 you get invited and you probably have kids and  
16 grandkids that say, Pappa, it's eighth grade  
17 graduation, are you going to come to our eighth  
18 grade graduation? We still have those all across  
19 -- they will be honored in McPherson Friday or  
20 recognition. No eighth grader thinks what they  
21 are going to do next year. They don't say I  
22 wonder if I'm going to high school next year.  
23 That's just a given, that's what's changed in the  
24 last one hundred years. We need almost every  
25 student to graduate high school. The job



1 opportunities to non-graduates are not very good  
2 in this state or elsewhere.

3 How students of disabilities perform. How  
4 about fiscal structures. You can look at every  
5 budget line item of every school district in the  
6 state right on that page, every one, every line,  
7 how they spend their at-risk money, how they --  
8 how they spent capital outlay money for district  
9 to school. Are their teachers licensed or not or  
10 are they just hiring people off the streets?  
11 Their demographics, how much -- how many males,  
12 how many females, how many students that do not  
13 speak English? All the different demographics.  
14 Their drop-out rates, their attendance, talk about  
15 that in a little bit but what's their attendance  
16 at their school? And performance reports, that's  
17 where you want to spend your time, right? How do  
18 the third graders do in reading? How do the fifth  
19 graders do in math? How do they do in science?  
20 ACT scores, and by the way, all of this, all of  
21 this data can be disaggregated by you, the user,  
22 by subgroup. I want to look at third grade  
23 reading males, African American only, there are  
24 drop down menus, you select it, and there's the  
25 results instantaneously.





1           So this is called the Kansas Report Card. All  
2 you have to do is Google Kansas Education Report  
3 Card. It's on line currently and will be enhanced  
4 with some data I want to share with you as of July  
5 1, 2017. Let's talk about what's already there.

6           Let's talk about the state assessment system.  
7 I been -- this is my 36th year in education. I've  
8 lived through no assessment. I've lived through  
9 minimum competency test, Senator Hansen is going  
10 to remember all these well. I lived through the  
11 first rounds of QPA. I lived through No Child  
12 Left Behind, and now we have a new accountability  
13 system. This assessment, this is actually how  
14 students report card, students are gauged on four  
15 levels, one being the lowest and four being the  
16 highest, and the results were released to parents  
17 and students in all the schools this week. So  
18 every school district has this information from  
19 the past testing site.

20           And you can see here this is an example of  
21 mathematics score and this student scored at a  
22 level three and they scored somewhat in the middle  
23 of level three, if you can see that. This is  
24 going to be instructive, here's, by the way, how  
25 their school did, here's how their district did,



1 this is just a sample, and here's how the state  
2 did. So parents can clearly see as the student,  
3 how do I compare with other kids in my building  
4 that took the exam? How do I compare to other  
5 schools in my district and how do I compare  
6 against the state? And then a description of what  
7 students at that level can do.

8 Quality counts in education we cannot  
9 (inaudible) organization. Last year said Kansas  
10 we're in the top five in the most difficult  
11 standards and assessment in the nation. You  
12 should be proud of that. I know the state board  
13 is. They chose high standards and an assessment  
14 system that is difficult that when students score  
15 well on this assessment system, it means  
16 something. And here -- I'm going to show you how  
17 we know that in just a second by verification of  
18 data.

19 And so we know this, that if a student is  
20 scoring at level two they are on grade level.  
21 It's hard to remember because we often think well,  
22 that can't be, if you are scoring on level threes  
23 and fours you are academically, and I use that  
24 word carefully, academically on track to be ready  
25 for college level rigor of work. You may not be



1 emotionally and socially, you may not be  
2 financially, there are other factors to that  
3 success but academically you're on track. All  
4 right? This is being done to -- currently at the  
5 University of Kansas and contract with the Center  
6 for Education testing. How do we know these are  
7 high standards? We have taken Kansas students,  
8 not some national normal, we have taken Kansas  
9 students of how they score on our assessment and  
10 how they scored on the ACT assessment and KU in  
11 our research, researchers did what's called match  
12 fair, they just matched it up. And now we can  
13 predict with great accuracy how a student will do  
14 on the state assessment to the ACT assessment that  
15 75 percent of our kids take either late in their  
16 junior year or early in their senior year of high  
17 school.

18 Let me give you an illustration. Senator  
19 Baumgardner is going to know this well. I'm going  
20 to pick on English teachers for a second, Senator.  
21 I hope that's okay. The ACT scores are over here  
22 and the Kansas assessment scores are here. This  
23 is English language arts. I don't know if you  
24 know this, a student would be -- you hear all the  
25 time that students need remedial education when



1 they go to school. What is that? It's a  
2 measurement that ACT has that says you're either  
3 academically ready or you're not, and what that  
4 means to community colleges and colleges, they say  
5 well, either we're not going to allow you into  
6 school; or if we do allow you into school we're  
7 going to put you in remedial course work of which  
8 you'll pay for that credit but get no credit  
9 towards your degree. So if I was going to go to  
10 Johnson County Community College or Seward County  
11 Community College or Fort Hays State and I wanted  
12 to make sure I can enter English comp 101, the  
13 entry level English course, that score would be  
14 have to be 18 on the ACT, 18 is what I have to  
15 score. That's that a college readiness we talk  
16 about, all right? 18 you can see would fall right  
17 here, come over and you can see clearly that would  
18 be a student scoring in the low end of level two  
19 on the Kansas State Assessments of tenth grade.

20 That's why I say we have some of the highest  
21 standards and the highest assessments in the  
22 country that will -- that validates it right there  
23 because we have -- these aren't -- these aren't  
24 just national norms, these are actually match-pair  
25 Kansas kids on both assessments. Next year we'll



1 be able to tell you from the eighth grade  
2 predictive score, the following year seventh  
3 grade, following year sixth grade. Why? Because  
4 those students will also have taken the ACT and  
5 our data set will continue to grow. What's  
6 exciting about this work is as we go forward we're  
7 also going to be able to give patrons, parents and  
8 students predictability to SAT; ASVAB, that's the  
9 test you take to go in the military; and to ACT  
10 WorkKeys, which is an assessment used by many  
11 employers to assess workplace readiness. The  
12 reason that we can't do that today is we need more  
13 data sets of students. Most of our students do  
14 not take the SAT, for example, only about seven or  
15 eight percent. We just need more sets, all right?

16 Cut score for reading is 22. Again, that's at  
17 a level two. Cut score for mathematics is 22, and  
18 that would be right between the levels of two and  
19 three on the state assessment. So when you hear  
20 from parents, or again, your own son or daughter,  
21 or granddaughter or grandson, kids getting all As  
22 why didn't they score a level four? How many kids  
23 in Kansas score a 30 and a 36 in reading on the  
24 ACT? Not every kid that is getting all As I can  
25 tell you. You're not going to see every kid score



1 a level four. It's a high standard with high  
2 academic standards.

3 I'm now going to jump to some data that I'm  
4 going to explain to you that the state board  
5 believes is some of the most exciting data that  
6 we've looked at in a long time, and that will be  
7 holding schools accountable to as of July 1, 2017.  
8 I'm going to share with you state aggregate data  
9 today. School districts have this data for  
10 themselves privately, current right now, but  
11 you'll be able to see it on that report card  
12 July 1 of 2017, and it's a game changer for all of  
13 us. And it -- it answers this question, what  
14 happens to students after they leave the confines,  
15 the hallowed halls of (inaudible) County High  
16 School that I did in Coffeyville, Kansas? What  
17 happened? I get to go back for my 40 year  
18 reunion, and every day my friends -- I call --  
19 that's a loose term for my classmates, my friends  
20 get on Facebook to say, how in the world did you  
21 become commissioner? We remember all through --  
22 how did you get out of (inaudible?) So we get  
23 trapped. What happens to students after they  
24 leave?

25 I want to share with you data from the



1 National Student Clearinghouse, you're going to  
2 hear that term a lot in the next few years.  
3 National Student Clearinghouse. It measures where  
4 students go into higher education, technical  
5 schools, vocational schools, two year colleges and  
6 four year colleges, and it has a about 97 percent  
7 accuracy, because 97 percent of those higher  
8 institutions are in the clearinghouse. But I'm  
9 going to tell you what it does in measuring. It  
10 does not measure any kid going into the military.  
11 If they are going to West Point or Annapolis or  
12 any of the academies, the answer is it will  
13 measure. Enlisted personnel it does not measure,  
14 and the armed services right now will not release  
15 that information to us because of confidentiality.  
16 We're working on it. We know this, about one  
17 percent of Kansas students enlist in the military.  
18 So as I go through this if you want to know how  
19 many are in the military add one percent. If you  
20 represent Fort Leavenworth or Fort Riley area you  
21 probably are a little bit high in the state  
22 average I would guess.

23 So I'm going to show you an illustrative  
24 example of the class of 2010 and you're probably  
25 looking at your PowerPoint and it will be a mess



1 at this point, so I gave you another handout and  
2 it should look like this. Should be right there,  
3 and this is the high school graduating class of  
4 2010. So follow along with me as we -- as we go  
5 through them. We're going to look at this class,  
6 2010 for six years after high school and here are  
7 the six years. The Clearinghouse follows students  
8 six years after high school and then the  
9 Clearinghouse stops. So if any of you here in the  
10 audience are on the eight or ten year plan you  
11 eventually get lost, Clearinghouse stops tracking  
12 you. If you took a little bit longer than six  
13 years to complete your degree.

14 We're going to look at this class step by step  
15 so start first. This green area represents after  
16 graduation how many kids of the 35,000 or so that  
17 graduated high school that year went on to school?  
18 They went to -- they went to Washburn Tech, they  
19 went to Johnson County Community College, they  
20 went to the University of Kansas. As I shook the  
21 governor's scholars' hands on Sunday, we had kids  
22 saying I'm going to Columbia, I'm going to  
23 Pepperdine, I'm going to Creighton. It tracks  
24 them across the United States, so it's not just a  
25 Kansas tracking. That's how 65 percent of kids





1 after graduation went on somewhere to post  
2 secondary. Here's our first challenge. The job  
3 market 70, 75 percent needs some kind of post-  
4 secondary. That's Georgetown Policy Institute  
5 data. So what we need, our aspirational goal  
6 here, you'll hear me talk about over and over, we  
7 need schools who are producing 70 to 75 percent of  
8 their high school students who are going on to  
9 post-secondary, including the military, has to be  
10 part of our -- and we had in this class 65 percent  
11 of the graduating class.

12 So let's follow these kids six years after  
13 high school. I'm going to take you all the way  
14 over to the far right-hand side of your graph,  
15 right here, and ask this question, what happened  
16 to the class of 2010 six years after high school?  
17 Because if you were working in schools like I was  
18 working in schools, we would tell the story -- my  
19 daughter's a 2005 high school grad, she's 30,  
20 gives you an idea of how time flies to those of us  
21 who think 05 was just around -- just a few days  
22 ago. My son was a 2011 high school graduate and  
23 he turned 24. What happened to them? In this  
24 case what happened to the kids of 2010? In  
25 McPherson and all of our school districts will



1 tell the story. We'll run into family. Hey  
2 Senator Petty, how's your -- how's your daughter?  
3 Great. She's at UCLA studying pre-medicine  
4 couldn't be greater, you know. Mr. King, how's --  
5 how's your son? He's great, following his son's  
6 footsteps, going to be an attorney, he's going to  
7 University of Kansas, it's great. And the  
8 anecdotal stories that we tell are usually our  
9 success stories and we -- they're great but we  
10 want to know about every kid and I know you are  
11 worried about the subgroups and about every kid  
12 and how we're doing.

13 So let's take a look, six years out of high  
14 school 39.6 percent of students that started  
15 graduated with anything, they ended up with a  
16 certificate in welding, or they had a two year  
17 Associate degree or they had a four year  
18 baccalaureate degree, and by the way, they're only  
19 counted once. So you could, Senator Boyette, you  
20 could be going to medical school, you're going to  
21 get a baccalaureate first -- could be this, could  
22 be, hey, here I've got a certificate to be a CNA,  
23 worked my way through my baccalaureate which is at  
24 the University of Kansas and then I went to the  
25 University of Kansas to med school. Schools will



1 see that student all the way through, but this  
2 data counts them the first time they complete  
3 something. It's an aggregate data, it's not --  
4 it's not multiplying that multiple times.

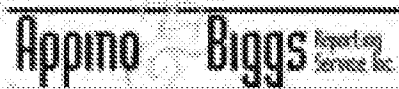
5 Forty percent of the original 65 completed  
6 anything. We need 70 to 75, that's why those of  
7 you in the business sector keep telling me, Randy,  
8 I have these jobs. I can't find qualified people  
9 to fill them. Because we have a large number of  
10 students with a high school education vying for a  
11 very small portion of the job market, and that has  
12 changed in less than a generation. It's part of  
13 the shift that we're looking at.

14 So we asked student schools this question, and  
15 you will too as you -- as you go back and have  
16 coffee with your, you know, in your communities,  
17 this -- this purple or dark blue here, those are  
18 students that never went to school. They just --  
19 after high school they were done. They graduated  
20 high school but they are done. And I can tell you  
21 in the higher risk factor communities or the  
22 higher poverty factor, that is great. Those are  
23 communities where the culture is I don't go to  
24 school after high school. You can probably name  
25 those in Kansas.



1           If you're in a more affluent community, they  
2 all go to school. This yellow are those that went  
3 to school but they never finished. Remember  
4 those? Those of us that have earned a  
5 baccalaureate, remember -- remember the kid who  
6 never finishes? Blake Franders, (spelled  
7 phonetically) the CEO, you know well in the Kansas  
8 Board of Regents says, Randy, every time that you  
9 talk and every time I talk we get to point this  
10 out. He says I believe that students in the  
11 yellow are worse off than the students that never  
12 went in the purple, and the reason is they have  
13 nothing more to show for their time other than  
14 still the high school education, except debt.  
15 They have debt on top of that generally. So we  
16 want every one of our communities to take a look  
17 at that and that's what schools are looking at  
18 right now, okay?

19           I'm going to jump a little bit on you so track  
20 with me here as we go. I'm going to erase the  
21 last four years of this chart and I love doing  
22 this, so much fun, Mr. Chairman, because that is  
23 higher educable, K-12 can't own these kids forever  
24 and be accountable forever. So we're having a  
25 baton like a relay and we're saying, higher ed,



1 your job is to finish the job after two years and  
2 we're going to account for that remedial education  
3 that drives costs up for higher ed and we're going  
4 to account for it this way. We're going to look  
5 two years out and say, two -- the second year out  
6 of high school who's either still in school or who  
7 has graduated, because if you're still in school  
8 being successful it means you had to complete year  
9 one successfully. Does that make sense? If  
10 you're there and you're not prepared you're not  
11 going to be -- be successful in year one.

12 So let's look at the numbers. 49.7 percent of  
13 that original class that started came back for a  
14 second year. They're still in school. They may  
15 have started at Independence Community College and  
16 transferred to Wichita State, that counts. They  
17 may have gone off to Dartmouth and said, I'm  
18 homesick. I'd like to come back to Kansas State.  
19 That counts. As long as they started and came  
20 back for a second year.

21 The maroon down here are students that  
22 completed something. Two years out of high  
23 school. You can see that's -- that's about 4.6  
24 percent of students. They have completed  
25 something. Well, what would you generally



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1 complete two years out of high school? Usually a  
2 certificate or an Associate and I say this with a  
3 little smile because we're going to have a young  
4 man, he's a sophomore in Ulysses, Kansas, and in  
5 two years he'll be a junior next year, he's going  
6 to graduate in May one week before his high school  
7 graduation with a degree from Harvard. He's  
8 dually enrolled in Harvard and Ulysses High School  
9 at the same time. Now, that doesn't happen with  
10 most of our kids but he would be showing that he's  
11 already well prepared for post secondary success  
12 before he ever leaves high school. That's  
13 unusual. Most of these kids are diesel mechanics  
14 certification or they're certifications in welding  
15 or they'll have an associate degree in business  
16 and maybe there's a few baccalaureate in there.  
17 They took a lot of high school dual credit and  
18 they graduated in two years, and what we want to  
19 know is if we add these two numbers together what  
20 is it? And the number is for this year, 2010,  
21 55.1 percent. Now, Senator Kirschen, you're going  
22 to say, Randy, I added up these up, it's not 55  
23 and you must be a history major which is true, and  
24 the reason for that is we -- we've scrubbed this  
25 data. I'm going to point that out in a second.



1 This -- the Clearinghouse data only tracks high  
2 school graduates, doesn't track what happens  
3 before graduation which happens this week in many  
4 cases. We have kids that earn certificates and  
5 associate degrees while still in high school, and  
6 we have to add that back into the mix because it  
7 doesn't show up on this chart. Does that make  
8 sense? And that's why it's just a few percent  
9 state wide. We get in this class of 2010, 55  
10 percent of students that started have either --  
11 are still going on or have graduated. We would  
12 love to have 70 to 75, not every student, 70 to 75  
13 because that's the job market in Kansas equally  
14 divided between associates and the certificates  
15 and baccalaureate.

16 Now, look that page over if you would and I'm  
17 going to talk to you about this chart. This chart  
18 is now the chart that becomes public on July 1,  
19 2017, for every high school in every district in  
20 this state, public, private as long as they're  
21 accredited. If they're not accredited we have no  
22 oversight at the state board level. So people ask  
23 us that all the time, you know, what about home  
24 schools, what about unaccredited, we don't -- we  
25 don't oversee home schools or unaccredited private



1 schools. So now remember the class of 2010 we're  
2 looking at, here they are. And you want to look  
3 at what you see here. Here's that 55 percent that  
4 we were looking at right here. It's illustrated  
5 right there. There it is. The 80 percent is the  
6 high school graduation for that year. Senator  
7 (inaudible) you will know that kids that drop out  
8 of high school aren't going on to post-secondary  
9 success and we're not counting them in the  
10 Clearinghouse because that only counts the  
11 graduates. So what we have to do, this is with  
12 the little bar, we have to calculate what we call  
13 -- state board calls the post secondary effective  
14 rate. It's a new term. It's one you'll hear a  
15 lot about in the upcoming years but it's new, that  
16 says this, we're going to take the post-secondary  
17 success rate which is the orange, remember it came  
18 from here, came from here. We're going to take  
19 that times the graduation rate and that will give  
20 us the blue bar which is called the post-secondary  
21 effective rate, and that simply means this, of the  
22 kids that started high school minus, you know, who  
23 transferred in and out, I started at Columbus High  
24 School two years out of high school how many of  
25 those students graduated high school and went on





1 somewhere post-secondary? Again, magic number  
2 that you want to ask every community, how are you  
3 getting -- are you getting close to 70 to 75?  
4 State wide we're at 44.6. So when we think about  
5 policy it -- I want to do exactly what you want to  
6 do, let's measure fourth grade math. What will  
7 happen if we do that from a policy standpoint is  
8 we will drive text preparation on one day to show  
9 really high scores aren't officially high scores  
10 on that test on one day. This is much more  
11 complicated. You'll need academic skills, you'll  
12 need technical skills, you'll need financial  
13 literacy skills. You're going to need -- I need  
14 -- I need to decide time management. You know,  
15 for me it was how much time do I spend in  
16 Aggieville or how much time do I spend in class?  
17 And you know, some people figure that out and some  
18 people don't; but those are all skills that you  
19 need to go on to be post-secondary success. 44.6  
20 and we're doing it in a five year average. And  
21 the reason we're doing a five year average is  
22 because our small schools that have small class  
23 sizes are volatile. One year they look great, the  
24 next year they don't look great. If you have a  
25 class, you know what's interesting, is you have



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1 small schools, maybe you have a school that only  
2 has 20 kids, ten kids in the graduating class,  
3 well, two kids don't make it one year you're at 80  
4 percent, 100 percent the next year, it's two  
5 students. That's different if you're at Blue  
6 Valley West. So we wanted to look in every school  
7 district of a five year average. So here's the  
8 five year average, 44.6 percent. This is data  
9 we've never had access to in the past and it's  
10 driving the state board's work in a lot of ways  
11 and it becomes public to everyone on the report  
12 card by subgroup, by ethnicity, everywhere you  
13 want to disaggregate, July 1, 2017. So we have  
14 some work to do. We want it between 70 and 75  
15 percent. We have a lot of work to do but no other  
16 state in the country is doing this work. They are  
17 focused on a reading and math score only. As a  
18 policy I want you to think about letting the state  
19 board and the local school boards focus on reading  
20 or math and you focus on what happens to those  
21 (inaudible) graduation post-secondary and are they  
22 hitting it; and if they are not, ask questions of  
23 the state board and your local boards, challenge  
24 that detail data all along the way so we can help  
25 monitor that. That's what -- that's what policy



1 ought to drive.

2 But you're going to ask one more question and  
3 you should. Randy, some of our students in our  
4 school districts have risk factors that other  
5 communities don't have. If I'm going to school in  
6 Andover, Kansas, I may have a different clientele  
7 of student than if I'm in school in El Dorado or  
8 Wichita, and so we've looked at this. We've  
9 looked at what we call risk factors. You will  
10 call them at risk students. The Supreme Court  
11 talked a lot about this. We call it risk factors.  
12 These are things that primarily communities cannot  
13 control. A few of them they can but primarily  
14 they can't. It's just who you are, right? I mean  
15 maybe over time you can change your community,  
16 it's who you are.

17 But let's start with the first one. Human and  
18 poverty. Senator Hensley will know very well that  
19 the more years a student receives free lunch, the  
20 longer of time that they go receiving free lunch,  
21 the harder it is to break that cycle of poverty  
22 and the more difficult. So if you're only  
23 receiving free lunch for a year or two because  
24 your mom lost her job, that's a different level of  
25 poverty than, oh, yeah my mom and dad both were on



1 free lunch and I'm on free lunch and that's been  
2 for years, that cycle is much more difficult, and  
3 so we looked at every single school district and  
4 every single school and we calculated how much  
5 cumulative poverty do they have? So in  
6 Springhill, Kansas we ask the question, how many  
7 -- if you were in there one year you were given a  
8 1.0. If you were in there two years we weighed it  
9 at 1.5 because two years is a greater importance  
10 than just one. Every school district everywhere  
11 across the state.

12 Then we looked at chronic absenteeism. Do you  
13 know the -- one of the strongest predictors of  
14 success or failure later on in high school and in  
15 life is whether or not you miss more than 10  
16 percent of the days in elementary school. Go ask  
17 your kindergarten teachers, whose fault is it when  
18 a kid doesn't get to school in kindergarten? The  
19 parents. That big example, this is why we have to  
20 work with parents or how we structure them. If  
21 you are missing more than 10 percent of the days  
22 of school your risk of dropping out of high school  
23 and never going on to post-secondary success  
24 multiplies. We want to know what school districts  
25 have a lot of chronic absenteeism.



1           We want to know where -- what districts  
2 suspend and expel students more than others.  
3 That's a risk factor. You can't learn if you're  
4 not in school (inaudible.) My wife's an elementary  
5 principal in Newton, Kansas. A week ago she had a  
6 new family move in, and the fourth grade teacher  
7 came to her and said, Debbie, who would move their  
8 kid with only two weeks of school left? Who would  
9 move their kid? And my wife looked at the teacher  
10 and said those parents that don't have a choice,  
11 because we wouldn't have done it. We would have  
12 just said, yeah, there's two weeks of school,  
13 we're going to keep the kid there. You'll have --  
14 talk to teachers, you know, many of you are  
15 teachers, and ask the question, oh, yeah, that  
16 Watson family, yeah they left, they will be back.  
17 They are just -- it's a (inaudible.) They are  
18 chasing (inaudible). How often do students move  
19 around? That's -- every time they move is a risk.  
20 Every time they move so we have some -- we have  
21 some schools for kids who move five six times a  
22 year in and out of school.

23           Do kids speak English? You know, in some of  
24 our communities we have over a hundred languages  
25 spoken on any given day. In McPherson, Kansas,



1 where I was there would be two on any given day  
2 and most -- most of that was English with a little  
3 bit of Spanish. Obviously we have a lot of  
4 population that do not speak English as their  
5 first language, you are -- you have higher risk  
6 factors.

7 How about special ed? We have school  
8 districts that have schools that have 30 percent  
9 special ed population, and we have districts that  
10 have three percent special ed. Do you think  
11 that's not a difference? It is.

12 And finally, if you have all these factors,  
13 risks, you tend to have more new teachers. They  
14 don't -- they tend not to teach there very long,  
15 they go to other places. Having a lot of new  
16 teachers is a risk factor.

17 So we took every school district and every  
18 school and gave (inaudible.) What is your risk?  
19 What would we -- and then we said -- asked this  
20 question. If we were to ask the question back  
21 here, what should your post-secondary effective  
22 rate be? All right? Think -- think about this  
23 again. You are in a school that has 30 students  
24 in it and you play eight-man football, that would  
25 be pretty tough to do. Let's say you have a big



1 -- there are more boys than girls in your school  
2 and you were the state champions in eight-man  
3 football this year. I don't think you're looking  
4 to go schedule Lawrence High School next year.  
5 And why? Because size matters playing football,  
6 right? Size of the school matters. Well, risk  
7 factors matter. It's more difficult to get a  
8 higher post effective rate in Kansas City, Kansas,  
9 than it is in Gardner or Edgerton because one has  
10 higher risk factors than the other.

11 So we took the risk factors and we did  
12 something new. We called it the predictive  
13 effective rate for every school and every school  
14 district and here it is. There it is. Nice  
15 regression analysis, for those that love  
16 statistics. We have asked a simple question.  
17 Here are the people that are doing really well  
18 post-secondary effective rate. Here are the  
19 people not doing so well. Here are the people  
20 with all kinds of risk factors. They have high  
21 numbers of kids that do not speak English. They  
22 have high cumulative poverty, they have high  
23 special ed. Here are districts that have almost  
24 none, their poverty's in the single digits, their  
25 -- most of their kids speak English. You



1 following? And we -- there's the line. There's  
2 our predictive line.

3 So we wanted to predict that most school  
4 districts would fall right upon the line; and  
5 indeed, most do. You can see that, right? Go --  
6 take a look at this. As you -- we want to get  
7 between 70 and 75. So look at this. There's a  
8 school district that is achieving right about 60  
9 percent post-secondary effective. State average  
10 was 44.6, do you remember? They are about at 60.  
11 They are not at 70, 75 but you know what they are  
12 going to say at their board meeting? We're above  
13 the state average. They are. They are well above  
14 the state average and they are doing just as we  
15 would predict them to do. Does that make sense?  
16 Their risk factors are fairly low and they're  
17 scoring just as we would predict them to score.  
18 They are doing just as we would predict.

19 How about this school district? Which one's  
20 scoring higher? The first one or the second? The  
21 first one on a factor of 60 percent to 25? I -- I  
22 was eight-man champ, but I had to go play Lawrence  
23 High School, and we got slaughtered. In fact, the  
24 game got called at halftime, it was 55 to nothing.  
25 That's how it looks now when you just go





1 compare schools because, one, we're dealing with a  
2 whole different set of factors than another.  
3 That's what makes Kansas so unique and special.  
4 But both of these school districts are performing  
5 just as we would expect them to perform, given  
6 those seven risk factors. This one just right on  
7 the line, right on the line. Completely different  
8 communities, completely different types of kids.  
9 Both doing well, given the risk factors.

10 Now, here's the magic. Who are these people?  
11 These are school districts and schools that are  
12 out-performing what we would predict them to do.  
13 These are who we love to root for, right? The  
14 underachiever that just does well. The one that  
15 wasn't predicted to win the Super Bowl but comes  
16 out of nowhere to win it. We have some school  
17 districts that are up here. Boom, this is -- this  
18 is a district has lots of risk factors. This is a  
19 district that doesn't have very many but they are  
20 still way out-producing what we would expect. And  
21 the other side of the coin is who are these  
22 districts that are way under-performing what we  
23 would predict them to be.

24 Here's what I want to tell you, we don't know  
25 the answer to the (inaudible.) We know this, 40



1 percent of how people actually score are based  
2 upon those risk factors. 60 percent of how they  
3 score are based upon something else that we don't  
4 know yet. That we do not know yet. We're going  
5 to find out in the next several years through  
6 accreditation model and visitation (inaudible.)  
7 We're going to find out, get some ideas; but we  
8 haven't statistically proven that because these  
9 are small schools, big schools. Western Kansas  
10 schools, southeast Kansas schools, urban, they are  
11 all over. So are these. So we don't know. We  
12 just know that some are. A lot are right here  
13 where we would predict and there's a few here and  
14 there's a few here.

15 We don't know all the factors here, but we see  
16 one thing that stands out to us. We can't say  
17 it's causation; we just see one thing that jumps  
18 out. And that -- those that are way low on their  
19 post-secondary effective rate, remember I'm going  
20 to come back. That is this number right here,  
21 blue line, the ones that are under-performing what  
22 we would say they would do right here tend to have  
23 large scale virtual schools. Is that causation?  
24 No. Do we have empirical data? No. I'm sharing  
25 with you our first look at that tends to show that



1 -- and when I say large scale I'm not talking  
2 about targeted programs for my kids only; like,  
3 would your kid like to take German? We don't  
4 offer German, let this student take it on line,  
5 no.

6 I'm talking about large scale where in some  
7 cases the virtual school that they are running is  
8 larger than their brick and mortar school. I  
9 mean, when I say large scale. We have a lot of  
10 research to do on the virtual school side of it.  
11 I'm just telling you that it appears that when you  
12 look at graduation rate and post-secondary  
13 effectiveness, that tends to be something we  
14 notice. We don't notice anything we can -- we can  
15 put our hands on here because you'll see private,  
16 you'll see public, you'll see western, you'll see  
17 small, you'll see large, you'll see everything in  
18 between.

19 I have given you a lot of information. You  
20 have to wrestle with policy. Senator Denning, I  
21 thank you, the state board, many of them are here  
22 today. Thank you for your leadership. Senator  
23 Baumgardner for your leadership in K-12 committee,  
24 we spent a lot of time together. We're here,  
25 we're all here to show you that we want to be a



1 partner. We want to be the accountability partner  
2 as you think about school funding formula, how we  
3 hold our school, our accredited schools  
4 accountable and at the end of the day, this is  
5 what we're after, isn't it? The success of each  
6 student. The success. That's what drives us.  
7 That's what drives our work every day. So with  
8 that I'm probably -- I've exceeded my knowledge  
9 and time I'm sure. I'd be -- I'd be happy to  
10 answer any questions, Mr. Chairman, that you have.

11 CHAIRMAN DENNING: Thank you, Randy.  
12 Committee. Senator Petty.

13 SENATOR PETTY: Thank you, Mr. Chairman.  
14 And thank you, Mr. Watson, for the presentation.  
15 It really is a lot of great information to digest  
16 and look over. I was just -- I have a couple of  
17 questions. One, when you were talking about high  
18 school graduation rate, so that is -- I think you  
19 expound on that, that that is is based -- for  
20 every high school, it's based on who comes in as a  
21 freshman, not who goes out as a senior?

22 RANDY WATSON: Senator Petty, they are  
23 very -- it's a federal definition so we call it a  
24 four year cohort meaning you must graduate within  
25 the four years of your high school education. If



1 it takes you six you're not counted as a graduate.  
2 So it would be the students that starts as a  
3 freshman, if they transfer to another accredited  
4 school -- so I'm at Lawrence High School and I  
5 transfer to Kansas City Turner, that -- that then  
6 becomes part of Kansas City Turner's total for  
7 graduation. That make sense? They are now  
8 counted at Kansas City Turner. But it's those  
9 students then that start that minus your ins and  
10 outs that graduate four years later.

11 SENATOR PETTY: So in that if Turner  
12 didn't lose anyone they could have a higher than  
13 hundred percent; but Lawrence, if they didn't gain  
14 any, they would have a lesser percentage?

15 RANDY WATSON: That's a great question.  
16 No, we balance for that. So what happens is,  
17 sure, let's say you start with a hundred students  
18 and then Turner gains 25 and they lose no one.  
19 Well, now your classification becomes 20, 125. It  
20 grows with that cohort. That cohort may drop a  
21 little and may grow a little because of what we  
22 call legitimate transfers between schools. It's  
23 only those that -- that drop out or go -- now also  
24 go to an unaccredited school, those would show as  
25 a non-graduate although the student technically



1 didn't drop out. That's a great question,  
2 Senator. Thank you.

3 SENATOR PETTY: Thank you. And then my  
4 second one is, what is the cost of implementing  
5 the state board's accountability plan?

6 RANDY WATSON: That's a great question.  
7 The state board wrestled with that. They put  
8 together a budget and they looked at two things.  
9 As you know, the state board is required by law to  
10 submit an annual budget to the Governor and the  
11 legislature; and when they looked at that they  
12 took this work that they were doing and they took  
13 at that time the three judge panel because the  
14 Supreme Court had not ruled on the case when they  
15 built the budget, and said -- and their message is  
16 that it would be about 850 million over two years  
17 to accomplish this.

18 SENATOR PETTY: Thank you.

19 CHAIRMAN DENNING: Senator Baumgardner.

20 SENATOR BAUMGARDNER: Thank you, Mr.  
21 Chair and thank you so much for your presentation  
22 today. I'm going to start with just some -- some  
23 data requests and I really want to hone in on the  
24 area that I know is of concern to folks and that's  
25 (inaudible) the large scale virtual schools.



1 Could you guys over with the Department of Ed get  
2 us information about what are the actual  
3 demographics of kids that are in virtual schools?  
4 How many kids in each of the different grade  
5 levels are studying in virtual schools; and I  
6 guess what I'm really also concerned about is  
7 could we get some data as far as do we have kids  
8 in virtual schools that receive -- the district  
9 gets the funding for the -- them being a virtual  
10 student but perhaps they are eligible for free and  
11 reduced or being at risk and the district's not  
12 getting funding for that. And I guess that data  
13 would be based on if they had been in brick and  
14 mortar district and were eligible at the time.  
15 And then I guess the last thing that I would be  
16 curious about is the context of do we know state  
17 assessment levels, whether they achieve or didn't  
18 achieve prior to starting in a virtual, and I'm  
19 just not sure how much as far as virtual students  
20 we're actually tracking, the type of data that we  
21 could if they were in brick and mortar.

22 RANDY WATSON: Let me give you a couple  
23 snapshots and I'll be happy to get as much data as  
24 I can. In some cases, some school districts run  
25 their virtual schools as a separate school and



1 others incorporate it within their school. So it  
2 may be difficult in the districts that just  
3 incorporate it into their school, it's hard for us  
4 to break out. We can't tell the difference.

5 (Inaudible) audit did a study it said on student  
6 achievement and there didn't seem to be any  
7 difference between a brick and mortar and a  
8 virtual student. So I would refer you back to  
9 that study. I know that our book on post-  
10 secondary effective rates may indicate, and again,  
11 I want to use the word may -- I will try to get  
12 that data for you. I don't know how much we will  
13 have, but I will get whatever we can and I'll be  
14 happy to share with you and the chair as soon as I  
15 can get that to you. Certainly some of the at  
16 risk things we can -- we can find out.

17 CHAIRMAN DENNING: Senator (inaudible).

18 SENATOR (inaudible): Thank you, Mr.  
19 Chair, and thank you for your presentation today.  
20 I really appreciate it. I have a question on your  
21 risk factors. In the area of chronic absenteeism  
22 and mobility do you drill down into subsets of  
23 data? For example, a lot of areas in the state  
24 have a high population of foster children and they  
25 move around a lot. So do you in your analysis, do





1 you drill down to that level?

2 RANDY WATSON: No, but here's what we  
3 know. So let's use foster children because they  
4 do, once you start moving -- I'll just use an easy  
5 one -- let's say you never move, all right?  
6 You've been in -- in Parsons, Kansas, every -- but  
7 when you leave elementary and go to middle school  
8 that's a risk and you'll see kids, right,  
9 struggle. When I go from middle school to high  
10 school, that's a risk. So whenever you move it's  
11 a risk. When you -- and foster children move a  
12 lot. They are at high risk by that very nature.  
13 But we didn't disaggregate by foster children or  
14 not. We just know that if you -- the more you  
15 move the higher -- the higher the likelihood is  
16 that you do not graduate high school and you do  
17 not go on to (inaudible.)

18 SENATOR (inaudible): And I have one  
19 other question, Mr. Chair. You know in your home  
20 town of Coffeyville.

21 RANDY WATSON: Yes, sir.

22 SENATOR (inaudible): Have a fantastic  
23 early childhood program.

24 RANDY WATSON: Well I'm proud (inaudible)  
25 for that.



Building Information Technology Solutions

1           SENATOR (inaudible): And they been doing  
2 it long enough where in the elementary school they  
3 are seeing a difference of the -- in those  
4 children that have gone through that early  
5 childhood development process in terms of a  
6 reduction in the amount of bullying, the attitude  
7 that kids take to being in school and they're --  
8 they're -- they're ready to learn. They're  
9 bright-eyed and bushy tailed and ready to go, and  
10 I really think that extremely strong early  
11 childhood development programs will take the time  
12 to develop through the K-12 system, but then that  
13 is one of those areas that can get you up into  
14 that blue area you talk about on the chart.

15           RANDY WATSON: One of the -- one of the  
16 measurements that we do because of time we wanted  
17 to really analyze this, is kindergarten readiness.  
18 I'm very proud of my home school, that's named  
19 after a good family friend of mine, Jerry Ham,  
20 (inaudible.) And that community said, listen,  
21 we're in deep poverty. Most of our parents cannot  
22 -- are not home attending to their kids. We want  
23 to send them. They have a universal Greek  
24 kindergarten for ages three and four all year  
25 round, seven o'clock in the morning to seven



1 o'clock at night, with a variety of funding  
2 sources. That will look different if you're more  
3 in a higher affluent where your parents are at  
4 home. What state board's looking at is, yes, we  
5 think all day kindergarten should be funded and we  
6 think early childhood should be, but probably  
7 should be targeted to those areas that are more in  
8 poverty as you scale up more money; because some  
9 families just need support in the family. We also  
10 (inaudible) faith-based communities where there's  
11 some preschool going on in churches that are  
12 wonderful. So we're trying use all those  
13 community resources and Coffeyville is a wonderful  
14 example of the entire community saying this is  
15 what we want to do.

16 SENATOR (inaudible): Thank you.

17 CHAIRMAN DENNING: Senator Boyette.

18 SENATOR BOYETTE: Thank you, Mr.

19 Chairman, always thankful for you to be here. As  
20 you look at this graph, as we move forward as a  
21 state with the new plan to fund our schools, what  
22 do you anticipate or hope for or expect to see as  
23 a measuring tool for this to -- what kind of  
24 changes should we be looking for to say, we're  
25 being effective. And I know you have your



1 effectiveness rate but it's not like it's going to  
2 change tomorrow. So how do you -- how do you  
3 measure that?

4           RANDY WATSON: So, first of all, I want  
5 to -- you're -- you're exactly right, Senator  
6 Boyette. This is -- none of this data we can do  
7 anything about. This is the rearview mirror.  
8 These kids are already gone; and this summer, this  
9 class of 2010 is going to drop off this data and  
10 the class of 15 is going to (inaudible.) We're  
11 always going to be two years behind because we're  
12 looking two years into that. So we're always in a  
13 rearview mirror. So the appropriate question is,  
14 well then how do we know we're making progress if  
15 it's always two years behind? We can't wait for  
16 that to know. So you're going to be looking first  
17 of all at graduation rates. Our graduation rates  
18 with that class and you can, you know, by -- by  
19 this summer and this fall you're going to be  
20 looking at the class of 2017 and are we increasing  
21 those over time? You can see state wide we've  
22 gone from 81 percent to 86 percent just during  
23 these years. We need to get to about 95. Small  
24 schools oftentimes (inaudible) look at graduation.  
25 Look also at, if I could go back clear to the very



1 beginning, get there. Go back to this chart.  
2 We're going to be looking at these five areas of  
3 how students are doing. I'm going to give you  
4 just a little sneak preview. Academic achievement  
5 -- of the class of -- I'm sorry, the tests we just  
6 took this spring are up slightly in both language  
7 arts and mathematics, that's a good indicator.  
8 It's -- it's just an indicator. It's something  
9 we're monitoring to see are we making that  
10 progress. We're going to need to know how many  
11 kids come to kindergarten ready to learn. We  
12 increase that. Our elementary rates are going to  
13 start to increase on this other measurement. We  
14 need to make sure that every student has an  
15 individual plan of study. Those are things we can  
16 tangibly measure and we're going to be looking at  
17 every school on these factors and these factors,  
18 separating these two we spent a lot of time on  
19 today, on these factors and these factors and  
20 looking at that every year and every school and  
21 every district saying, are they on track to get to  
22 that post-secondary success (inaudible.)

23 SENATOR BOYETTE: So if using this -- so  
24 just for instance an individual plan of study for  
25 every student.



1 RANDY WATSON: It's already in the  
2 (inaudible.), yes.

3 SENATOR BOYETTE: Right. That takes  
4 time.

5 RANDY WATSON: Yes.

6 SENATOR BOYETTE: Which takes resources.

7 RANDY WATSON: Yes.

8 SENATOR BOYETTE: So do you look at  
9 having a base, a foundational amount for every  
10 student, no matter what other risk everything that  
11 there -- there should be so that all these things  
12 can take place for that student. If you took what  
13 we have right now as a foundational amount, do you  
14 see that as enough or do you say --

15 RANDY WATSON: No, it's --

16 SENATOR BOYETTE: It really needs some  
17 more to do those things.

18 RANDY WATSON: Well, there's multiple  
19 factors in that. But if you simply start with  
20 this premise, we have a teacher shortage, right,  
21 teacher shortage and we've dropped an average  
22 teacher's salary from 37 to 47, there's many  
23 factors to that. Money is just one of the many,  
24 many factors. We need to draw in more people into  
25 this profession and salaries are a part of that,



1 that's base state aid, our foundational layer,  
2 whatever we want to call that. The state board  
3 and their budget -- illustrated that over two  
4 years and I think you have that probably. I know  
5 we presented that. So, yes, but if you go -- also  
6 what's going to be needed -- what Kansans told us  
7 and some of our outcomes, social, emotional  
8 growth, school districts are telling us we have  
9 more kids in mental health needs severe that we've  
10 ever seen. That requires more counselors and  
11 social workers. Kansans said they wanted more  
12 counselors and social workers working with kids.  
13 If we were to scale up enough social workers,  
14 counselors and school psychologists at the  
15 recommended ratios, it would be 160 million  
16 dollars just to target that; and we don't have  
17 enough even in the pipeline to go higher. So, so  
18 there are targeted ways to do money and there are  
19 base state aid and obviously we could present you,  
20 you know, we respect your role in doing that and  
21 we just give you some ideas and suggestions for  
22 that. Hope that -- hope that helps (inaudible.)

23 SENATOR BOYETTE: Thank you.

24 CHAIRMAN DENNING: Senator Kerschen.

25 SENATOR KERSCHEN: Thank you, Mr.



1 Chairman. Thank you for your presentation today.  
2 And you mentioned something just a little bit ago  
3 about the teachers' component. So in the total  
4 funding package what percentage is going to be  
5 allocated to teachers? I'll go back to my  
6 district and say, okay, we just raised X number of  
7 millions of dollars and what's the school district  
8 teaching salary (inaudible.) What's going to hand  
9 out there so I can say (inaudible.)

10 RANDY WATSON: That's hard to know  
11 because local school boards obviously have that;  
12 and then what factors into that is how much money  
13 they are currently allocating and what percent are  
14 they currently allocating for instruction. Also  
15 (inaudible) cash reserve but let's just use --  
16 let's say you were to give five percent more money  
17 -- I'm just picking a number out of the air.  
18 Every school district saw their total allocation  
19 go up by five percent. I can tell you when we  
20 would go out and do budget workshops, when Dale  
21 and Craig, and I just kind of tag along and bring  
22 the water on that, we would talk about certainly  
23 we've got to increase salaries to get those up to  
24 be competitive so we drive that market and reward  
25 our great teachers. Kansans said we need more





1 counselors and social workers and school psychs,  
2 we would hope that you would take a look at that  
3 and see if you can start, especially if you're  
4 talking a multiple year plan, you know, phasing  
5 that in. Also we cut, so look -- in some cases I  
6 go to school districts and class size has gone up,  
7 maybe you want to add some teachers, right, to  
8 drop that class size. Interesting enough, I did a  
9 very not scientific at all, I have a group of  
10 teachers on a little (inaudible) called  
11 (inaudible) and I said if you were to get some  
12 more money what would you recommend? What would  
13 you want to say to legislators? There wasn't a  
14 one that said increase my salary, and these are  
15 some of the teachers of the year. They said we  
16 need -- we need more teachers and more resources,  
17 you know, our counselors, we need to lower the  
18 class size. One said I have 28 kids, I can't --  
19 they are too diverse. So I think we look at all  
20 three of them, salary increases, money to the at  
21 risk population in early childhood and counselors  
22 and social workers, and then what do we need to  
23 replace that got cut in order to monitor that  
24 class size? There's a lot of little details in  
25 between that -- local school districts are going



1 to make that determination, Senator, we would try  
2 to give them some general advice.

3 SENATOR KERSCHEN: Randy, could you  
4 explain your position about post-secondary  
5 progress even better indicators of student success  
6 than math and reading scores?

7 RANDY WATSON: Yes. Math and reading  
8 scores are -- that's an academic preparation and  
9 it's one component that makes up future success.  
10 But we all know young people that have a 30 on  
11 their ACT have flopped, and we all know that kids  
12 that had a 17 on their ACT went on to success. We  
13 like to tell those stories, like Bill Gates drops  
14 out of college and he starts Microsoft. Those are  
15 interesting stories but post graduation of high  
16 school encompasses academic skills, cognitive  
17 skills, technical skills, social and emotional  
18 skills and when you go on you have a -- have  
19 brought a package of skills that you bring to the  
20 table for employment or life. We're trying to  
21 measure all of those, Senator, and saying they are  
22 all somewhat equal in that balance so we'll have  
23 kids that we need to work on their math and  
24 reading because it's low. We'll have some  
25 students that's fairly high; they don't get along



1 with anyone, right? They throw tantrums every  
2 day. Well, they are not going to be employable.  
3 We've got to work to help them and their families  
4 on that; so that's why we're looking at all of  
5 these skill sets. When I -- when I talk to  
6 employers and I talk to hundreds of employers from  
7 Cerner to mom and pop shops, they say okay, let's  
8 boil it down. We want someone who shows up on  
9 time, we want someone that gives me a good day's  
10 effort and that can pass a drug test. I said  
11 don't you want someone that can -- no, before you  
12 tell me if they can read or write I want those  
13 three things, Randy. I have a CEO of a  
14 construction company, well, you don't measure that  
15 on standardized test. You measure by other  
16 measures. So we're not about shying away from the  
17 math and reading measurements. We're going to do  
18 that but in the old system that was all we looked  
19 at, Senator. That's all we looked at and as --  
20 while we were doing that just remember while we  
21 were doing that, get there, get there, 44 percent  
22 of our kids were going on to post secondary  
23 success. That's -- that's the no child left  
24 behind era right there. We were at 90 proficient,  
25 that's the -- that's why I say the policy level



1 you want to do that, it's instinctive, right?  
2 Let's not let kids move on past third grade unless  
3 they have these skills. What happens is you --  
4 you test inflate that, though, to get a false  
5 reading so that -- so that you -- you can go -- so  
6 that you can do well. Most wrestlers that wrestle  
7 at a given weight hit that weight upon weighing in  
8 and that's it. Most boxers, right, they weigh in,  
9 they never weigh that again. By the time the  
10 fight comes the next they are ten pounds heavier.  
11 So was that their real weight? Let us measure  
12 those indicators and hold local school boards  
13 accountable using that; and for us, let's look at  
14 those broader measures of where we want to achieve  
15 and let's make this number over the next several  
16 years start moving towards 70 or 75 percent, and  
17 let's ask the question if you're in Dodge City  
18 what -- what your risk factors and how are you  
19 doing compared to that? And if you're in -- if  
20 you're in Haysville, Kansas, what your risk  
21 factors and how are you doing compared to that?  
22 And what we would love, I know the state board  
23 would love in this journey together is that every  
24 year we come back to the Senate and the House and  
25 we give an annual report on how we're doing so.



1           SENATOR KERSCHEN: Randy, you mentioned  
2 that when you measure the results of virtual they  
3 were less than satisfactory. Did the OPA audit  
4 look at something else because they found  
5 different results?

6           RANDY WATSON: They did. They were  
7 looking solely at student achievement on  
8 standardized tests and we were looking at how many  
9 kids graduate high school and go on to either a  
10 vocational technical, community college or four  
11 year. We haven't run all the data so I don't want  
12 to say that's the cause. There are wonder -- and  
13 virtual schools are not the problem. I want to be  
14 clear. Maybe the application of how we've done it  
15 in certain ways might be the issue, where any kid  
16 (inaudible) when you look at targeted programs we  
17 don't see the drop. When you look at people  
18 (inaudible) where you see this are (inaudible)  
19 compared to my brick and mortar I have a large  
20 anyone can come, that's what we're seeing. We  
21 don't know is that causation or is that just  
22 happen to be they were already at risk? I mean,  
23 there are many factors we would need to examine in  
24 that; but it certainly -- we look at something  
25 different than post (inaudible.) And that's why we



1 came up with slightly conclusions. We just  
2 received this April 1 and I shared it -- you were  
3 there with superintendents mid April, so this is  
4 relatively new data for us. Our researchers have  
5 been working on it.

6 CHAIRMAN DENNING: Committee, any further  
7 questions? Bud?

8 BUD: Thank you, Mr. Chairman. I'm sure  
9 you guys have a figure (inaudible) for us, the  
10 schools that need the early childhood development  
11 classes, which I have definitely two big ones in  
12 my area that do, Dodge City has a fabulous  
13 program, I just wish it could handle more kids,  
14 but the cost -- if that was initiated across the  
15 system, do you have an approximate figure for  
16 that?

17 RANDY WATSON: We serve about 7,000  
18 students from what we call four year old at risk  
19 and we have about 37,000 kindergartners. So if  
20 you look at the current House bill that was two  
21 million for five years so a total of ten million,  
22 we get close to serving about 35,000 with 37 over  
23 that five year. So that would be pretty close.  
24 Now there's also parents as teachers where in more  
25 affluent communities they really want a lot of



1 parents as teachers just to help parents keep the  
2 kids at home. So there are other programs that  
3 would certainly help on the four year old at risk,  
4 Senator.

5 BUD: Is that basically talking about  
6 communities that actually (inaudible) every school  
7 district (inaudible.)

8 RANDY WATSON: No, you only get that  
9 money if you have those risk factors. Probably  
10 you'll get slots if you only have those risk  
11 factors. Now go back to the Coffeyville problem,  
12 what's happening, what they are doing is maybe  
13 scaling some things and some parents pay. They  
14 have tribal money that comes in too. So they use  
15 -- you have a Head Start -- here's a Head Start  
16 kid sitting next to a four year old at risk kid  
17 coming from the state, sitting next to a parent  
18 that paid, sitting next to someone else who a  
19 company sponsored and no one knows the difference  
20 except the administrators who are trying to  
21 organize those pots of money. That in many  
22 communities will be the model going forward; but  
23 -- and maybe Dodge and Garden and Liberal, you  
24 know, in that area, but the state money has to go  
25 for those risk factors, it's called at risk for



1 your own at risk money.

2 BUD: (Inaudible.) Thank you.

3 CHAIRMAN DENNING: Any further questions  
4 on this (inaudible) testimony?

5 RANDY WATSON: Senator Denning, thank  
6 you. Thank you again for your leadership. I know  
7 and speak for the state board, they're here  
8 because (inaudible) they want to partner with you.  
9 The accountability is extremely important for them  
10 and they want to do it right for kids and for  
11 families and students and schools and we  
12 appreciate you wrestling here in May how to fund  
13 schools and whatever -- however we can help you we  
14 want to be of help and all the state board would  
15 be at your service any time that you want to talk  
16 to them.

17 CHAIRMAN DENNING: Thank you, Dr. Watson.  
18 (inaudible.)

19 UNIDENTIFIED SPEAKER: (Inaudible) we are  
20 -- been called to the floor at 3:00 p.m. today.  
21 Would it be extremely inconvenient if you came  
22 back tomorrow to do your piece for us? Is that --

23 UNIDENTIFIED SPEAKER: (Inaudible.)

24 UNIDENTIFIED SPEAKER: 8:30 tomorrow.

25 UNIDENTIFIED SPEAKER: Uh-huh, we're





1 going 8:30 to 10 Thursday and Friday but if you  
2 can make it tomorrow it would help us out because  
3 we're going to have to head home down the stairs  
4 here in just a few minutes. Can you make it at  
5 8:30 or not?

6 UNIDENTIFIED SPEAKER: I'm driving up  
7 from Wichita. That's a very early drive.

8 UNIDENTIFIED SPEAKER: You -- you can go  
9 last. Senator King is on this agenda for tomorrow  
10 so we can have you follow him if that would help.

11 UNIDENTIFIED SPEAKER: (Inaudible.)

12 UNIDENTIFIED SPEAKER: Mark, how about  
13 yourself?

14 MARK: I'll be here by 8:30 (inaudible.)

15 UNIDENTIFIED SPEAKER: All right, thanks  
16 for accommodating (inaudible.) Tomorrow it's at  
17 8:30 to 10, same room.

18 (THEREUPON, several people talking at the  
19 same time, transcribable portion of audio ends.)

20 .  
21 .  
22 .  
23 .  
24 .  
25 .



Appimo Biggs

**CERTIFICATE**

**STATE OF KANSAS**

**SS :**

**COUNTY OF SHAWNEE**

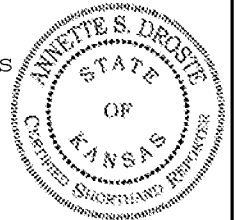
I, Annette S. Droste, a Certified Court Reporter, Commissioned as such by the Supreme Court of the State of Kansas, and authorized to take depositions and administer oaths within said State pursuant to K.S.A 60-228, certify that the foregoing was transcribed from audio CD, and that the foregoing constitutes a true and accurate transcript of the same.

I further certify that I am not related to any of the parties, nor am I an employee of or related to any of the attorneys representing the parties, and I have no financial interest in the outcome of this matter.

Given under my hand and seal this 16th day of June, 2017.

Annette S. Droste

Annette S. Droste, C.C.R No. 1301



MINUTES OF THE SENATE SENATE SELECT COMMITTEE ON EDUCATION FINANCE  
COMMITTEE

The meeting was called to order by Chairperson Jim Denning at 8:30 am on Friday, May 12, 2017, in room 548-S of the Capitol.

All members were present except:

Senator Pat Pettey – Excused

Substitute members:

Senator Laura Kelly, appointed substitute member to the committee

Committee staff present:

Amy Robinson, Kansas Legislative Committee Assistant

Eddie Penner, Legislative Research Department

J.G. Scott, Legislative Research Department

John Hess, Legislative Research Department

Lauren Mendoza, Legislative Research Department

Nick Myers, Office of Revisor of Statutes

Tamera Lawrence, Office of Revisor of Statutes

Conferees appearing before the Committee:

Jeff King, Legislative Counsel

Eddie Penner, Legislative Research Department

Others in attendance:

See Attached List

**Presentation on:**

Chairperson Denning introduced Jeff King, Legislative Counsel. Mr. King spoke to the Committee on what the Supreme Court refers to as the structure and implementation of the school finance system.

Mr. King stated that the Court defines structure as what the formula looks like and implementation as the total dollars spent to enhance the performance of K-12 students. Mr. King stated he used these phrases purposefully, because the Court will consider not just the money spent on the school finance formula, but all expenditures that enhance the performance of students during and after their primary and secondary education. This philosophy is also reflected by the Kansas State Board of Education, which presented to the Committee on how it measures performance, which extends beyond the 12th grade. Likewise, to facilitate compliance with the Court, the Legislature should strongly consider the State Board's work and embrace this broad approach to evaluating student performance. Mr. King stated that, as a practical matter, money spent is part of this judicial consideration, as are all other funds (local, state, federal, and private) spent outside of the Kansas Department of Education that enhance student performance.

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Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 8:30 am on Friday, May 12, 2017, in room 548-S of the Capitol.

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Mr. King discussed that one of the issues with addressing the order issued by the Court is to account for all of the spending that can positively impact student performance. He encourages the Committee to look at not only the details of the formula, but also at the accounting of this spending to ensure that each dollar spent to help student performance is properly considered by the Court.

Mr. King commented that, if the future formula is something similar to the old formula, the Court seemed clear that the Legislature should add money to the formula. This pronouncement does not mean that the Legislature is bound by any specific dollar amount stated by the lower court or other entities given the deficiencies in those calculations (such as the failure to account for LOB, KPERS, and non-state spending) referenced by the Court.

Mr. King discussed the structure of what the Supreme Court has tasked the Legislature to do. He noted that the focus of the Court was on enhancing performance of the roughly 25% of students deemed under performing on a variety of measures.

Mr. King noted that the Court tasked the Legislature with examining a few discrete points. He stated that one was the proper method(s) to assess student performance. Mr. King noted considerable work being undertaken on this task by the State Board and the ability to use that ongoing research when responding to the Court. He also highlighted the need to examine how at-risk funding is used, focusing not only on the amount of such funding, but ensuring it was used in the manner most beneficial to under-performing students.

Mr. King asked the Committee to be mindful of three different points when responding to the most recent *Gannon* ruling:

- How much money the Legislature puts in at-risk programs for under-performing students.
- How that money is targeted to enhance their performance.
- How the Legislature and the State Board account for all dollars spent to enhance the performance of K-12 student, especially those deemed under-performing by criteria determined by the Legislature and/or the State Board.

Mr. King made a point to state that when adequacy is solved, do not forget equity. He asked the Committee, when looking at possible solutions, be mindful that local effort without full equalization has been shown to raise equity concerns to the Court.

Mr. King and Eddie Penner addressed questions from Chairperson Denning and Senators Hensley, McGinn, Baumgardner, Bollier, Kelly, and Estes to clarify Mr. King's testimony.

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CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 8:30 am on Friday, May 12, 2017, in room 548-S of the Capitol.

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**Informational briefing:**

Chairperson Denning called to the podium Eddie Penner with the Legislative Research Department. Mr. Penner presented on reasonably calculating BASE aid and the methodology of using the Midwest CPI (CPI-U Midwest) as an index linked to future increases in BASE aid. He gave the Committee a handout that shows how the CPI-U Midwest index would impact the BASE aid in practice as drafted in the current legislation. (Attachment 1) He used another handout to illustrate the real dollar cost of CPI-U Midwest and other changes envisioned in the bill being debated in House Committee and in a reasonably calculated BASE aid. (Attachment 2) Mr. Penner also provided a memo that explains a method to reasonably calculate a BASE aid that provide all students an opportunity to meet or exceed the *Rose* standards. (Attachment 3)

Senator Bollier referred to the CPI table and questioned if indexing the base to CPI-U Midwest would change the base from year to year. Mr. Penner responded that the base would increase each year in an amount equal to the immediately prior year of the CPI-U Midwest.

Mr. Hensley asked for clarification on the LOB change made by the House Committee.

Senator Bollier asked about federal education spending in Kansas, and how much money Kansas would lose if federal funding were eliminated. Mr. Penner stated he could not address the federal changes and their affects, but did address how they derive CPI numbers.

Senator Kelly asked Mr. Penner how the CPI-U is calculated and how the data can be applied specifically to schools. She asked what other states do and if they use CPI-U data. Mr. Penner discussed CPI-U calculation and further responded that few other states use an inflation index in statute and those that do usually use a regional CPI-U for education issues.

Chairperson Denning asked if the graphs track the state general fund. Mr. Penner stated yes they do. Chairperson Denning asked for clarification on Mr. Penner's efforts to reasonably calculate a BASE aid amount for the end of the two-year budget cycle under consideration by the Legislature and practically how tying that eventual amount to the CPI-U Midwest would impact the reasonable calculation of BASE aid in future years after 2018-19.

Senator Hensley commented to the Committee that **SB146** was on the floor today and he noted the importance of passing this bill as it was vital to maintaining the 20 mill levy for school funding.

Mr. Penner wrapped up his presentation by summarizing the information in his memo. He discussed how the \$4080 was calculated, how the "successful schools" used in that calculation were identified, and what schools were identified. Mr. Penner noted that calculations and weightings were recommended by the Legislative Post Audit Cost Study Report.

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## CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 8:30 am on Friday, May 12, 2017, in room 548-S of the Capitol.

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Mr. Penner described the method of reasonably calculating a BASE aid being placed in the memorandum before the Committee for consideration. He described the basis of the approach (as shown by the scatterplots in the back of the memo) as similar to that outlined by Commissioner Watson in his presentation to the Committee discussing successful schools that outperformed expected student outcomes. The memo calculations started with adding the expenditures from the general fund, supplemental general fund, both at-risk funds, and the bilingual fund, excluding the flow-through aid (which included LOB state aid, capital outlay state aid, and KPERS state aid) and the transportation expenditures. Then, this reasonable-calculation approach applied what the weighted enrollment of the districts would be if the law applied the weightings recommended by the Legislature Post Audit Study. Next, this approach would divide that total expenditure amount by the weighted enrollment calculation based on the cost study. This derives a total per pupil spending amount, which is then divided by 1.4 to account for the fact that LOB spending is approximately 40% of general fund spending. Next, the approach took an average of this spending for the identified "successful schools" to reach a calculated BASE aid of \$4080.

Mr. Penner further stated that the "successful schools" approach derived from a suggestion initiated in the *Augenblick and Myers* study and numerous legislative hearings to calculate BASE aid based on the amount needed by Kansas schools that produced the highest performance above expected results. The achievement measures used to determine these successful schools were: (1) the percentage of students achieving at or above grade level in math and language arts; (2) the percentage of students determined as college-ready in math and language arts; (3) composite ACT scores; and (4) the four-year graduation rate. For each measure, these district results were graphed next to the free lunch percentage in a similar approach used both by KASB and Commissioner Watson and achieving similar results. Two groups of districts were then identified: those that exceeded the overall expected performance every metric and those that exceeded it by at least one standard deviation for a combination of the four metrics. Twenty-six school districts met the first criteria and 30 met the second criteria, with 15 districts satisfying both approaches. Those 41 school districts, listed in the memorandum are the ones from which the \$4080 reasonably calculated BASE aid derived.

Senator Goddard asked for clarification on what schools were used. Mr. Penner answered that the 41 districts were the ones that most succeeded the expected results on these four metrics given their free lunch levels.

Chairperson Denning asked Mr. King if he believed the documents Mr. Penner provided would be considered evidence for the Court in how funding is provided. Mr. King confirmed that all documents presented to the Committee, which would be available online with the minutes, are part of the Legislature's effort to "show its work" to the Court and should be considered part of the legislative record available to the Court.

Chairperson Denning adjourned the meeting.

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# KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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May 12, 2017

**To:** Senate Select Committee on Education Finance

**From:** Edward Penner, Research Analyst

**Re:** Base Amount Calculations

Chairperson Denning requested our office perform calculations to identify a base amount for school finance. The following memorandum summarizes those calculations and provides the result of the calculations.

## Calculating the Spending Level of School Districts

The sum of expenditures from the general fund, supplemental general fund, at-risk funds, and bilingual fund (excluding flow-through aid, transfers and transportation expenditures) was divided by the weighted enrollment according to the weightings recommended by the Legislative Division of Post Audit cost study. This amount was then divided by 1.4, to account for the fact that local option budgets are approximately 40 percent of general fund budgets, to get to a per weighted pupil base amount. The average of those per weighted pupil base amounts of the identified schools was \$4,080.

## Identifying Schools

Four measures were used to identify school districts. The measures used were the percent of students at grade level on state math and English language arts assessments, the percent of students at college and career ready level on state math and English language arts assessments, the average composite ACT score, and the 4 year graduation rate. For each measure, the metric was graphed opposite the percentage of students in that district eligible for free lunch under the National School Lunch Program for every district with 500 or more students. Those graphs were used to identify a line of best fit, and the formula associated with that line was used to determine the expected results of a district at any given percentage of students eligible for free lunch. The actual results of the districts were then compared to the expected results of districts with the same percentage of students eligible for free lunch.

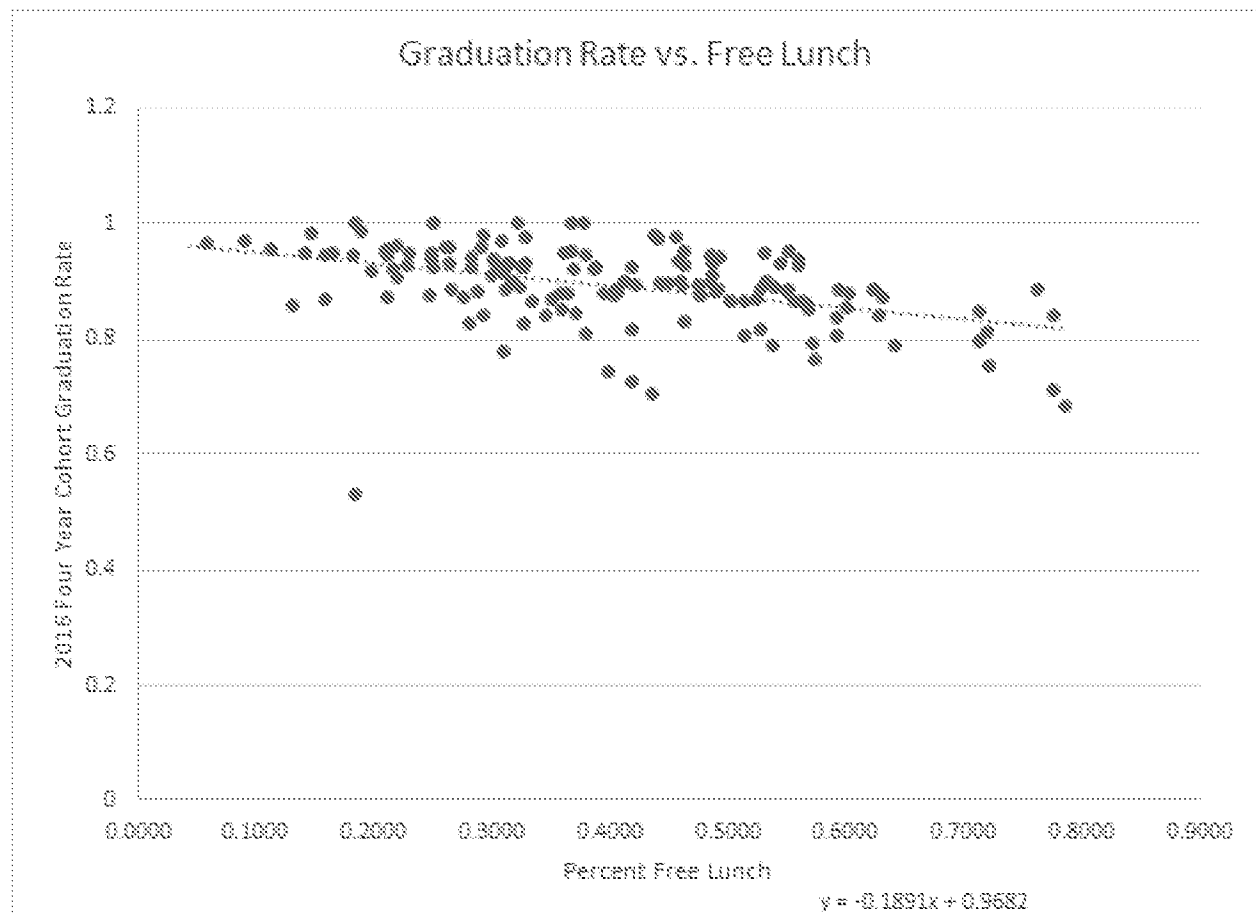
The first set of identified districts were those that exceeded their expected results on all 4 measures; 26 districts were identified using this approach.

The second set of identified districts were those whose average scaled difference on all 4 measures was greater than or equal to 1 standard deviation from the average scaled difference of all districts; 30 districts were identified using this approach.

Because 15 districts were identified using both approaches, a total of 41 districts were identified:

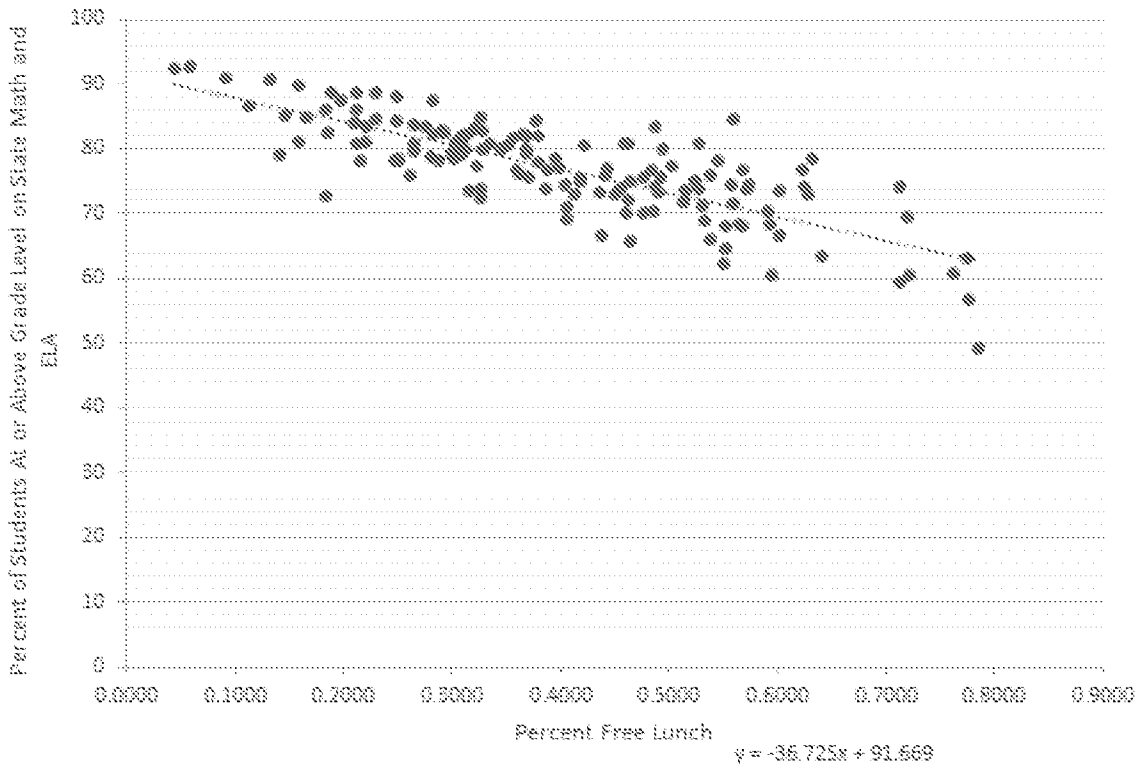
- |                           |                   |                    |
|---------------------------|-------------------|--------------------|
| 109 – Republic County     | 275 – Triplains   | 383 – Manhattan    |
| 110 – Thunder Ridge       | 282 – West Elk    | 388 – Ellis        |
| 113 – Prairie Hills       | 298 – Lincoln     | 389 – Eureka       |
| 212 – Northern Valley     | 305 – Salina      | 390 – Hamilton     |
| 223 – Barnes              | 323 – Rock Creek  | 405 – Lyons        |
| 229 – Blue Valley         | 332 – Cunningham  | 413 – Chanute      |
| 231 – Gardner-Edgerton    | 336 – Holton      | 415 – Hiawatha     |
| 232 – De Soto             | 346 – Jayhawk     | 440 – Halstead     |
| 235 – Uniontown           | 361 – Chaparral   | 445 – Coffeyville  |
| 239 – North Ottawa County | 366 – Woodson     | 446 – Independence |
| 241 – Wallace County      | 371 – Montezuma   | 460 – Hesston      |
| 249 – Frontenac           | 372 – Silver Lake | 503 – Parsons      |
| 268 – Cheney              | 376 – Sterling    | 504 – Oswego       |
| 272 – Waconda             | 380 – Holton      |                    |

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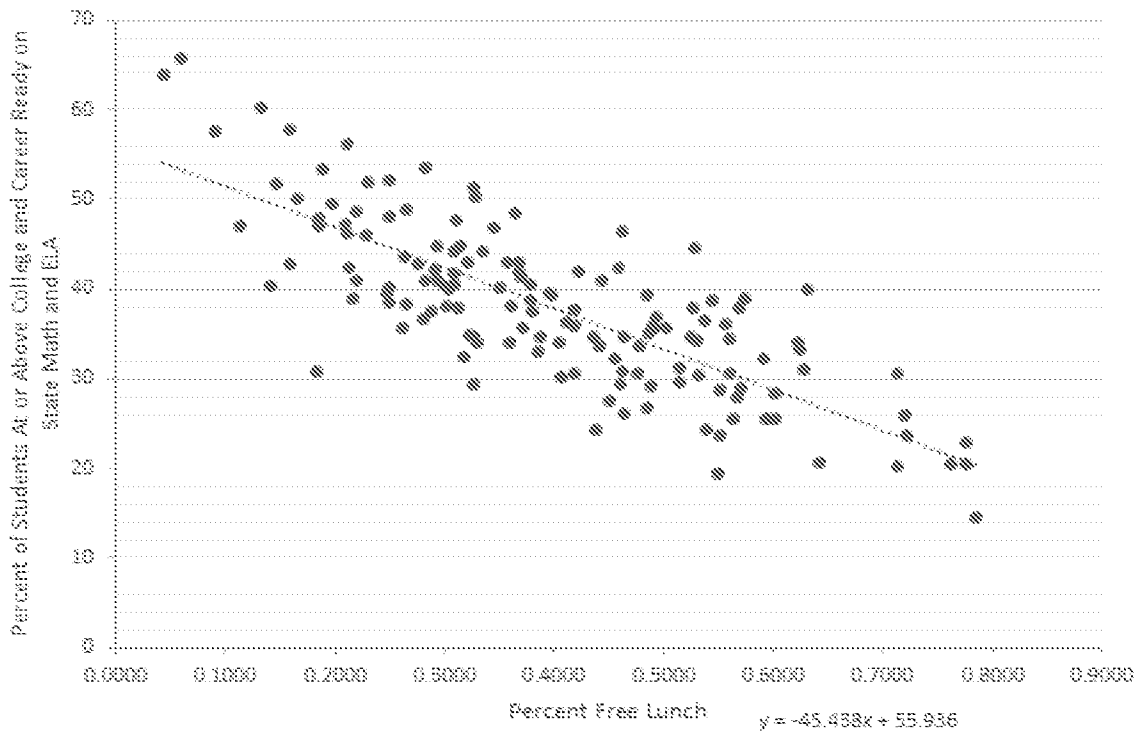




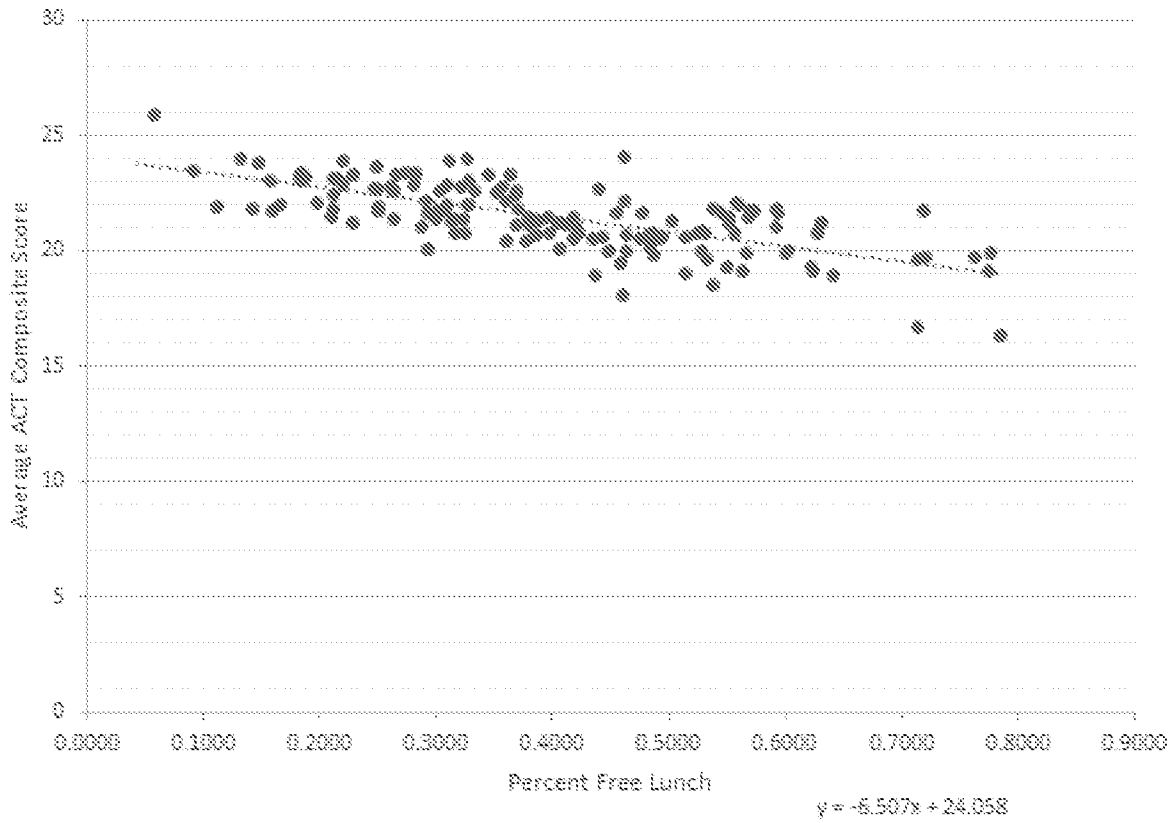
### Grade Level Assessments vs. Free Lunch



### College and Career Ready Assessments vs. Free Lunch



ACT Composite Score vs. Free Lunch



MINUTES OF THE SENATE SENATE SELECT COMMITTEE ON EDUCATION FINANCE  
COMMITTEE

The meeting was called to order by Chairperson Jim Denning at 1:30 pm on Thursday, May 18, 2017, in room 548-S of the Capitol.

All members were present

Committee staff present:

Amy Robinson, Kansas Legislative Committee Assistant  
Eddie Penner, Legislative Research Department  
J.G. Scott, Legislative Research Department  
John Hess, Legislative Research Department  
Lauren Mendoza, Legislative Research Department  
Nick Myers, Office of Revisor of Statutes  
Tamera Lawrence, Office of Revisor of Statutes

Conferees appearing before the Committee:

Tamera Lawrence, Office of Revisor of Statutes  
Eddie Penner, Legislative Research Department  
Jeff King, Legislative Counsel  
Dr. Pat All, Superintendent, USD #233  
Suzan Patton, Superintendent, USD #382  
Tim Danneberg, Director of Communication & Customer Services, City of Olathe  
Cassandra Barton, Insight School & Kansas Virtual Academy  
Dan Burngardt, Superintendent, USD #204  
Mark Tallman, Associate Executive Director, Kansas Association of School Boards  
Dave Trabert, President, Kansas Policy Institute  
Mark Desetti, Legislative and Political Advocacy, KNEA  
Jeremy LaFaver, Alliance for Childhood Education

Others in attendance:

See Attached List

**Hearing on: SB251 — Creating the Kansas school equity and enhancement act.**

Chairperson Denning called the meeting to order.

Tamera Lawrence, Office of Revisor of Statutes, presented **SB 251**. She noted it is very similar to **HB2410**, and discussed the differences between the two. (Attachment 1)

Senators Estes, McGinn, and Hensley asked clarifying questions regarding the utility fee being proposed. Ms. Lawrence answered questions and a discussion ensued on calculating such fees.

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CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 1:30 pm on Thursday, May 18, 2017, in room 548-S of the Capitol.

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Senator McGinn ensued discussion on Capital Outlay calculations. Senator Hensley asked for clarification on worksheets to calculate amounts and Mr. Penner responded that it would come from the Department of Revenue.

Senator Pettey asked for clarification on sunset dates in **SB251** and Ms. Lawrence described the sunsets included in the bill and how they differed from those in **HB2410**. Ms. Lawrence noted that Career Technical and Virtual State Aid memorandum had a typo in the date, but that the document would be corrected immediately for distribution and clarification purposes.

Eddie Penner, Legislative Research Department, discussed and answered questions on the reasonable calculation of BASE aid in **SB251** and the use of CPI-U Midwest indexing for BASE aid in that same bill. In his testimony, and through the presented charts, he showed that the methodology and the BASE aid that generated through the "successful schools" method of calculation was identical to the ones that he previously presented to the Committee. (Attachment 2) (Attachment 3) In response to a question from Senator Bollier, Mr. Penner confirmed that even in the "successful schools" used in this methodology, there are students that have not satisfied the *Rose* standards.

Mr. Penner further noted that **SB251** used a three-year rolling average CPI-U Midwest to index future BASE aid increases, as opposed to the non-averaged CPI-U indexing presented in **HB2410** the previous week in Committee.

Chairperson Denning noted the importance of using the "successful schools" reasonable calculation approach in determining BASE aid. Because this calculation mandated increases in BASE aid greater than CPI-U indexing does not begin until school year 2019-20.

Senator Hensley questioned Mr. Penner on the at-risk spending in **SB251** relative to that in **HB2410** and the amount recommended in the Post Audit study. Mr. Penner responded that **SB251** spent roughly \$23 million less on the at-risk weighting than **HB2410**, which used the at-risk weighting recommended by Post Audit.

Chairperson Denning asked Mr. King to assess the legal implication of the "successful schools" approach for reasonably calculating BASE aid. Mr. King testified that this approach followed the Court's request that the Legislature create a funding formula calculated to enhance student performance. Mr. King stated the the "successful schools" approach, combined with the CPI-U indexing "shows the Legislature's work" and illustrates the considerable effort taken and evidence considered by the Legislature in responding to *Gannon's* overall K-12 funding concerns. He further testified that this approach provided a viable method of trying to discern what BASE aid reasonably should be to increase student success and it shows the Committee's work far more than what occurred in past school finance cases.

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CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 1:30 pm on Thursday, May 18, 2017, in room 548-S of the Capitol.

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Chairperson Denning asked Mr. King if the Committee was adequately responding to *Gannon* in other areas such as at-risk/under-performing students, full funding all-day kindergarten school accountability, and producing measurable student performance standards. Mr. King responded that the more you can: (1) target money to at-risk and bilingual funding; (2) insure that this at-risk funding goes to help under-performing students; (3) target these funds to programs and initiatives that best help under-performing students; and (4) properly account for these at-risk funds, the better the school funding formula will likely be viewed by the Court. Mr. King noted that both **SB251** and **HB2410** make many positive steps towards these four goals.

Senators Baumgardner, Goddard, McGinn, and Pettey asked Mr. Penner clarifying questions about KPERs costs associated with **SB251** and the proposed utility fee and related discussions ensued.

With no further questions, Chairperson Denning asked for Testimony to start.

The following conferees were welcomed by Chairperson Denning to present oral testimony for **SB251**:

Dr. Pat All, Superintendent, USD #233 ([Attachment 4](#)) - Dr. All testified about the importance of excellence above the adequacy requirements of the *Rose* standards and beyond funding levels required by the Kansas Supreme court in *Gannon*. She also stated the importance of raising at-risk weighting to 0.484 as recommended by the Post Audit study and included in **HB2410**. She emphasized her desire, and that of her district, to have BASE aid at higher levels than in **SB251** in order to achieve the excellence about which she had previously spoken. She further discussed the increased infrastructure, technology and maintenance costs that supports increased capital outlay funding.

Dr. Suzan Patton, Superintendent, USD #382 ([Attachment 5](#)) - Dr. Patton highlighted the increase in the number of students with social and emotional issues that, at least in her district, warrants a heightened focus on at-risk funding. She stated that she is opposed to **SBS251** because she feels that more BASE aid is needed than contained in this bill in order to achieve excellence for every student, especially given rising costs in health insurance and utilities. She urged the Committee to focus on the funding necessary to help the average student to succeed, not only underprivileged and gifted students.

Tim Danneberg, Director of Communication & Customer Services, City of Olathe ([Attachment 6](#))

Cassandra Barton, Insight School & Kansas Virtual Academy ([Attachment 7](#)) ([Attachment 8](#))

Dr. Dan Burngardt, Superintendent, USD #204 ([Attachment 9](#)) - Dr. Burngardt testified against the sunset for CTE and at-risk funding in **SB251** because, in his opinion, it would discourage districts from making long-term investments that would help students in both categories.

Mark Tallman, Associate Executive Director, Kansas Association of School Boards ([Attachment 10](#))

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CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 1:30 pm on Thursday, May 18, 2017, in room 548-S of the Capitol.

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(Attachment 11) - In addition to providing detailed testimony on the KASB official position and relating that position to the tenets of **SB251**, Mr. Tallman stated that all accounting requirements in **SB251** need to consider the demographic differences between districts. He further stated his belief that keeping the formula in line with inflation is the most important aspect of ensuring adequate funding for schools. He also discussed the positives and negatives of increased uses for capital outlay funds, admitting that his members are divided on the issue.

In response to these capital outlay concerns and a question on the subject by Senator Bollier, Mr. King noted that because equalized increases in capital outlay raises overall funding available to schools, that provision **SB251** likely enhances the overall funding amount for purposes of the Court's adequacy determination. On equity, while Mr. King acknowledged that certain items (such as teacher salaries) could not be included under *Gannon* in capital outlay expenditures, the acknowledged link between a district's capital resources and utility expenses should allay any equity concerns from **SB251**'s capital outlay provision.

Dave Trabert, President, Kansas Policy Institute (Attachment 12)

Mark Desetti, Legislative and Political Advocacy, KNEA (Attachment 13) - Mr. Desetti testified that the targeting of resources in **HB2410** towards under-performing students would be helpful for increasing student performance and responding favorably to *Gannon*. These specific provisions, according to Mr. Desetti, include: raising at-risk weighting to 0.484, fully funding all-day kindergarten (which frees up at-risk funds for other efforts to help under-performing students), increasing bilingual funding and new money for teacher development.

Jeremy LaFaver, Alliance for Childhood Education (Attachment 14)

The following conferees presented written testimony for **SB251**:

Terry Collins, Ed.S. Director of Special Education, Doniphan County Special Ed Coop #616 (Attachment 15)

Dr. Wayne Burke, Superintendent, USD #230 (Attachment 16)

Dr. Cory Gibson, Superintendent of Valley Center, USD #262 (Attachment 17)

Dr. Perry McCabe, Business Manager, Buhler USD 313 (Attachment 18) (Attachment 19) (Attachment 20) (Attachment 21)

Steve Splichal, Superintendent, USD #491 (Attachment 22)

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CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 1:30 pm on Thursday, May 18, 2017, in room 548-S of the Capitol.

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Chairperson Denning adjourned the meeting until Friday, May 19th, 2017 at 8:30am.

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

Mark Desetti  
Senate Select Committee on School Finance  
Substitute for HB 2410  
May 18, 2017

Mr. Chairman, members of the committee, thank you for the opportunity to share our thoughts on Substitute for HB 2410, the school finance bill that was developed by the House K-12 Budget Committee.

We believe that the components of the school finance formula in this bill are sound. As I am sure you know, it is similar to the formula that was repealed with some changes. We believe most of those changes are improvements.

There has been much made of the Court's focus on the lowest performing students in the Gannon decision and Sub for HB 2410 goes a long way to target money to those students.

Specifically, it sets an at-risk weighting factor at the level recommended by the Legislative Post Audit in their examination of school finance. The bill also funds all-day Kindergarten where it is offered and provides funding for pre-school at-risk. Since early intervention is critical to a child's success, many districts use at-risk funds to provide all-day Kindergarten. By funding all-day Kindergarten, other at-risk dollars are now free to be focused on the improvement of all other at-risk programs. These measures combined will go a long way to meeting the Court's emphasis on the lowest performing students.

We also support the provisions on high-density at-risk funding and the at-risk base of 10%. We believe the 10% base is important as it addresses the fact that while funding is generated by poverty, at-risk programs are not exclusively for students in poverty. Districts with a low percentage of students in poverty still need funding to address the needs of their at-risk population.

The bill also targets funding to bilingual students to help them acquire English skills. We support this funding aspect of the formula.

By adding funding for new teacher mentoring programs and professional development programs, the bill will assist teachers in the continuous improvement of their practice as professional educators. We support such funding.

There are parts of the bill that we find troubling.

First, the Local Excellence Budget concerns us. With the Court focused on addressing the lowest performing students and closing the achievement gaps, it seems counter-intuitive to provide access to special funding for the 140 districts with the lowest number of at-risk pupils for enrichment purposes. Every parent wants enrichment opportunities for their children but under this provision funding for such opportunities will only be available to students who are not living in poverty. Would this not exacerbate achievement gaps?



We are also very concerned about the mandate for ABA therapy for students with autism upon parent demand. ABA therapy can be very effective but it is not a “cure” for autism and not necessarily the best option for every student. Additionally ABA therapy is simply not available throughout the state so the mandate would give special rights based on zip code.

ABA therapy today can be considered by an IEP team and can be put into a child’s IEP which is where the decision should remain.

As to the cost of ABA therapy, as a highly intensive one-on-one therapy it is quite expensive. It is for this reason that the legislature mandated that it be part of health insurance plans in Kansas. If a parent with insurance puts a child in ABA therapy, the insurance covers the cost. If it is mandated as part of a school program for an individual student, insurance policies have an out under which such requirements would have to be provided by the school. The money in the fund provided in Sub for HB 2410 would not cover the costs to schools if parents were to exercise their right to demand such therapy. School districts would be responsible for all of the cost.

We appreciate that the ABA mandate is delayed by one year but our concerns will not change. Unless the state were to commit to fully funding the mandate, the mandate should be removed.

Finally we believe that the overall funding in the bill is woefully inadequate. The \$750 million in the bill as it was before the amendments from this Monday is short of what the State Board of Education has indicated is needed and the plaintiff’s had also expressed concern before Monday. We do not believe that the Court will accept the funding levels in Sub for HB 2410 to be adequate.

In the creation of this bill through last Friday, the focus had been on the needs of students. That focus changed on Monday to trying to find a number for a potential tax bill that could easily pass. We believe the funding in Sub for HB 2410 has been constrained by a desire to keep a tax bill politically more attractive.

We would hope that the Legislature would craft a budget and a school finance bill that take care of our state and our children’s education and then assemble a revenue plan to meet those budgets. We know that these are difficult decisions but the 2016 elections demonstrate that the people of Kansas want you to make those difficult decisions and not abandon the greatness that Kansas can and should be.

MINUTES OF THE SENATE SENATE SELECT COMMITTEE ON EDUCATION FINANCE  
COMMITTEE

The meeting was called to order by Chairperson Jim Denning at 8:30 am on Friday, May 19, 2017, in room 548-S of the Capitol.

All members were present

Committee staff present:

Amy Robinson, Kansas Legislative Committee Assistant  
Eddie Penner, Legislative Research Department  
J.G. Scott, Legislative Research Department  
John Hess, Legislative Research Department  
Lauren Mendoza, Legislative Research Department  
Nick Myers, Office of Revisor of Statutes  
Tamera Lawrence, Office of Revisor of Statutes

Conferees appearing before the Committee:

Shawn Sullivan, Director, Ks Division of the Budget  
Senator Mike Peterson, State of Kansas  
Senator Bruce Givens, State of Kansas  
John Allison, Superintendent, Wichita Schools  
Dr. Jamie Finkeldei, Catholic Diocese of Wichita  
Adrienne Runnebaum, Catholic Education Foundation  
Tom Krebs, Education Consultant  
G.A. Buie, United School of Administrators Association  
David Smith, Kansas City, Chief Public Affairs  
Beth Johnson, Overland Park Chamber of Commerce and Economic Development Council  
James P. Zakoura, Esq. Smithyman & Zakoura, Chartered  
Erik Sartorius, League of Municipalities  
Mick Urban, Kansas Gas Service  
Trent Armbrust, Kansas Economic Development Alliance Board of Directors  
Aaron M. Popelka, Kansas Livestock Association  
Darci Meese, WaterOne  
Dorothy Barnett, Climate & Energy Project  
Judy Bellome, AARP  
John Donely, State Farm Bureau

Others in attendance:

See Attached List

**Hearing on: SB251 — Creating the Kansas school equity and enhancement act.**

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CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 8:30 am on Friday, May 19, 2017, in room 548-S of the Capitol.

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Chairperson Denning called the meeting to order.

Tamera Lawrence, Office of Revisor of Statutes, presented the Committee with a revised memorandum including the edits discussed in the previous meeting. ([Attachment 1](#))

Eddie Penner, Legislative Research Department, presented further information on the reasonably calculated BASE aid in **SB251**. Mr. Penner went over the various columns for these runs and how they are used to compare previous totals to the current estimated totals, noting that once new facilities weighting is included, all districts should receive increased funding under **SB251**. ([Attachment 2](#))

Senator Baumgardner asked for clarification on the calculation used for kindergarten weightings with Mr. Penner noting that only kindergarten students who attend all-day kindergarten will be counted as a full FTE for school funding purposes. Senator Pettey asked for further clarification on expenditures regarding **SB521** and what BASE aid was used in that bill.

Senator Bollier asked for clarification on BASE aid and its impact on State KPERS cost. Mr. Penner responded by describing the process used for estimating future state payments for KPERS. Because the State pays for the districts' employers contributions for KPERS, every fall Legislative Research, the Department of Education and the Division of Budget reviews the actual amount of KPERS-covered salary submitted by the districts along with short-term and historical trends to estimate total KPERS contributions needed. In the spring of 2017, this same group met to determine how much school funding increases as pondered in **SB251** and **HB2410** would increase the requisite KPERS employment contributions. Relying on historical data and district testimony regarding the amount of any school funding increase that would be applied to staffing and salary increases, the group estimates a roughly \$22 million increase in required KPERS payments in 2018 alone from the funding increases suggested in **SB251**.

With no further questions, Chairperson Denning began hearing oral testimony on **SB251**:

Senator Mike Peterson, Kansas Senate ([Attachment 3](#))

Senator Bruce Givens, Kansas Senate ([Attachment 4](#)) ([Attachment 5](#))

Dr. John Allison, Superintendent, Wichita Schools ([Attachment 6](#)) - Dr. Allison emphasized the impact in his school districts of funding levels over the past few years. He applauded the increased at-risk and bilingual, pre-K, and all-day kindergarten funding in the legislative proposals, highlighting the increased ESL and under-performing student challenges faced in Wichita. He also noted the impact to teachers, students, staff and local vendors that would derive from schools closing on June 30th, urging the Legislature to take action to avoid that outcome. In response to a question from Chairperson Denning, Dr. Allison testified that the Wichita Board of Education did not go from 30% to 33% LOB

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CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 8:30 am on Friday, May 19, 2017, in room 548-S of the Capitol.

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usage because his Board did not feel that voters would approve such a move. Dr. Allison did testify, in response to a question from Senator Hensley, that he would support an overall K-12 funding increase of \$894 million.

Dr. Jamie Finkeldei, Associate Superintendent, Catholic Diocese of Wichita ([Attachment 7](#))

Adrienne Runnebaum, Catholic Education Foundation ([Attachment 8](#))

Tom Krebs, Education Consultant ([Attachment 9](#))

Dr. G.A. Buie, United School of Administrators Association ([Attachment 10](#)) - Dr. Buie applauded the Legislature for its efforts in **SB251** and **HB2410** to increase funding for under-performing students and to work with the Kansas State Board of Education's efforts to increase student performance. He testified as the need to increase funding above the level proved in **SB251** in order to hire new counselors, social workers, and other staff to address the social and emotional needs of many students, as well as new teachers to reduce class sizes for under-performing students. He further emphasized the need to finalize the school finance formula and resolve at least this phase of the *Gannon* lawsuit as quickly as possible.

In response to a question from Senator Bollier, he testified that the standards articulated by the State Board exceed the *Rose* standards. He said that his committee that worked on school finance reform felt the *Rose* standards were minimal ones, while the State Board guidelines required excellence. In response to a question from Senator Pettey, he expressed concern about expanding the use of capital outlay funds for utility expenditures, fearing that such use would reduce funds available for anticipated emergencies. In response to a question from Senator Baumgardner, he discussed their examination of free lunch as a proxy for under-performing students and, while acknowledging that it was not a perfect proxy, revealed that it was accurate to within 6-7% on average. In response to a question from Senator Hensley, Dr. Buie agreed that the election requirement to exceed 30% utilization for the LOB likely kept many districts from exceeding this amount of spending.

Shawn Sullivan, Director, Kansas Division of the Budget ([Attachment 11](#))

David Smith, Kansas City Public Schools, Chief Public Affairs ([Attachment 12](#))

Beth Johnson, Overland Park Chamber of Commerce and Economic Development Council ([Attachment 13](#))

James P. Zakoura, Esq. Smithyman & Zakoura, Chartered ([Attachment 14](#))

Erik Satorius, Executive Director, League of Municipalities ([Attachment 15](#))

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Mich Urban, Kansas Gas Service ([Attachment 16](#))

Trent Armbrust, Kansas Economic Development Alliance Board of Directors ([Attachment 17](#))

Aaron M. Popelka, Kansas Livestock Association ([Attachment 18](#))

Darci Meese, Manager Legal/Government Relations, WaterOne ([Attachment 19](#))

Dorothy Barnett, Executive Director, Climate & Energy Project ([Attachment 20](#))

Judy Bellome, AARP ([Attachment 21](#))

John Donely, State Farm Bureau ([Attachment 22](#))

Chairperson Denning thanked the conferees. He noted that Dodie Welshire, a representative of Blue Valley, had additional information to provide at the Committee's request regarding the number of at-risk and underachieving students in Blue Valley schools and her perceived rationale for the minimum 10% at-risk student count in **SB251**. ([Attachment 23](#)) In 2015-16 school year, Blue Valley had 1215 students on free lunch and 4346 under-performing students that qualified for at-risk services. Her perception is that free lunch qualification is a good proxy for most districts when measuring under-performing students but fails to work as effectively for districts with extremely low numbers of free lunch students.

Senator Hensley submitted a letter for the record from Representative Ward and himself that was written to the Speaker and the President of the Senate. ([Attachment 24](#)) Senator Hensley also submitted a document from Dale Dennis, KSDE, for the record. ([Attachment 25](#))

Chairperson Denning stated that Monday the Committee will start working the bill.

Senator Baumgardner cautioned that each set of runs is a draft and does not always include everything and should be used as a guide and not a bottom line. She noted that Monday they will have a new set of numbers with changes. Senator Hensley concurred with Senator Baumgardner and noted even though things change, they were provided as a starting point.

Senator Hensley asked the Chairperson how long testimony could be submitted for. Chairperson Denning responded that the Committee would be taking testimony up until Monday.

The following conferees presented written testimony for **SB251**:

Stuart Little, Shawnee Mission School District ([Attachment 26](#))

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Michael Schuttloffel, Kansas Catholic Conference ([Attachment 27](#))

Denise Sultz, Kansas Parent Teacher Association ([Attachment 28](#))

Dr. Kelly Arnberger, Superintendent, USD 482 ([Attachment 29](#))

Kenneth Harshberger, Superintendent, Meade USD #226 ([Attachment 30](#))

Zeke Rash, Principal of Kansas Connections Academy ([Attachment 31](#))

Ashely Sherard, Lenexa Chamber of Commerce ([Attachment 32](#))

Dr. Mike Slagle, Deputy Superintendent, USD 229 Blue Valley Schools ([Attachment 33](#))

Douglas Powers, Assistant Superintendent of Business & Public Relations, USD 202 ([Attachment 34](#))

David Bleakley, Colt Energy ([Attachment 35](#))

Brandi Fisher, Executive Director, Main Stream Coalition ([Attachment 36](#))

Ken Evans, Strategic Communications Director, City of Wichita ([Attachment 37](#))

Jeff Glendenning, Americans for Prosperity ([Attachment 38](#))

Jason Watkins, Wichita Regional Chamber of Commerce ([Attachment 39](#))

Phil Frick, Eastern Kansas Oil & Gas Association ([Attachment 40](#))

Don Henry, Public Works & Utilities, City of Wichita ([Attachment 41](#))

John Donely, Kansas Corn Growers Association ([Attachment 42](#))

Pam Stranathan, Superintendent, USD 231 ([Attachment 43](#))

Patrick Vogelsberg, Kansas Association of Realtors ([Attachment 44](#))

Gary Harshberger, Kansas Water Authority ([Attachment 45](#))

Damon Ward, Director of Tax, Spirit Aerosystems ([Attachment 46](#))

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Donald Roberts, Mayor, City of Edgerton ([Attachment 47](#))

Michael Webb, City Manager, City of Edwardsville ([Attachment 48](#))

Daron Hall, City Manager, City of Pittsburg ([Attachment 49](#))

Edward Cross, President, Ks Independent Oil & Gas Association ([Attachment 50](#))

Bill Brady, Schools For Fair Funding ([Attachment 51](#))

Kirk Heger, President, Southwest Kansas Irrigation Association ([Attachment 52](#))

Doug Smith, City of Garden City, Smith & Associates, Inc. ([Attachment 53](#))

Matt Allen, City Manager, City of Garden City ([Attachment 54](#))

Bishop Wade Moore, Jr., President, Success for Kansas Students ([Attachment 55](#))

Chairperson Denning adjourned the meeting until Monday, May 22nd, 2017 at 1:30pm.

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MINUTES OF THE SENATE SENATE SELECT COMMITTEE ON EDUCATION FINANCE  
COMMITTEE

The meeting was called to order by Chairperson Jim Denning at 1:30 pm on Monday, May 22, 2017, in room 548-S of the Capitol.

All members were present

Committee staff present:

Amy Robinson, Kansas Legislative Committee Assistant  
Eddie Penner, Legislative Research Department  
J.G. Scott, Legislative Research Department  
John Hess, Legislative Research Department  
Lauren Mendoza, Legislative Research Department  
Nick Myers, Office of Revisor of Statutes  
Tamera Lawrence, Office of Revisor of Statutes

Conferees appearing before the Committee:

Tamera Lawrence, Office of Revisor of Statutes  
Jason Long, Office of Revisor of Statutes  
Jeff King, Legislative Counsel  
Dr. Randy Watson, Commissioner, Kansas State Department of Education  
Dale Dennis, Deputy Commissioner, Kansas State Department of Education

Others in attendance:

See Attached List

**Possible action on bills previously heard SB251 — Creating the Kansas school equity and enhancement act.**

Chairperson Denning called the meeting to order. He noted that today the Committee will be asking questions to staff and when there are no more questions they would look at amendments.

Tamera Lawrence testified regarding her document presented to the Committee outlining the components of **SB251** and took questions from the Committee on those components. (Attachment 1)

Senator Bollier asked for clarification on out-of-state Students totals and funding for **SB251**. Senator Goddard expressed his concern, commented that one school in his district has 40 students that come from other states, most of which are students of district employees or local landowners.

Senators McGinn, Hensley, and Pettey asked for clarification on transportation of out-of-state students and about the 2.5 mile rule. Mr. Dale Dennis, KSDE, answered these questions on how these students are counted, noting that there are 624 out-of-state students attending Kansas schools. Senator

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CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 1:30 pm on Monday, May 22, 2017, in room 548-S of the Capitol.

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Baumgardner discussed these students and their weightings, clarifying that Kansas does not send money for children to get to school outside of the state. She stated the Committee should be mindful that Kansas taxpayers are paying for these students.

Senator Pettey asked for clarification on excellence scholarships, kindergarten enrollment counts, the 20 mill tax levy, and the proposed surcharge on utility fees. She also raised questions on bilingual funds, leading Ms. Lawrence to note that **SB251** requires bilingual weighting to be used for ESL instruction in various new sections of **SB251**.

A discussion on transportation weighting ensued. Mr. Long noted that under the CLASS Act, transportation weighting was repealed, but with the re-implementation of a transportation weighting in **SB251**, the language from the prior formula is being reinstated.

Senator Estes asked for clarification on the process of what happens to the bill if it's found unconstitutional. Mr. King addressed Senator Estes' questions by discussing the potential for the Court to sever disfavored portions of the bill (as it did at least temporarily in *Montoy*) and retain the rest of the bill if it chose to do so.

Senator Hensley asked Mr. Penner to provide calculations similar to what he did for the House K-12 Budget Committee regarding the impact of **SB251** on BASE aid over the next five years with an assumed 1.5% CPI-U Midwest during that time. Mr. Penner agreed to do so.

Senator Baumgardner asked Dr. Randy Watson, Commissioner of KSDE, to the podium to answer questions. In response to her question, he testified that **SB251** would add \$2 million to 4-year old at-risk pre-K funding, which would be used to increase the number of students who could participate in that program. He emphasized that through the statewide listening initiative undertaken by the State Board, Kansans supported a variety of approaches for addressing community pre-K needs with the opportunities provided by 4-year old at-risk pre-K being just one of these possibilities.

Responding to another question from Senator Baumgardner, Dr. Watson stated that regarding federal funds, the Title programs, special education dollars and accreditation monies could be placed in jeopardy if schools closed on June 30th, while conceding that he was not a legal expert in this area.

Senator Baumgardner asked how the KSDE is going to quantify the *Rose* standards. Dr. Watson discussed *Rose* as "the underpinnings of the accreditation system." The five areas on which the State Board focuses for student success are: academic skills, cognitive, technical, employ-ability and civic engagement. The State Board has also concluded that social/emotional growth is a valuable component of student growth. He continued that these State Board outcomes were "built on the foundation of the *Rose* capacities," but exceed them in many ways. He noted that failure to meet these *Rose* capacities could lead to loss of school accreditation under new State Board outcome standards. Dr. Watson also

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MINUTES of the Senate Select Committee on Education Finance at 1:30 pm on Monday, May 22, 2017, in room 548-S of the Capitol.

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referenced his presentation in previous Committee meetings. ([Attachment 2](#)) ([Attachment 3](#))

Senator Baumgardner further questioned Dr. Watson on the disadvantages of large one-time increases in K-12 funding as opposed to a multi-year phase-in approach. He answered that the most significant disadvantage of a large single-year funding increase is that the most pressing need of most schools is to hire new personnel, many of which would not be available in such a short period of time regardless of new funding. Dr. Watson further noted that the State Board's funding recommendation was not based off of the most recent *Gannon* ruling from the Kansas Supreme Court, but rather derived from the funding mandates provided by the three-judge panel in the district court. When the State Board set forth their budget, they had a premise that school districts would use such funds within the State Board model to help students be successful in line with the State Board's "complex goals," not the *Rose* standards.

Senator Bollier lauded the efforts of the State Board to measure student success and inquired about the State Board's role in encouraging student success. Dr. Watson testified that the State Board looked beyond high school to measure success, with a goal to raise participation post-secondary education to 75%. He further commented that the system's focus over the last 15 years almost exclusively on reading and math scores has not contributed to long-term student success because such life success is based on far more than such test scores.

Chairperson Denning adjourned the meeting until May 23rd, 2017, at 9AM.

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MINUTES OF THE SENATE SENATE SELECT COMMITTEE ON EDUCATION FINANCE  
COMMITTEE

The meeting was called to order by Chairperson Jim Denning at 9:00 am on Tuesday, May 23, 2017, in room 548-S of the Capitol.

All members were present

Committee staff present:

Amy Robinson, Kansas Legislative Committee Assistant  
J.G. Scott, Legislative Research Department  
John Hess, Legislative Research Department  
Lauren Mendoza, Legislative Research Department  
Nick Myers, Office of Revisor of Statutes  
Tamera Lawrence, Office of Revisor of Statutes

Conferees appearing before the Committee:

Eddie Penner, Legislative Research Department  
Jeff King, Legislative Counsel  
Dave Trabert, President, Kansas Policy Institute  
Dale Dennis, Deputy Commissioner, Kansas State Department of Education

Others in attendance:

See Attached List

**MEETING 1 of 3: 9am-10am SB251 — Creating the Kansas school equity and enhancement act.**

Chairperson Denning opened the meeting up to discuss **SB251**.

Eddie Penner, Legislative Research Department, briefed the Committee on three holdover items from yesterday's meeting. First, he presented a document that lists aid amounts by category and district for 2017-18. (Attachment 1)

Mr. Penner went over the specifics of these categories and answered questions from Chairperson Denning and Senator Pettey on specific dollar amounts in various categories and how the document compares the results of **SB251** with current block grant funding.

Mr. Penner also presented a graph, in response to a question from Senator Hensley, on the impact of CPI-U Midwest indexing on BASE aid in future years. (Attachment 2) Senator Baumgardner asked clarifying questions from Mr. Penner on this inflation index and if there is any correlation on predicted future enrollment presented on the graph. Mr. Penner stated that there was not.

Senator Bollier asked Mr. King if the Legislature should consider LOB funding in meeting the *Gannon*

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MINUTES of the Senate Select Committee on Education Finance at 9:00 am on Tuesday, May 23, 2017, in room 548-S of the Capitol.

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Court's adequacy requirements. Mr. King stated that this analysis has changed in *Gannon* as what existed in *Montoy*, since the Court in the latter case refused to consider LOB in the adequacy analysis, while the *Gannon* Court considers all spending that is reasonably calculated to improve K-12 student performance. Senator Bollier further asked how the Court considers LOB authorization given by the Legislature versus that actually used by local districts. Mr. King answered that the spending that matters to the *Gannon* Court (i.e. spending that improves K-12 performance) is more than that listed on Mr. Penner's chart or included in the school finance formula (i.e. pre-K and social services spending that helps under-performing students). Mr. King further answered that the Court will likely consider increased LOB spending for adequacy purposes and estimate utilization of increased LOB authority (as provided by Mr. Penner) to determine how increased LOB authority will impact actual LOB spending.

Senator Baumgardner asked which fund has higher cash reserves, LOB or State General Fund. Mr. Penner was unsure, but later learned that they were \$16 million and \$128 million respectively. Senator Baumgardner asked Mr. King if the Courts are looking at what funding they have or what fund they expend, asking whether reserves are considered K-12 funding for adequacy purposes. Mr. King acknowledged that this question had received little, if any, consideration by the Court, but felt comfortable in saying that the Court focuses on actual expenditures that help students not the size of district bank accounts.

Chairperson Denning asked Mark Tallman, KASB, to answer Committee questions on a 2014 report examining public school systems finances by states. ([Attachment 3](#))

A discussion ensued on successful states (that surpass Kansas on a number of key performance metrics) and the source of education funds in Kansas compared to other states. Mr. Tallman noted the data is from a report showing that Kansas spends more state dollars and fewer local dollars on K-12 education than most states. Chairperson Denning discussed timely payments and noted that one bump in SGF levels could greatly harm payment timeliness.

Senator Pettey asked Mr. Penner if the districts that would lose funds over **SB251** suffer that fate due to loss of enrollment. He answered that he believes that observation was accurate.

During the Committee meeting on May 22nd, Senator Hensley had requested information concerning what the State Aid and property tax would be if all school districts used their maximum authority for Cost of Living, Capital Outlay, and Local Option Budget. Senator Hensley passed out a document from Dale Dennis, KSBE, that presents a table with the information requested. ([Attachment 4](#)) Senator Bollier questioned why there is a difference between the KLRD totals and KSBE totals. Mr. Penner and Mr. Dennis addressed the differences.

With no further questions the Committee adjourned for a break.

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**MEETING 2 of 3: Upon Recess of Senate A.M. Session-12pm SB251 — Creating the Kansas school equity and enhancement act.**

Chairperson Denning called the meeting to order at 11:15am.

Chairperson Denning asked Dave Trabert to testify on BASE aid. Mr. Trabert recommended amending the bill to at a minimum establish that the math, as explained in his written testimony, only requires BASE aid of \$3,956. (Attachment 5) Chairperson Denning noted that Mr. Trabert's points provided another comprehensive way to reasonably calculate BASE aid at \$3,956 as the threshold for meeting the BASE aid adequacy requirements of *Gannon*.

Senators Pettey and Estes asked clarifying questions from materials presented earlier in day from Mr. Tallman, and a discussion ensued comparing data from different states.

Senator Bollier introduced her first amendment. Amendment #10 addresses High-Density At-Risk counts, allowing districts to have their "high-density" status measured by school building, while also increasing district accountability on the use of these funds by requiring adherence to best practices as determined by the Kansas State Board of Education unless the local district shows improvement on state assessment scores within three years.

The Committee discussed the amendment in detail with Mr. Penner stating that the amendment would likely increase at-risk funding by about \$4 million annually. The Committee supported this additional at-risk funding and agreed that these provisions would add accountability to the bill. Discussion ensued on language and accountability timelines, noting several changes that may need to be included. Senator Bollier asked if the amendment should be withdrawn until changes could be made. Chairperson Denning agreed that it should.

Senator Bollier withdrew amendment #10.

Senator McGinn discussed the career technical education weighting on page 41, noting that the study is at the same time it expires, she would like to move the sunset date out a year later to allow the Legislature the opportunity to consider the study and implement its suggestions before the sunset goes into effect.

*Senator McGinn made a motion to adopt a conceptual amendment that places the sunset date of the career technical weighting out a year. Senator Baumgardner seconded the motion. The amendment passed.*

*Senator McGinn made a motion to adopt a conceptual amendment that adds language on page 53 that pertains to demographics. Senator Pettey seconded the motion.*

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Senator Pettey asked for clarification on what specific demographics would be used. Senator McGinn stated it would come from KDHE, but did not have specifics. Senator McGinn stated she would supply more details after the Committee returned from recess.

Chairperson Denning adjourned the meeting for a break and asked the Committee to return at 1:30pm.

**MEETING 3 of 3: 1:30pm-3:00pm SB251 — Creating the Kansas school equity and enhancement act.**

Senator Estes has several amendments on the utility fee language, however, he feels that it may be best to strike the whole part.

*Senator Estes moved for the utility fee language to be stricken from the bill. Senator McGinn seconded the motion. The amendment passed.*

Senator Bollier discussed reintroducing her previous amendment, and the changes that were made during the break.

*Senator Bollier motioned to adopt amendment #10A, and Senator Baumgardner seconded the motion. (Attachment 6)*

The Committee had questions and asked Jim McNiece, State Board of Education, to help clarify reasons for changing from three to five years the amount of time for schools to show achievement test improvement. He stated that the State Board has established a five-year accreditation cycle that would lend itself well to a five-year review. Under this review, local district's must show either that they have used best practices or provide acceptable reasons for not using them. Discussion ensued about changing the rolling process to a 5-year review. Senator Bollier offered a conceptual amendment that would change the 3-year review process to one occurring with the 5-year accreditation model.

*Senator Bollier motioned to amend amendment #10A. Senator Baumgardner seconded the motion.*

Senator Pettey asked for further clarification on how the districts make the choice to base high-density at-risk weighting on individual schools rather than districts. Senator Baumgardner asked about the specifics of the list of accountability. Senator Hensley stated he would like to have a better understanding of the financial implications of the amendment as it relates to overall spending and impact. Senator Baumgardner asked Scott Frank, Legislative Post Audit, to help explain their review of the additional challenges of urban-poverty versus poverty in rural areas. Mr. Frank discussed laws and how they applied to high-density and free lunch counts. Senator McGinn asked if high-density was the same as high poverty. Mr. Frank noted that high density at-risk refers to a high concentration of students living in poverty and that high poverty (and the qualifications for high-density at-risk) is not limited to urban areas.

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Senator Kerschen asked how many schools would be included in this proposal. Mr. Penner responded that 15 buildings would be able to use the funding that would otherwise not qualify for high-density at-risk weighting. Senator Kerschen stated that he was unsure of the funding because there may be more than the 4 schools that would utilize this change. Senator Baumgardner noted that 148 districts today are eligible for some type of this funding, and is in favor of the amendment. She stated that the Committee heard Randy Watson, KSDE, discuss the problems of not empowering educators and administrators to solve problems at the building level and that this amendment provides more resources and accountability with which to do that. Senator Baumgardner believes this amendment will help individual schools to determine their needs based on the individual school and help them foster programs to help at-risk students.

Senator Bollier moved her amendment. The amendment passed.

Senator McGinn motioned to remove the expiration date for Bilingual and At-Risk Weightings. Senator Hensley seconded the motion.

Discussion ensued on date changes, the reason behind them, and the possibility of providing certainty for this funding by avoiding sunset dates. Chairperson Denning and Senator Baumgardner discussed the need to review components of the bill such as these. Mr. King discussed reasoning behind targeting these sunset dates after the time when the State Board completes studies regarding the optimal programs for helping under-performing students. The Committee discussed making a one-year change as opposed to eliminating it all together.

Senator Pettey discussed having a similar amendment that addresses the date change of the bilingual weighting. Her amendment removes sunsets on the at-risk, bilingual and career technical education (CTE) weighting sections and instead adding a new section requiring that the Legislature review them. Senator Pettey then noted that the previous amendment addressed the Career Technical Education, so that portion of her amendment would not be relevant.

Senator Pettey made a substitute motion to adopt amendment #8. Senator Hensley seconded the motion. The amendment failed. (Attachment 7)

Discussion ensued regarding Senator McGinn's previous conceptual amendment to change sunset dates.

Senator McGinn made a motion to withdraw her previous conceptual amendment. Senator Hensley withdrew his previous second to the motion.

Senator McGinn made a motion to delay the sunset date until after the audit and have a review occur by both House and the Senate Education Committees. Senator Hensley seconded the motion.

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Senator Baumgardner discussed the difference between having sunset dates verses including language that calls for a review that includes hearings. Tamera Lawrence discussed that there is already language in the bill to require reviews and more review could be added into the already existing language. Senator Hensley clarified that language would be added for both House and Senate Education Committees to have hearings and review.

Senator McGinn moved her amendment. Senator Baumgardner seconded. The amendment passed.

Senator Pettey motioned to adopt amendment #9. Senator Bollier seconded the motion. (Attachment 8)

This amendment addresses language for counting kindergarten in the current year. Discussion ensued on kindergarten counts. Senator Baumgardner noted that kindergarten is different in many schools, but in talking with the Commissioner of Education, she believed that having a different count for just kindergarten was unnecessary. Mr. Dennis clarified that he recommends only doing the separate date of a kindergarten count for one year and that it would be unnecessary to do it for longer than that. Senator Baumgardner stated she had a balloon amendment that would work.

Senator Pettey withdrew her amendment. Senator Bollier withdrew her second.

Senator Baumgardner motioned to adopt amendment #14. Senator Pettey seconded the motion. (Attachment 9)

Nick Myers gave a brief explanation of the amendment, noting the balloon would count kindergarten as current year if a district had started all-day kindergarten in the current year. Senator Baumgardner stated that her goal was that if kindergarten students go all day, they would use the head count, and it addressed those that were converting to full day from half day. Senator Baumgardner clarified that this was not only for one year, it would be for future years if school districts convert to full-day kindergarten.

Chairperson Denning stated that due to the many revisions on this amendment the Committee would take a small break while the Revisor of Statues come up with the revisions.

**MEETING CONTINUED: 3:30pm - adjournment SB251 — Creating the Kansas school equity and enhancement act.**

Baumgardner presented a clarification document for amendment #14. (Attachment 10)

Senator Baumgardner motioned to move the previously discussed amendment as revised. Senator Pettey seconded the motion. The amendment passed.

Senator Bollier motioned to adopt amendment #19. Senator Baumgardner seconded the motion.

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(Attachment 11)

Senator Bollier discussed her amendment that requires a Legislative review of certain reports and analysis of weightings and the formula for reasonableness and changes dates on LPA studies. Tamera Lawrence addressed dates and dates that were associated with the LPA report. Senator Baumgardner had a concern with the at-risk review date and questioned if they would have adequate information by then. Senator Baumgardner discussed her concerns with virtual dates, noting she would like the Legislature to address virtual schools sooner rather than later. Senator Pettey concurred with Senator Baumgardner. Senator Bollier discussed her intent of switching the date.

Discussion ensued. Senator Bollier stated she would like to strike the dates on the amendment and change the date back to 2020. Senator Baumgardner requested the Committee adopt the bilingual date as 2018 and stated that LPA noted they would be willing to switch the dates between transportation and bilingual, so as to accommodate the change and not have more than one audit at a time. Tamera Lawrence summarized the changes to the amendment and discussion ensued. Chairperson Denning stated the Revisors would make the changes agreed upon.

Senator Bollier moved the amendment as revised. The amendment passed.

Senator Goddard motioned to adopt amendment #24. Seconded by Senator Estes. (Attachment 12)

Senator Goddard offered an amendment that removes out-of-state student exclusion and who shall be counted and not counted as a student. Senator Goddard stated that this mainly addresses students that live along the borders and noted that these families generally pay taxes in Kansas. He commented that it would be detrimental to school districts and employers to exclude these students. Senator Pettey asked for clarification on the cost of these students. Mr. Penner responded that, based on comments from Dale Dennis, he believed it to be a high of \$3.5 million. Senator Pettey asked if this continues to allow school districts to make decisions about whether to accept such students and it was clarified that they could. Senator Baumgardner discussed weightings and how they address what is required by the Court to adequately address funding for Kansas. She noted that a district can allow out-of-state students, but that Kansas should not fund them through the formula, noting that, for students who are children of employees, this can be a benefit provided by distinct-employers. Discussion ensued on the dollar amounts pertaining to these out-of-state students.

Senator Goddard moved amendment #24. A vote by show of hands was requested. The amendment passed by a vote of 4-2.

Senator Estes motioned to adopt amendment #7. Seconded by Senator Pettey. (Attachment 13)

This amendment is to change language of the tax credit scholarship program to say that on and after

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CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 9:00 am on Tuesday, May 23, 2017, in room 548-S of the Capitol.

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July 1st, 2020 a qualified school should be accredited by the State Board or a national or regional accrediting agency. Mr. Myers summarized these changes and a discussion ensued. Senator Pettey asked if this would be taking away accountability from the State Board of Education. She questioned if the KSBE needs to evaluate outside accreditation agencies to ensure they are a reputable nationally recognized accreditation agency. Senator Baumgardner stated that the KSBE has a list of nationally accredited organizations that can be found on their website. Discussion ensued to clarify language and dates of accreditation, as well as what is classified as a recognized accreditation. Mr. Myers stated the new language after discussion would read on or after July 1st, 2020, a qualified school shall be accredited by the State Board or a national or regional accrediting agency that is recognized by the State Board.

Senator Bollier motioned to adopt a substitute amendment to amendment #7 to change the date to July 1st, 2018. Seconded by Senator Pettey.

Senator Baumgardner and Senator Goddard questioned if accreditation can be accomplished in a year. A discussion ensued on the work and position of the House K-12 Budget Committee.

Senator Bollier moved her amendment. The amendment failed.

Senator Estes moved his amendment. The amendment passed.

Senator Pettey motioned to adopt a conceptual amendment that gives schools 3 years to be accredited. Seconded by Senator Bollier.

This amendment would reverse Senator Estes' amendment. It addresses the tax credit scholarship grandfather schools and would require that these schools be accredited by 2020 by the Kansas State Board of Education. Mr. Myers gave a summary of the amendment. Senator Pettey noted the difference in her amendment and Senator Estes' amendment, stating that who the school is accredited by is different. Senator Estes commented that private schools that want to become certified should not be limited, and he stated he will not vote yes on this amendment. Senator Pettey stated her amendment addresses non-public schools that are not accredited.

Senator Pettey moved to adopt the amendment. The amendment failed.

Chairperson Denning adjourned the meeting until 9am Wednesday morning.

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MINUTES OF THE SENATE SENATE SELECT COMMITTEE ON EDUCATION FINANCE  
COMMITTEE

The meeting was called to order by Chairperson Jim Denning at 9:00 am on Wednesday, May 24, 2017, in room 548-S of the Capitol.

All members were present

Committee staff present:

Amy Robinson, Kansas Legislative Committee Assistant  
J.G. Scott, Legislative Research Department  
John Hess, Legislative Research Department  
Lauren Mendoza, Legislative Research Department  
Nick Myers, Office of Revisor of Statutes  
Tamera Lawrence, Office of Revisor of Statutes

Conferees appearing before the Committee:

Jeff King, Legislative Counsel  
Eddie Penner, Legislative Research Department  
Tamera Lawrence, Revisor of Statutes

Others in attendance:

See Attached List

**Possible action on bills previously heard SB251 — Creating the Kansas school equity and enhancement act.**

No minutes information to display

**MEETING 1: 9-Noon SB251 — Creating the Kansas school equity and enhancement act.**

Chairperson Denning called the meeting to order at 9am. He reviewed the daily agenda, noting the Committee would break for session at 10am, and continue in the afternoon as well if needed.

Chairperson Denning stated he had three conceptual amendments for the Committee. (Attachment 1)

Chairperson Denning motioned to adopt a conceptual amendment that adds a reporting line for the Kansas Department of Education to report by line item the cost per pupil all funds. Seconded by Senator McGinn.

Senator Pettey asked whether the reporting would be by major categories that break out the per pupil funding like Base State Aid, high-density, at-risk, and the other categories identified. Chairperson Denning responded that it was by these major categories and was not broken out by district.

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CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 9:00 am on Wednesday, May 24, 2017, in room 548-S of the Capitol.

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Senator Bollier questioned if districts are going to be able to target money to specific schools for high-density at-risk, how would this be described or reported per pupil. Chairperson Denning stated it would be handled similar to Special Education and wouldn't be appropriated to any district, it would just show spending to help the Legislature and others fully account for all resources being provided to help Kansas kids under each category. Senator Bollier noted she would support the amendment, but wants to ensure the KSBE knows what to report. Discussion ensued to gain clarification on the new reporting line.

Chairperson Denning moved the conceptual amendment as discussed. The amendment passed.

Chairperson Denning motioned to adopt a conceptual amendment for amended appropriation sections. Seconded by Senator McGinn.

This amendment is for technical clean up as requested by KLRD and amends both appropriation sections other than the line items effected by formula pieces of the bill to match the Senate Mega and Omnibus bills.

Senator Bollier asked for clarification if the clean up will happen after the Omnibus bill has passed or before. Senator McGinn responded that if she is understanding it correctly, it will be similar to a reconciliation bill and it helps tie everything together for the books.

Chairperson Denning moved the conceptual amendment. The amendment passed.

Chairperson Denning motioned to approve a conceptual amendment that takes the major categories of funding and split out the appropriation into foundation funding, virtual aid, low and high enrollment, transportation, bilingual, at risk, and career and technical education. Seconded by Senator McGinn.

Chairperson Denning stated this is so we can see the weightings tied to these categories and it adds more transparency in amount and allocation of funding. Senators McGinn, Bollier and Hensley asked clarifying questions. Senator Pettey clarified if the list of major categories will be listed in section 1 and section 2 or a combination. Chairperson Denning responded that section 1 was more for reporting. Senator Hensley noted for the record, when this bill goes to the floor, it would not be subject to the pay-go rule.

Chairperson Denning moved the amendment. The amendment passed.

Senator Baumgardner motioned to adopt Balloon Amendment #22. Seconded by Senator Goddard. (Attachment 2)

Senator Baumgardner stated the purpose is to codify the Committee's intent that at-risk funds are used

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CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 9:00 am on Wednesday, May 24, 2017, in room 548-S of the Capitol.

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for under-performing students in the best manner possible to help those students succeed. She further noted that current law does not ensure the full accounting of all dollars used to help under-performing students. For instance, when school districts use LOB dollars to help under-performing students, some districts run those funds through their at-risk accounts while other fail to do so, making it difficult to fully discern all of the resources dedicated to under-performing student success. She stated that starting on page 40, the amendment would help to ensure the best use of at-risk dollars by stating that the State Board will identify and approve evidence-based best practices for at-risk programs and instruction of students receiving at-risk program services. Senator Baumgardner stated it changes language to distinguish between at-risk students for funding purposes (which are free lunch students) and under-performing students (those who are identified as academically at-risk by the proposed amendment).

Senator McGinn questioned if the amendment locks the school districts into having something that is evidence-based that has to be approved when it could be as simple as after school apples and cookies. She commented this would not be an evidence based program, but that it helps the students. She noted she was concerned that we would get tied up into rigid rules and a definition of at-risk students, taking away the ability of the school to determine how to help their students. Senator Baumgardner responded that the State Board was going to identify and approve best practices and this will serve as a guide to districts for the best use of services specifically targeted to under-performing kids. Senator Baumgardner responded that the KSBE has already worked on this list and she anticipates the list will be expanded as more best practices are identified. Senator McGinn asked if the State Board is going to have this list approved by January 1st, 2018, and had concerns that the amendment boxes individuals into specific practices, not allowing individuals schools to undertake other programs if they feel this is beneficial. Senator Baumgardner noted that she did not feel it would exclude academic freedom on things that may help you teach specifics in lessons, but merely helped to ensure efficient and targeted use of at-risk funds. Senator Baumgardner noted that the State Board identifying best-practices was to help attain accountability. Senator McGinn stated she was troubled with the timeline, as well as feeling this would tie up local school districts.

Senator Estes asked what determines At-Risk students. Senator Baumgardner noted that for funding purposes, at-risk students were determined by qualification for free lunch. To determine under-performing students that are eligible for at-risk services, Senator Baumgardner referred to the presentation the previous week by Dr. Randy Watson. Senator Baumgardner concurred with his opinion on the methods of assessing whether students are under-performing, noting this amendment says the school district will determine what students are under-performing and does not tether funding with whether a parent or guardian fills out a free and reduced lunch form.

Senator Bollier noted that physicians have best-practices for procedures. She noted that physicians are not forced to do those, but they are provided a list of best-practices that have been researched and identified to improve their profession. She noted she likes the amendment as it wasn't requiring anything, and it was to be used as a guide for efficient and targeted assistance to under-performing

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## CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 9:00 am on Wednesday, May 24, 2017, in room 548-S of the Capitol.

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students. Senator Bollier noted that the best-practice list is extensive and has been worked on for a long period of time, and will be a continuing effort of the State Board.

Senator Baumgardner asked for clarification on item D reporting, line 26, are the school districts already doing this. Nick Myers, Revisor of Statutes, stated that was correct.

Mr. King stated when looking at this balloon amendment he would point out three things:

- He agreed with Senator Bolliers description of the purpose, effect and intent of the amendment's linking of the use of at-risk funding to the State Board's list of general best-practices.
- This amendment not as a restriction requiring specific programs, but an assurance that the funds are used efficiently and exclusively for under-performing students.
- There is a difference in practice and in the law between at-risk students for funding purposes (free lunch students) and the students that qualify for at-risk services. The State Board has a worksheet, previously presented to the Committee and used routinely with districts, that does not limit at-risk services to free lunch students. The State Board authorizes such services on criteria that resembles the under-performing students highlighted at by the Court. Thus, Mr. King viewed the amendment as an effective was of targeting at-risk funding towards the students specified by the Court as needing additional funding.

Senator Pettey asked if presently districts are providing total expenditures for programs, but this amendment has the district providing a list of specific programs and services. Senator Baumgardner responded that this was not correct and that if you look at lines 29 and down, the districts will provide total expenditures for the categories. She noted that funds may come from a variety of places, but each category will have the total expenditures from all funds used. Senator Pettey noted she felt this would create overlapping. Discussion ensued to provide clarification.

Senator Bollier noted this amendment would track the funds used and it would not be to add additional funding above that already provided by the bill. She stated the goal is to track and identify total expenditures targeted specifically at under-performing students.

Chairperson Denning allowed the Committee to break for morning Senate Session. The Committee continued working the bill shortly after.

Chairperson Denning stated that the Baumgardner amendment was being revisited to reflect concerns in the earlier discussion and the Committee would revisit it later in the meeting.

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CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 9:00 am on Wednesday, May 24, 2017, in room 548-S of the Capitol.

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Senator McGinn told the Committee she was able to get more information as requested on the demographics to be added to her previous amendment. She would like to add gender, race, ethnicity, and economically disadvantaged, migrant, ELL, students with disabilities, and get attendance and enrollment reports.

Senator McGinn motioned to adopt the conceptual amendment for adding specific demographics that are reported. Senator Baumgardner seconded the motion.

Senator McGinn moved her amendment. The amendment passed.

The Committee revisited the Baumgardner amendment. Senator Baumgardner stated that the amendment simply states the State Board will list best practices as a guide for effective spending on under-performing students by local districts. She is confident, based on previous testimony from Dr. Watson, that the State Board will provide the wide variety of programs and instructional approaches as part of this list. She noted that nothing in the amendment restricts a school from using something that works for them. Senator Baumgardner noted this is a transparency effort and a means that the Legislature and Court can have access to precise financial data to help them make more informed decisions. She stated she is simply asking, regardless of what fund the money came from, the request would be to report total funding for transparency. Tamera Lawrence was asked to address the specific changes that would occur in subsection (d). She stated it was just to clarify the term at-risk students (both for at-risk weighting and program eligibility) for the purpose of the section.

Dale Dennis, KSDE, was asked to the podium to help clarify the amendment. Mr. Dennis discussed the definition of funds, and programs and services. Mr. Dennis noted that this bill strengthens a pre-existing requirement that specific funds such as at-risk weighting be used for their intended purpose. Mr. Dennis stated that the KSDE had no problem providing a list of general practices. He also stated that he did not believe the language change of at-risk would be of any issue.

Senator Hensley wanted to correct a few references discussed today. When stated we have a law, he noted we did not have a current law. He also noted that the definition of free/reduced lunch does not actually include the word reduced. He discussed his concerns with language, noting he agrees with Senator McGinn and has concerns with the language in this amendment, believing the language would require districts to use only best-practices. Senator Baumgardner and the Revisor Of Statutes helped clarify the amendment to address these concerns. Senator McGinn continued to question the language as she understood it to be language that would require only the best-practices listed by the KSDE. Senator McGinn noted that pilot programs are not yet approved as best-practice programs and she thinks this may restrict them. Senator Baumgardner responded with her intent again and asked for Chairperson Denning to provide guidance in moving forward. Chairperson Denning stated he felt she should withdraw the amendment and then work over the lunch hour to clarify language and bring it back later in the day.

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MINUTES of the Senate Select Committee on Education Finance at 9:00 am on Wednesday, May 24, 2017, in room 548-S of the Capitol.

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Senator Baumgardner withdrew her amendment #22. Senator Goddard withdrew his second to the motion.

Senator Hensley passed out a handout that would clarify a 2016 update that addresses state and local taxes. (Attachment 3) He discussed the history behind these changes. Senator Hensley also shared data that shows the higher your AVPP, the better the chances of passing LOB or Capital Outlay increases.

Senator Hensley motioned to adopt a conceptual amendment to return the 10 mills on capital outlay back to 8 mills. Seconded by Senator McGinn.

Senator Hensley believes increasing the mill levy would be a violation of equity and is concerned on the impact this change may have. Chairperson Denning spoke on the reasons behind increasing to 10% and how it would help specific districts if they can not pass property tax because they raise such little money. He noted that the Capital Outlay is equalized in a manner accepted by the Kansas Supreme Court. Chairperson Denning stated he sees more positive outcomes than negatives ones.

Chairperson Denning asked Mr. King to address the issue. Mr. King stated in the *Montoy case* back in 2003-2005, the Court had more concern with the level of LOB and Capital Outlay spending than the *Gannon* Court has expressed. The *Gannon* Court has instead emphasized the level of equalization funding for LOB and Capital Outlay, not on how much total spending derives from local sources. He noted that in the *Gannon*, the Court approved as constitutional Capital Outlay equalized at 75%, and Supplemental LOB funding at 81.2%. He commented that lifting the percentage on an amount on a fund that is equalized at a rate that has already been reviewed and approved by the Court in their equity analysis does not trouble him.

Senator Pettey asked Mr. King to remind the Committee what areas he stated would cause concern to the Courts. They discussed the formula components that utilized unequalized local property tax effort. Senator Pettey asked Mr. King to address the Cost of Living weighting. Mr. King stated that in the old formula there were three unequalized weightings: Cost Of Living, declining enrollment, and ancillary facilities weighting. He noted those 3 weightings were adopted in 2005, stayed by the Court shortly thereafter, and they had the stay permanently lifted in 2006. Senator Pettey and Chairperson Denning discussed equalization details as it pertains to property evaluations.

Senator Hensley noted the amendment did not address the expansion of usage of Capital Outlay to allow for the payment of utilities and property/casualty insurance. He discussed details of this equalization of Capital Outlay and LOB, and the differences. He stated that the usage is expanded, the more the tax cap is increased, he thinks that raises equity concerns. Senator Hensley stated that is why he has offered this amendment. Senator Bollier noted that it has been shown that the current rates are equitable, and unless she hears the Court state differently she does not feel like changes are needed.

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CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 9:00 am on Wednesday, May 24, 2017, in room 548-S of the Capitol.

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Mr. King was asked to discuss Senator Hensley's point about expanding the use of Capital Outlay to include the payment of utility bills. Mr. King stated there was a point that you could expand the use of Capital Outlay (such as permitting those funds to pay teacher salaries) that would likely raise equity concerns. Given the strong link between utilities and property/casualty insurance and capital expenditures, however, he believes the Legislature would have a strong equity position.

Tamera Lawrence, Revisor of Statutes, went over specifics of the bill in regards to what the bill states would fall under Capital Outlay.

Chairperson Denning and Senators McGinn and Hensley discussed the amendment details further.

Senator Hensley moved the amendment. The amendment passed.

The Committee stopped for a lunch break, but will resume at 1:30pm.

**MEETING 2: 1:30pm - adjournment SB251 — Creating the Kansas school equity and enhancement act.**

Chairperson Denning called the meeting to order.

Senator Kerschen motioned to adopt Amendment #29. Seconded by Senator Estes. (Attachment 4)

This amendment excludes Capital Improvement State Aid for extracurricular facilities. The additional language would state the State Board shall exclude payments for any capital improvement project that proposes to construct, reconstruct, or remodel a facility that would be used primarily for extracurricular activities, unless the construction reconstruction or remodeling of such facility is necessary due to concerns relating to safety or disability access. Senator Estes and Senator Bollier asked clarifying questions. Mr. King and Dale Dennis helped address these questions. Mr. Dennis addressed how extracurricular activities tie into the *Rose* standards and graduation rates, noting that there are many ways to improve student achievement and that extracurriculars can play a significant role in that process. Senator Estes asked clarifying questions on the approval process for extra facilities. Senator Pettey asked clarifying questions on what facilities would qualify or be excluded, and Senator Kerschen noted it would be evaluated on a case by case basis. Senator Baumgardner noted that there is a form created by KSDE that addresses these reasons for facility needs.

Senator Kerschen moved his amendment. The amendment passed.

Senator Baumgardner motioned to adopt amendment #22. Seconded by Senator Bollier. (Attachment 5)

This is a revised balloon amendment for at-risk clarifications. She noted that this only addresses

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CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 9:00 am on Wednesday, May 24, 2017, in room 548-S of the Capitol.

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expenditures that come from the at-risk fund. Senator Baumgardner discussed changes that were made from earlier in the day to help clarify language, noting that these changes helped improve the targeting and accounting of at-risk funds discussed in the morning debate.

Senator Baumgardner moved the amendment. The amendment passed.

Senator Bollier discussed her amendments and addressed a history behind her reasoning.

Senator Bollier motioned to adopt amendment #5. Seconded by Chairperson Denning. (Attachment 6)

This amendment is to replace low and high enrollment weighting with a sparsity weighting. She also provided an attachment called Proposed Sparsity Weighting. (Attachment 7) Senator Bollier passed out runs as requested by the Committee. (Attachment 8) Discussion ensued on the need for sparsity weighting. Senator Estes noted that it appears that small schools in his district would be losing funds, and he did not believe the Committee should make a decision on this right away. Senator Goddard agreed that he would like to hear from the school districts that would lose funding from this proposed amendment. Senator Bollier noted she believes the State has not justified in the funding formula why the State has high and low enrollment weighting. She agreed that this may need to be studied, but believes it should be brought forward for discussion. Chairperson Denning noted that the Senate Education Committee is already being instructed through the bill to hold hearings on this in the future. Senator Estes discussed the importance of low enrollment weightings for small districts/schools. Senator Pettey stated she felt this could be part of an interim committee, noting 157 school districts would be adversely effected. Senator Baumgardner referred to yesterday's discussion that spoke on school districts that have out-of-state students and how fellow Committee members noted that these districts would lose money. She stated that almost 1/2 of the out-of-state students came from one county. She learned from this that we need to pass a funding formula and ensure that the Supreme Court is satisfied, however, she feels that more discussion is needed to address why we do what we do. Senator Baumgardner noted that she felt with an important issue such as this, the Committee should be holding hearings and having input from others. Senator Hensley noted he felt this should be brought to the Senate Education Committee next year.

Senator Bollier moved to pass the amendment. The amendment failed.

Senator Baumgardner discussed introducing an amendment for Senator Mike Peterson. Senator Mike Peterson spoke to the Committee last week during testimony about the specific changes. This amendment addresses having a student opportunity scholarship program.

Senator Baumgardner motioned to adopt amendment #3. Seconded by Senator McGinn. (Attachment 9)

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CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 9:00 am on Wednesday, May 24, 2017, in room 548-S of the Capitol.

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Senator Pettey discussed her concerns with students possibly believing high school should take three years. Senator McGinn asked what the core reason would be for introducing this amendment. Senator Baumgardner answered that she believed it was to help students move forward, perhaps in a technical school, and be afforded that opportunity. Senator McGinn asked for clarification on if a high school student graduated in four years what would be the difference if graduating a year early, as well as any differences for virtual students. Senator Baumgardner stated that with the will of the Committee, they can recommend a State department or State Board explore an option instead of the Legislature.

Senator Baumgardner moved her amendment. The amendment failed.

Senator Baumgardner motioned to adopt amendment #13. Seconded by Senator Goddard. (Attachment 10)

Senator Baumgardner discussed how the amendment addresses new special education money distributed on a FTE basis. Senator Baumgardner noted that Senator Givens spoke on this amendment in testimony last week.

Senator Givens was asked to the microphone to discuss the amendment. He discussed issues that arise when all districts get the same amount of funding, when their circumstances are different. He noted that what one district does may affect all other districts, and used an example of a district that decreased their workforce, and how all districts lost funding due to that district's action.

Senator Kerschen asked clarifying questions on where the \$12 million would go under the proposed amendment. Senator Givens responded that it would be distributed by the number of FTE students, instead of being used to increase the percentage of excess cost reimbursement. Senator Goddard and Senator Bollier asked clarifying questions. Senator Kerschen noted that the number was based on all students, and not just special education students. Senator Pettey noted that if passed, we would have two different pots of money. Senator Givens answered his goal was to equalize the funding, noting he did not feel it was fair that districts get the same funding when they have such different circumstances.

Senator Baumgardner moved the amendment. The amendment passed.

Chairperson Denning stated that with no further amendments, the Revisor of Statutes would review all amendments made.

Amendments that were adopted:

- Kindergarten count: allows all-day programs to use this year's student count (rather than the previous year's count) for the first year.

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CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 9:00 am on Wednesday, May 24, 2017, in room 548-S of the Capitol.

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- Out-of-State students remain counted as students for enrollment purposes.
- Sunset provisions and adding Legislative review for Bilingual and At-Risk weightings by both House and Senate Education Committees.
- Sunset changes to the Career Technical Education weighting.
- High-density at-risk weighting (10A) clarification.
- Adding Legislative reviews of reports such as LPA reports.
- Removal of the utility fee.
- Tax credit scholarship program clarifications.
- Reports list by line item per pupil.
- Appropriations to correct the fund names and numbers to match.
- Lists categories for funds, so a breakdown of state aid could be viewed.
- Adding specific demographics for reporting purposes.
- Reversing 10 mills back to 8 mills for Capitol Outlay.
- Exclude capital improvement state aid for extracurricular facilities.
- Language changes for at-risk to improve the accounting and targeting of funds used to help under-performing students.
- New Special Education money distributed on FTE basis rather than being used to reimburse excess costs.

Senator Bollier stated for the record that it is important when looking at school funding, we should not limit local money. It's about all of our students having opportunities.

Senator Pettey discussed that this Committee should vet the tax policy in **SB146** that no longer allows the exemption of the 20 mills tax levy. She feels it is a major tax policy and it's short sighted. She

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CONTINUATION SHEET

MINUTES of the Senate Select Committee on Education Finance at 9:00 am on Wednesday, May 24, 2017, in room 548-S of the Capitol.

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commented they need more information regarding this change. Senator Hensley noted that she should bring this to the floor. Chairperson Denning stated it was vetted in the Tax Committee.

Senator McGinn motioned to remove the contents of HB2186 and add the contents of SB251, as amended by the Committee, into the bill, allowing Revisor of Statutes staff to make changes discussed. Seconded by Senator Hensley.

Senator McGinn motioned to move SB251 as amended into HB2186 as a substitute bill. Seconded by Senator Hensley.

Senator McGinn moved Senate Sub. for HB2186 pass out favorably. Senate Sub. for HB2186 passed unanimously.

Chairperson Denning thanked everyone on the Committee and the staff for all the hard work. He then adjourned the meeting.

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MINUTES OF THE HOUSE K-12 EDUCATION BUDGET COMMITTEE

The meeting was called to order by Chairperson Larry Campbell at 1:45 pm on Tuesday, March 14, 2017, in room 346-S of the Capitol.

All members were present except:

Representative Henry Helgerson – Excused

Substitute members:

Representative Jim Ward, appointed substitute member to the committee

Committee staff present:

Dana Rooney, Kansas Legislative Committee Assistant

Edward Penner, Legislative Research Department

Jason Long, Office of Revisor of Statutes

Conferees appearing before the Committee:

No conferees present

Others in attendance:

See Attached List

Chairperson Campbell opened the meeting and welcomed everyone and announced that Representative Jim Ward would be replacing Representative Helgerson today.

He announced the hearing scheduled for today has been moved to tomorrow.

Chairperson Campbell asked for approval of the minutes for March 6, 7, and 8. Representative Trimmer moved the minutes be approved, Representative Huebert seconded, motion carried.

**Discussion on:**  
**School Finance**

Chairperson Campbell asked the stakeholders in the audience to feel free to comment during the discussion today.

Representative Aurand was asked by Chairperson Campbell to lead the Committee's discussion on pieces of the finance plan and Representative Aurand returned to yesterday's discussion of at-risk students receiving free lunch. Mark Tallman, Kansas Association of School Boards, made comments to the Committee concerning the challenges of establishing an accurate proxy for at-risk students. Representative Winn asked a question about having under-performing students who might not receive

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## CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 1:45 pm on Tuesday, March 14, 2017, in room 346-S of the Capitol.

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at-risk funding if the free lunch proxy were changed that was answered by Dale Dennis, Deputy Commissioner, State Department of Education. Other Representatives making comments and asking questions were Representatives Landwehr, who spoke about foster care students in this population; Trimmer, who discussed with Mr. Dennis and Chairperson Campbell the challenges of using census count and direct certification to set at-risk spending and the goal of any at-risk proxy to as accurately reflect the under-performing student population as possible; Ward, who worried about how the reduction of social-service spending could reduce at-risk spending under the direct certification approach; Rooker, who talked about how a hybrid free lunch/direct certification version could address these concerns; Vickrey, who discussed the overcount of at-risk students under the current proxy as observed by the LPA study; and Schwab, who spoke about his experiences as a free lunch student who was not under-performing and the limits of that proxy.

Representative Rooker then started the discussion on the importance of fully funding all-day kindergarten, noting how evidence has shown it (along with early childhood education) is the most efficient and effective way to help under-performing students and would free up at-risk funds to help under-performing students in more targeted ways. Representative Huebert discussed potential benefits of phasing in all-day kindergarten. Representative Patton agreed that the Legislature should target dollars on pre-K and all-day K spending because it is the most effective way to respond to the Court order and help under-performing students. Representative Vickrey discussed his desire to leave the decision on all-day kindergarten to the local district and parents, leading Mr. Dennis to note that in almost all instances parents initially or eventually chose the all-day kindergarten when offered. Additional comments were made by Mr. Dennis.

Representatives Rooker spoke on the importance of pre-kindergarten programs, emphasizing the studies showing the effectiveness of such efforts on underperforming students and expressing concern with the fixed funding for 4-year-old at risk and tiny-K spending. Representative Landwehr asked how increased funding of such programs would work with existing local district efforts. Representatives Winn and Aurand discussed how such funding relates to existing efforts and the K-12 formula.

The issue of new facilities weighting was touched on by Representative Karleskint and answers provided by Mr. Dennis and Eddie Penner, Fiscal Analyst, Legislative Research Department.

Another weighting, ancillary facilities, was defined by Jason Long, Senior Assistant Revisor, Office of Revisor of Statutes. Discussion ensued among Representatives Rooker, Winn, and Mr. Dennis and Revisor Long.

Declining enrollment weighting was also defined by Revisor Long and discussed by Representative Aurand and Mr. Dennis.

Cost of living adjustment (COLA) piece was discussed by Representatives Trimmer, Aurand, Rooker,

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CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 1:45 pm on Tuesday, March 14, 2017, in room 346-S of the Capitol.

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Schwab, Ward, and Winn.

Representative Schwab spoke on the importance of holding schools and teachers accountable for student improvement. Representative Karleskint expressed his concern with the Court's focus on state assessment results as the primary measure of student performance and the difficulty of short-term improvement on such test results, while acknowledging that the Legislature should not wait five years for initial results. Representative Aurand agreed and noted that the State Board also wants to limit focus on assessment results and move towards two-year retention, graduation rates and other long-term metrics. Representative Rooker concurred with the challenges of short-term test improvement and the need to focus on the State Board's accountability and student improvement goals. Representative Landwehr emphasized the importance of accountability pieces in any final formula, emphasizing the need for consequences when school do not succeed for kids.

Representative Aurand turned the meeting over to Chairperson Campbell.

Chairperson Campbell told the Committee some of the issues that do not appear in the draft of the core bill will come in the form of amendments as it is debated.

Chairperson Campbell sincerely thanked Representative Aurand for chairing the discussion part of the meeting.

There will be a hearing tomorrow on **HB 2379** and there will be no meeting on Thursday or Friday of this week.

The next meeting of the House K-12 Education Budget Committee will be Wednesday, March 15, 2017.

The meeting adjourned at 3:03 p.m.



MINUTES OF THE HOUSE K-12 EDUCATION BUDGET COMMITTEE

The meeting was called to order by Chairperson Larry Campbell at 1:30 pm on Thursday, March 23, 2017, in room 346-S of the Capitol.

All members were present except:

Representative Tom Sawyer – Excused

Substitute members:

Representative Steven Crum, appointed substitute member to the committee

Committee staff present:

Dana Rooney, Kansas Legislative Committee Assistant

Edward Penner, Legislative Research Department

Jason Long, Office of Revisor of Statutes

Tamera Lawrence, Office of Revisor of Statutes

Conferees appearing before the Committee:

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

John Bergin, Kansas Association of Career and Technical Education Member and Agricultural Educator, Mission Valley

Dr. Cory Gibson, Superintendent, Valley Center Schools, USD 262

Richard Proffitt, Superintendent, Chanute, USD 413

Destry Brown, Superintendent, Pittsburg, USD 250

Others in attendance:

See Attached List

Chairperson Campbell opened the meeting and welcomed everyone to the House K-12 Education Budget Committee and asked the media to not walk behind the Committee members. He also stated that he would try and accommodate the conferees today by hearing first from those who came from out of town or who needed to leave early.

Chairperson Campbell reminded everyone that we are streaming live and are recording the sessions.

We will have a hearing on **HB 2410** on Monday and may begin working the bill on the same day. Conferees may be more limited in time to present their testimony on Monday and are encouraged to attend the Friday meeting.

Chairperson Campbell made opening remarks regarding his desire to us **HB2410** to increase K-12 funding, address the Court's concerns, and help students (especially those under-performing ones)

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CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 1:30 pm on Thursday, March 23, 2017, in room 346-S of the Capitol.

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better succeed. He highlighted many parts of HB2410 that he felt best accomplished this goal including increased base state aid per pupil, heightened at-risk funding and greater focus on money that helps under-performing students succeed. ([Attachment 1](#)) He stated the Committee would hear from many experts on these issues and others and he would like for their work, and the input from the Committee, to make **HB2410** into a consensus product.

**Hearing on: HB2410 — Creating the Kansas school equity and enhancement act**

Chairperson Campbell called upon Jason Long, Senior Assistant Revisor, Office of Revisor of Statutes, to review **HB 2410**. An updated memo, not as broad in nature as the one presented to the Committee at the last meeting, was distributed. ([Attachment 2](#))

Representative Huebert made comments and asked questions about future spending increases beyond the first two years of the proposal. Representative Rooker cited there was an incorrect number either in the memo or the bill itself. Revisor, Jason Long, stated the error was in the memo and he will provide a corrected memo. A corrected memo was distributed by e-mail to Committee member and is attached. ([Attachment 3](#)) Representative Rooker also asked questions about the timing and longevity of LOB elections under **HB2410**.

Representative Trimmer asked about the \$4 million decrease in transportation spending under HB2410 and clarification on the way state foundational aid would operate under HB2410. Representative Schwab, Karleskint, Winn, and Helgerson also had questions and comments for Revisor Long and Researcher Penner regarding specific provisions of **HB2410**.

Chairperson Campbell requested Mr. Dale Dennis, Deputy Commissioner, Kansas State Department of Education, to provide information on student attendance losses. Those runs are available online and printed copies will be available tomorrow.

Representative Aurand presented, for clarification, a new graph illustrating the division of the proposed Local Foundation Funding. ([Attachment 4](#))

Chairperson Campbell opened the hearing on **HB 2410**. There were no oral proponents and one written-only proponent, Mr. Zeke Rash, Principal, Kansas Connections Academy, whose testimony is attached. ([Attachment 5](#))

Appearing as an oral neutral conferee was Mark Tallman, Associate Executive Director for Advocacy, Kansas Association of School Boards. ([Attachment 6](#)) Mr. Tallman stated that the focus of helping underperforming students should be on those specific students and not just on specific districts. Following this point, Representatives Rooker asked about the recent US Supreme Court ruling on special education, to which Mr. Tallman noted that special education student rights under federal law are not linked to federal funding. Representative Schwab noted that Mr. Tallman had presented few, if

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CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 1:30 pm on Thursday, March 23, 2017, in room 346-S of the Capitol.

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any, objections to the structure of HB2410, just its overall funding. Mr. Tallman, in response to his question, noted that KASB finds reinstating the former COLA weighting acceptable.

There were no other neutral oral or written-only neutral testimony provided.

Presenting oral opponent testimony was John Bergin, a Kansas Association of Career and Technical Education Member and Agricultural Educator, Mission Valley, USD 330. ([Attachment 7](#)) Representative Aurand asked a question.

Chairperson Campbell asked the Committee to hold their questions until all the remaining conferees had finished with their testimonies.

Dr. Cory Gibson, Superintendent of Valley Center School District, USD 262, was also an oral opponent to **HB 2410**. ([Attachment 8](#))

Another oral opponent was Richard Proffitt, Superintendent, Chanute, USD 413. ([Attachment 9](#))

Appearing as an oral opponent was Destry Brown, Superintendent, Pittsburg, USD 250. ([Attachment 10](#))

Chairperson Campbell allotted time for questions to the conferees. Representative Huebert asked Dr. Gibson about ways to reduce capital expenditures, especially for small districts. Representative Rooker asked Mr. Proffitt about the unique situation facing Chanute and asked Mr. Dennis from the State Department of Education if he would provide a comparison report of those districts that applied for extraordinary needs grants. Representative Aurand asked a follow-up question to Mr. Dennis.

There were three written-only opponent testimonies submitted from the following:

Dr. Shelly Kiblinger, Superintendent, Hutchinson, USD 308 ([Attachment 11](#))

Travis Riebel, Hutchinson Career and Technical Education Academy Director, USD 308 ([Attachment 12](#))

Tracy Bourne, Superintendent, Renwick, USD 267 ([Attachment 13](#))

Chairperson Campbell thanked all the conferees for appearing before the Committee.

The hearing on **HB 2410** will continue tomorrow.

Representative Aurand announced that the House Education Committee will meet 15 minutes after the

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CONTINUATION SHEET

MINUTES of the Committee on K-12 Education Budget at 1:30 pm on Thursday, March 23, 2017, in room 346-S of the Capitol.

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House K-12 Education Budget Committee adjourns.

The next meeting of the House K-12 Education Budget Committee will be Friday, March 24, 2017.

The meeting adjourned at 3:32 p.m.

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## K-12 Education Budget Committee

### Chairman's Opening Remarks

March 23, 2017

- The Kansas Supreme Court has held that a constitutional school finance system must be reasonably calculated both in its structure and implementation to ensure that all public school students exceed the Rose standards.
- The Legislature is committed to enacting a school finance formula that is not only constitutional, but goes well beyond constitutional standards so that all public school students excel academically and after graduation.
- This Committee received volumes of information and testimony from education experts on the various aspects that need to be considered when crafting a school finance system. We heard from the State Board of Education, the Commissioner, school district representatives, and our own legislative post auditor, who has spent countless hours studying the issues of school finance.
- In drafting the Kansas School Equity and Enhancement Act, all of that testimony was considered as was the Augenblick & Myers cost study, the various Legislative Post Audit cost studies, and the opinions and views expressed by members of this Committee and the other members of the Legislature.
- The Kansas School Equity and Enhancement Act is structured to not only address the constitutional tests for adequacy and equity, but to also address the concerns of this Legislature in providing a solid foundation for the finance of the educational interests of this State.
- The Act will implement a base aid per student amount that is \$5,320 for next school year. When coupled with additional equalization aid for local tax levy authority, the Act will provide more than \$80 million in new dollars to school districts next school year with built-in automatic increases in funding each subsequent year.

- This Committee heard the Court's concern with the outcomes of the State's school finance system, and fully recognizes the achievement gaps that currently exist within our present finance system.
- Therefore, the Act does not merely add new money to the system, but specifically targets that influx of new funding in ways that will close the achievement gaps. The Act does this in two ways:
  - First, more funding is directed to be spent for at-risk education programs and bilingual education programs.
  - Second, the Act recognizes the State Board's planned rollout of a new school district accreditation system, which will coincide with the effective date of the Act.
- Finally, this legislation is not a final solution, but a new beginning in the discussion of how best to provide for the education of our state's most valuable resource; its children.
- With that in mind, the Act requires nearly annual studies by Legislative Post Audit over the course of the first nine years. The Legislature will be able to review these studies along with their recommendations and respond appropriately to issues not only with school finance, but in the public education system as a whole.
- I know there will be amendments offered in the spirit of improving the Act, and I welcome those discussions. We all seek to provide a school finance system that is not only adequate and equitable, but one that seeks to ensure that all students excel beyond the standards of mere constitutionality.

MINUTES OF THE HOUSE K-12 EDUCATION BUDGET COMMITTEE

The meeting was called to order by Chairperson Larry Campbell at 1:15 pm on Thursday, March 30, 2017 in room 346-S of the Capitol.

All members were present except:

Representative Scott Schwab – Excused

Substitute members:

Representative Erin Davis, appointed substitute member to the committee

Committee staff present:

Dana Rooney, Kansas Legislative Committee Assistant

Edward Penner, Legislative Research Department

Jason Long, Office of Revisor of Statutes

Nick Myers, Office of Revisor of Statutes

Tamera Lawrence, Office of Revisor of Statutes

Lauren Mendoza, Research Analyst, Legislative Research Department

J.G. Scott, Assistant Director for Fiscal Affairs, Legislative Research Department

Conferees appearing before the Committee:

No conferees present

Others in attendance:

See Attached List

Chairperson Campbell opened the meeting and welcomed everyone to the K-12 Education Budget Committee. He reminded everyone that the meeting was being streamed live. Several individuals were invited to be present in the audience today to assist the Committee in getting answers to their questions.

Chairperson Campbell made remarks, thanked and complimented the Committee members for their willingness to meet, and their stamina to pore through countless testimony and data to put together a school finance plan. ([Attachment 1](#)) He thanked the Kansas State Board of Education members and other stakeholders for their input.

Chairperson Campbell stated that he would follow an organized, open, and fair process in conducting today's meeting. He would allow Committee members to make motions, seconds, amendments, and substitute motions, and he will vote only in case of a tie.

**Work on: HB2410 – Creating the Kansas school equity and enhancement act**

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Chairperson Campbell made a conceptual motion to eliminate the second count date of February 20 for school districts, Representative Patton seconded, and discussion ensued.

A substitute motion was made by Representative Smith, seconded by Representative Trimmer, to adopt a balloon amendment concerning headcount. (Attachment 2) Discussion ensued, after which Representative Smith closed on his motion. The substitute motion passed.

Chairperson Campbell moved to adopt a balloon amendment that would strike the bilingual weighting five-year limit, Representative Smith seconded, and discussion ensued. (Attachment 3) Representative Karleskint offered a substitute motion and then retracted his substitute motion. Chairperson Campbell's motion passed.

Representative Aurand distributed a memo prepared by Scott Frank, Legislative Post Auditor, in regard to the LPA Treatment of the Local Option Budget in the 2006 Cost Study. (Attachment 4) Mr. Franks answered questions from Committee members discussing the fact that the LPA did not consider LOB funding when performing its 2006 study because the Kansas Supreme Court did not consider LOB spending in its adequacy analysis. Since the Gannon Court has taken a different approach, Mr. Franks stated that the LPA would consider LOB and all other forms of spending done to improve the performance of K-12 students if tasked with performing another cost study.

Representative Aurand moved to adopt a balloon amendment which would remove the mandatory parts of the local foundation budget, Representative Huebert seconded, and discussion ensued. (Attachment 5) A substitute motion was made by Representative Patton, and seconded by Representative Rooker, to adopt a balloon amendment where the Local Option Budget, Local Activity Budget, and Local Foundation Budget would be replaced with LOB Provisions from HB 2270, and discussion ensued. (Attachment 6)

Representative Aurand moved to divide the amendment, seconded by Representative Landwehr, discussion ensued, and the motion passed.

Discussion ensued on Part A of the division, to strike the Local Foundation Budget portion from HB 2410.

Representative Jones moved to reconsider the motion to divide the amendment, seconded by Representative Trimmer, discussion ensued, and a division vote was called: 10 yes, 6 no, motion passed. Going back to Representative Patton's substitute motion, discussion ensued, and a division vote was called: 9 yes, 7 no, the substitute motion passed.

The Committee recessed.

Chairperson Campbell brought the meeting back to order.

Representative Helgerson did not offer and amendments

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Representative Landwehr moved to adopt a balloon amendment on reporting expenditures, seconded by Representative Vickrey, discussion ensued, and a division vote was called: 7 yes, 9 no, the motion failed. (Attachment 7)

Representative Vickrey did not offer any amendments.

Representative Trimmer moved to adopt a balloon amendment dealing with the formula for high density at-risk, seconded by Representative Rooker, discussion ensued during which Committee members lauded the importance of targeting money in the formula towards underperforming students and raised the need to place additional funding in districts with high concentrations of students eligible for free lunch, and a division vote was called: 10 yes, 6 no, the motion passed. (Attachment 8)

Representative Trimmer moved to adopt a balloon amendment adding a high enrollment weighting, Representative Winn seconded, discussion ensued, and a division vote was called: 9 yes, 7 no, the motion passed. (Attachment 9)

Representative Hoffman moved to adopt a balloon amendment for a clarification on curriculum and standards, seconded by Representative Rooker, and the motion was approved. (Attachment 10)

Representative Hoffman proposed a balloon amendment to implement a system for determining unencumbered funds, seconded by Representative Landwehr, discussion ensued regarding the importance of reserve funds for district operations and the optimal level of such reserves, and a division vote was called: 7 yes, 9 no, the motion failed. (Attachment 11)

The Committee recessed.

Chairperson Campbell brought the meeting back to order.

Chairperson Campbell moved to raise the kindergarten 0.8 weighting in the bill to 0.9 and Representative Aurand seconded. Representative Aurand made a substitute motion with a balloon amendment to fully fund all-day kindergarten, Chairperson Campbell seconded, discussion ensued regarding the importance of all-day kindergarten in helping student performance and the benefits derived from freeing up the large amount of at-risk funds currently used for this purpose for other programs directly benefitting underperforming students, and the substitute motion was approved. (Attachment 12)

Representative Aurand distributed a vocational education handout (from the report by Augenblick and Myers, Inc. May 2002, "Calculation of the Cost of a suitable education in Kansas in 2000-2001 using two different analytic approaches," excerpts from pages VII- 16, 17.) (Attachment 13)

Representative Aurand moved to adopt a balloon amendment regarding career technical education state aid, Representative Huebert seconded, and discussion ensued. (Attachment 14) Representative Karleskint moved to adopt a substitute balloon amendment in regard to career technical education weighting, seconded by Representative Helqerson, discussion ensued, and the substitute motion passed. (Attachment 15)

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Representative Jones did not offer any amendments.

Representative Rooker moved to adopt a balloon amendment to establish a preschool-aged-at-risk education fund, seconded by Representative Lusk. (Attachment 16)

She discussed the importance of early childhood education for helping enhance at-risk student performance.

Representative Rooker made a motion to divide the question into Part A (pages 2 and 10) and Part B (page 41), Representative Lusk seconded. Representative Rooker moved to amend her balloon amendment from 5 million to 2 million additional funds for each fiscal year, Representative Lusk seconded, discussion ensued, Representative Rooker closed, and the motion passed.

Representative Rooker moved to adopt the language in Part B of her balloon amendment, Representative Helgeson seconded, Representative Rooker closed on her motion, and the motion passed.

Representative Rooker moved to adopt a balloon amendment mandating a series of Legislative Post Audits regarding student performance and various weightings, Representative Trimmer seconded. (Attachment 17) Scott Frank, Legislative Post Auditor, Legislative Division of Post Audit, explained the amendment and answered questions for Committee members. Representative Rooker closed on her motion, and the motion passed.

The Committee recessed for 30 minutes.

Chairperson Campbell brought the meeting back to order.

Representative Rooker moved to adopt a balloon amendment excluding Capital Outlay Levy from Tax Increment Finance (TIF) and Neighborhood Revitalization, seconded by Representative Helgeson, discussion ensued, Representative Rooker closed on her motion, and a division vote was called: 7 yes, 9 no, the motion failed. (Attachment 18)

Representative Rooker moved to adopt a balloon amendment where a school district would not receive less than 10% of at-risk funding, Representative Helgeson seconded. (Attachment 19) Representative Karleskint entertained an oral substitute motion so that Representative Rooker's amendment would only apply to K-12 school districts, Representative Rooker seconded, discussion ensued, Representative Rooker approved, Representative Karleskint closed on his motion, and the motion passed.

Representative Rooker made a conceptual motion to reduce funding for full-time virtual students from \$5,000 to 1.0 Full Time Equivalent, (which is shown on page 72 of a prepared balloon amendment). (Attachment 20) Representative Helgeson seconded and discussion ensued.

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Post Auditor, Scott Frank; Dr. Randy Watson, Commissioner of Education, Kansas State Department of Education; and Dale Dennis, Deputy Commissioner, Kansas State Department of Education made comments. Mr. Frank discussed the portion of the LPA study devoted to virtual weighting. Dr. Watson and Mr. Dennis discussed some of the challenges of virtual education and the State Board's analysis of test results from virtual students around the state.

Representative Rooker closed on her conceptual motion, and a division vote was called: 7 yes, 9 no, the motion failed.

The Committee recessed. Chairperson Campbell thanked the Blue Valley and Olathe School Districts for providing dinner.

Representative Patton moved to adopt a balloon amendment on ancillary school facilities weighting, Representative Karleskint seconded and discussion ensued. (Attachment 21)

Mr. Dennis made comments and answered questions.

Representative Patton closed on his motion, and the motion was passed.

Representative Lusk moved to adopt a balloon amendment on bilingual weighting, Representative Helqerson seconded, and discussion ensued. (Attachment 22)

Mr. Dennis made comments and answered questions.

Representative Aurand made a substitute motion to make the amendment revenue neutral, seconded by Representative Hoffman, discussion ensued, and a division vote was called: 9 yes, 7 no, the motion passed.

Representative Karleskint moved to adopt a balloon amendment to add funding for mentoring teachers, seconded by Representative Helqerson. Discussion ensued. (Attachment 23)

Mr. Dennis and Dr. Watson made comments about the importance of mentoring teachers to improve their skills, increase their retention rate and enhance student performance.

Representative Karleskint closed on his motion. The motion passed.

Representative Karleskint moved to adopt a balloon amendment for professional development funding, seconded by Representative Rooker. (Attachment 24) Discussion ensued after which, Representative Karleskint closed on his motion. The motion was carried.

Representative Smith moved to adopt a balloon amendment in regard to the transportation weighting, Representative Trimmer seconded, and discussion ensued. (Attachment 25)

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Representative Aurand handed out a revised transportation cost allocation formula showing algebra changes. (Attachment 26)

Representative Trimmer moved to table the motion until Monday. Representative Smith seconded. The motion carried.

Chairperson Campbell made a conceptual motion to add the cost of utilities to capital outlay. Representative Trimmer seconded. The Committee discussed the link between utilities and capital expenditures. Mr. Dennis made comments regarding the overall utility costs facing districts. Chairperson Campbell closed on his motion. The motion carried.

Representative Trimmer moved to adopt a balloon amendment that contained amendments to and expiration of the Tax Credit Scholarship Program, Representative Helgerson seconded. Discussion ensued. (Attachment 27)

Mr. Dennis made comments.

Representative Aurand made a substitute motion to remove from the bill the expansion of the program with the exception of the part that demands accreditations starting in July of 2018 and requiring students to be directly certified as eligible for free lunch. Representative Landwehr seconded. Discussion ensued. Representative Aurand closed on his motion. The substitute motion passed.

During the meeting, Jason Long, Senior Assistant Revisor, Office of Revisor of Statutes, explained amendments, and Eddie Penner, Fiscal Analyst, Legislative Research Department answered monetary questions.

Chairperson Campbell thanked Committee member for their diligence and said he would be announcing from the well the time of the next meeting.

There being no other amendments brought before the Committee, Chairperson Campbell announced the K-12 Education Budget Committee would recess until Monday, April 3, 2017.

The meeting adjourned at 8:42 p.m.

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## **APPENDIX 2**

# PROPOSED SCHOOL FINANCE PLAN

Senate Bill 19—6-5-17

## MAJOR POLICY PROVISIONS—Computer Printout SF17-232

- Base aid for student excellence (BASE) will increase to \$4,006 in 2017-18, \$4,128 in 2018-19, estimated \$4,190 in 2019-20, estimated \$4,253 in 2020-21, and estimated \$4,317 in 2021-22. Beginning in 2019-20, these estimates are based upon the Midwest consumer price index.
- Ancillary facilities and cost of living will continue, however, declining enrollment will be reduced 50 percent in the 2017-18 school year and eliminated in the 2018-19 school year.
- Enrollment will be based upon prior year or second preceding year, whichever is higher except four-year-old at-risk will be based upon current year. All weighted enrollment will be based upon the current school year enrollment.
- Military second count will be determined as follows. If the number of students enrolled in each school district on February 20 were not enrolled on the preceding September 20, such students shall be added to the September 20 enrollment.
- School districts receiving federal impact aid for military students will calculate their enrollment based upon the current year, preceding year, or three-year average.
- At-risk funding will be based upon free lunch count and funded the same as law prior to the 2014-15 school year. All at-risk state aid must be spent on at-risk students, as defined by the State Board of Education. The at-risk weighting was increased from .456 to .484.
- High-density at-risk computation permits school districts to choose between computing their enrollment weighting by attendance center or school district for 2017-18 and 2018-19.
- Provides a floor of ten percent for computing free lunch for any school district offering K-12.
- All-day kindergarten will be funded at 1.0 for all students enrolled in kindergarten in 2016-17.
- Career & Technical Education (vocational education) funding will be based upon .5 weighting (same as old law). The State Department of Education will study CTE cost by program and report to the Legislature by January 1, 2019.
- Virtual students will be funded as in current law.
- Special education funding remains the same as current law. This bill provides \$12 million for this purpose.
- Transportation is amended slightly and on a statewide basis there will be a small increase in the state appropriation. No school district will receive less transportation state aid than received in 2016-17 for the next five years.
- New facilities will be funded for all elections held prior to July 1, 2015 with a .25 weighting.
- Bilingual education is computed using the higher of .395 of the contact hours or .185 of the bilingual headcount enrollment for students who qualify for bilingual services.
- 20-mill levy will remain the same as current law.
- Low and high enrollment will be reinstated as in law prior to 2014-15.
- Expands early childhood funding by increasing state aid for four-year-old at-risk programs, \$2,000,000 each year in 2017-18 through 2021-22.
- The local option budget will remain the same as current law.

- School districts may adopt up to 30 percent of their local option budget on board action. If a district chooses to increase the LOB up to 33 percent, this would require board action and right of protest petition. Those school districts that are already at 33 percent will retain that authority.
- Partially funds the mentoring program and professional development as provided by law.
- Adds utilities, property and casualty insurance as options for capital outlay fund if the school district republishes their capital outlay resolution.
- Students from the lowest 100 schools of student achievement may be considered for tax credit for low income student scholarships effective July 1, 2018. Students must be eligible for free lunch. Individuals may make contributions to this program and receive tax credit. Placed a \$500,000 contribution cap, per year, by any corporation, insurance company, or individual.
- The State Department of Education is required to provide substantial fiscal, academic, and demographic data on an annual basis for each school district. This report will be made available on the School Finance website.
- Provides approximately \$2.6 million for school districts that have large declines in enrollment.
- Out-of-state students will be counted as 1.0 for 2017-18 and 2018-19. They will be counted as .75 for 2019-20 and 2020-21 and as .5 in 2021-22 and thereafter.
- Provides a maximum on the amount of bonds to be approved by the State Board of Education. The amount approved would be based upon the bond amount paid off the preceding year.

## ESTIMATED STATE AID FOR PROPOSED SCHOOL FINANCE PLAN—SF17-232

Program	2017-18	2018-19	2019-20	2020-21	2021-22
Base Aid for Student Excellence (BASE)	4,006	4,128	CPI Est. 4,190	CPI Est. 4,253	CPI Est. 4,317
General State Aid*	161,111,776	85,858,910	42,780,000	43,470,000	44,160,000
Special Education Fund Formula	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Increased Funding 4-Year-Old At-Risk	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Mentoring	800,000	Same as Prior Year	Same as Prior Year	Same as Prior Year	Same as Prior Year
Professional Development	1,700,000	Same as Prior Year	Same as Prior Year	Same as Prior Year	Same as Prior Year
New Facilities	13,000,000	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Extraordinary Need	2,593,452				
Military—Second Count	1,500,000				
<b>TOTAL</b>	<b>194,705,228</b>	<b>97,858,910</b>	<b>54,780,000</b>	<b>55,470,000</b>	<b>56,160,000</b>

\*Includes all-day kindergarten.

June 4, 2017

## COLUMN EXPLANATION

Column	1 --	<b>September 20, 2016, FTE enrollment</b>
		Includes four-year-old at-risk and excludes virtual students. Kindergarten is funded at 1.0 for full-time students.
	2 --	<b>2017-18 Base aid for student excellence</b> (Column 1 times \$4,006)
		Base aid for student excellence (BASE) will increase to \$4,317 over a five-year period. Year 1-\$4,006; Year 2-\$4,128; Year 3-estimated \$4,190; Year 4-estimated \$4,253, and Year 5—estimated \$4,317.
	3 --	<b>2017-18 Estimated virtual aid</b> (current law)
	4 --	<b>2017-18 Estimated low and high enrollment weighted FTE</b>
		Funding based upon law prior to 2014-15.
	5 --	<b>2017-18 Estimated transportation weighted FTE</b> (LPA formula)
	6 --	<b>2017-18 Estimated bilingual weighted FTE</b>
		Bilingual education is computed using the higher of .395 of the contact hours or .185 of the bilingual headcount enrollment for students who qualify for bilingual services.
	7 --	<b>2017-18 Estimated at-risk weighted FTE</b>
		The weighting was increased from .456 to .484
	8 --	<b>2017-18 Estimated vocational education weighted FTE</b>
		Weighting of .5 for students in approved vocational classes based upon law prior to 2014-15. Based upon preceding year's actual enrollment.
	9 --	<b>2017-18 Estimated special levies weighted FTE</b>
		Ancillary facilities and cost of living will continue. Declining enrollment will be reduced 50 percent in the 2017-18 school year and eliminated in the 2018-19 school year.
	10 --	<b>2017-18 Estimated total program weighted FTE</b> (Column 4 + 5 + 6 + 7 + 8 + 9)
	11 --	<b>2017-18 Proposed general fund budget excluding special education</b> (Column 10 x \$4,006 + Column 2 + Column 3)
	12 --	<b>2017-18 Estimated special education state aid</b> (current law)
	13 --	<b>2017-18 Proposed general fund budget including special education</b> (Column 11 + 12)
	14 --	<b>2015-16 General fund budget excluding state aid for capital outlay, KPERS, and local foundation budget (LFB)</b>
	15 --	<b>Difference</b> (Column 13 – 14)
	16 --	<b>2017-18 Estimated general state aid</b>
	17 --	<b>2015-16 General state aid</b>
	18 --	<b>Difference</b> (Column 16-17)







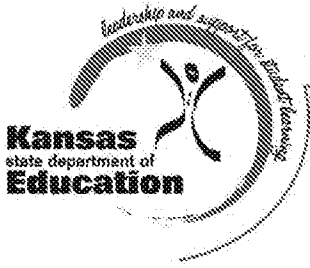






	6/4/2017		Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9	Col 10	Col 11	Col 12	Col 13	Col 14	Col 15	Col 16	Col 17	Col 18
			SF17-145 Col 3			SF17-146 Col 2		SF17-231 Col 5												
			Proposed	2017-18 Est.	2017-18 Est.	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	2017-18 Est.	2017-18 Est.	2017-18 Est.	2017-18 Est.	2015-16		2017-18 Est.	2015-16	
			2017-18	Foundation Aid	Virtual Aid	Low/High	Transport.	Bilingual	At-Risk	Voced	Special Levy	WTD FTE	General Fund	Spec Ed	General Fund	General Fund	Difference	General	General	Difference
<b>USD #</b>	<b>County</b>	<b>District Name</b>	<b>Total Adj Enroll.</b>	<b>\$4,006</b>	<b>Total</b>	<b>WTD FTE</b>	<b>WTD FTE</b>	<b>WTD FTE</b>	<b>WTD FTE</b>	<b>WTD FTE</b>	<b>WTD FTE</b>	<b>(excl Sped)</b>	<b>(excl Sped)</b>	<b>State Aid</b>	<b>(incl Sped)</b>	<b>(incl Sped)</b>	<b>(Col 13-14)</b>	<b>State Aid</b>	<b>State Aid</b>	<b>(Col 16 - Col 17)</b>
<b>Total</b>		<b>STATE TOTALS</b>	472,772.5	1,893,926,636	30,039,779	54,672.3	26,190.7	10,956.0	105,596.5	9,117.7	12,492.1	219,025.3	2,801,381,770	450,500,000	3,251,881,770	3,067,980,584	183,901,186	2,768,333,594	2,607,221,818	161,111,776
345	Shawnee	Seaman	3,746.6	15,008,880	19,852	131.3	277.7	3.3	548.9	59.9	0.0	1,021.1	19,119,259	4,022,981	23,142,240	22,490,108	652,132	19,117,201	18,692,784	424,417
372	Shawnee	Silver Lake	694.0	2,780,164	1,418	243.1	60.3	0.2	46.9	7.6	0.0	358.1	4,216,131	583,757	4,799,888	4,558,626	241,262	4,216,131	4,007,613	208,518
437	Shawnee	Auburn Washburn	6,249.4	25,035,096	17,267	219.0	488.7	31.3	802.4	113.7	0.0	1,655.1	31,682,694	6,153,108	37,835,802	34,895,522	2,940,280	31,657,479	28,257,511	3,399,968
450	Shawnee	Shawnee Heights	3,512.5	14,071,075	24,535	123.1	381.7	16.7	470.8	37.8	0.0	1,030.1	18,222,191	3,243,032	21,465,223	21,026,744	438,479	18,172,191	17,330,672	841,519
501	Shawnee	Topeka Public Schools	13,426.0	53,784,556	241,592	470.4	265.3	272.1	5,368.8	201.5	0.0	6,578.1	80,378,017	15,977,388	96,355,405	92,886,189	3,469,216	79,978,017	74,567,866	5,410,151
412	Sheridan	Hoxie Community Schools	380.9	1,525,885	0	174.0	45.4	0.0	48.9	4.5	0.0	272.8	2,618,722	270,032	2,888,754	2,503,020	385,734	2,614,722	2,185,216	429,506
352	Sherman	Goodland	907.0	3,633,442	39,217	252.1	61.4	25.1	179.0	18.5	0.0	536.1	5,820,276	992,053	6,812,329	7,080,957	-268,628	5,817,360	6,141,338	-323,978
237	Smith	Smith Center	395.0	1,582,370	0	178.5	47.2	0.0	75.2	15.2	0.0	316.1	2,848,667	517,329	3,365,996	3,126,302	239,694	2,846,167	2,635,441	210,726
349	Stafford	Stafford	246.4	987,078	0	154.3	10.1	3.7	63.0	17.9	0.0	249.0	1,984,572	324,031	2,308,603	2,242,180	66,423	1,974,827	1,854,260	120,567
350	Stafford	St John-Hudson	336.9	1,349,621	0	158.9	19.7	9.3	67.2	8.6	0.0	263.7	2,406,003	444,526	2,850,529	2,766,265	84,264	2,301,258	2,330,085	-28,827
351	Stafford	Macksville	231.0	925,386	0	154.1	28.2	14.1	66.7	1.2	0.0	264.3	1,984,172	324,581	2,308,753	2,323,295	-14,542	1,946,672	2,000,448	-53,776
452	Stanton	Stanton County	444.7	1,781,468	0	193.5	49.3	32.8	93.2	17.1	0.0	385.9	3,327,383	260,611	3,587,994	3,387,164	200,830	3,290,240	3,106,115	184,125
209	Stevens	Moscow Public Schools	173.0	693,038	0	142.0	16.3	13.7	62.4	0.3	0.0	234.7	1,633,246	120,824	1,754,070	1,688,160	65,910	1,609,197	1,552,491	56,706
210	Stevens	Hugoton Public Schools	1,074.9	4,306,049	0	237.5	56.4	91.8	306.1	21.6	0.0	713.4	7,163,929	601,734	7,765,663	7,171,716	593,947	7,113,929	6,555,164	558,765
353	Sumner	Wellington	1,596.5	6,395,579	0	69.8	56.8	3.3	415.1	28.2	0.0	573.2	8,691,818	2,229,528	10,921,346	10,303,079	618,267	8,646,071	8,163,733	482,338
356	Sumner	Conway Springs	484.8	1,942,109	0	204.3	42.8	0.0	50.3	15.5	0.0	312.9	3,195,586	493,564	3,689,150	3,587,833	101,317	3,185,586	3,114,498	71,088
357	Sumner	Belle Plaine	601.0	2,407,606	64,165	229.5	40.9	0.0	101.2	10.9	0.0	382.5	4,004,066	797,347	4,801,413	4,004,577	240,836	4,001,066	3,805,858	195,208
358	Sumner	Oxford	294.0	1,177,764	402,504	147.0	29.8	0.0	57.9	5.3	0.0	240.0	2,541,708	451,688	2,993,396	3,019,795	-26,399	2,536,708	2,590,083	-53,375
359	Sumner	Argonia Public Schools	187.5	751,125	0	146.7	18.9	0.0	42.7	7.2	0.0	215.5	1,614,418	227,924	1,842,342	1,557,776	284,566	1,588,418	1,340,395	248,023
360	Sumner	Caldwell	233.0	933,398	11,418	154.2	13.9	0.0	53.5	4.4	0.0	226.0	1,850,172	314,019	2,164,191	2,123,901	40,290	1,842,426	1,820,209	22,217
509	Sumner	South Haven	202.5	811,215	10,000	150.4	21.8	0.0	37.4	8.9	0.0	218.5	1,696,526	296,342	1,992,868	1,824,241	168,627	1,692,417	1,510,600	181,817
314	Thomas	Brewster	147.0	588,882	0	130.8	17.5	0.0	27.8	0.0	0.0	176.1	1,294,339	145,964	1,440,303	1,207,261	233,042	1,294,339	977,030	317,309
315	Thomas	Colby Public Schools	893.4	3,578,960	6,418	252.5	52.9	10.5	114.2	21.5	0.0	451.6	5,394,488	709,078	6,103,566	5,977,559	126,007	5,389,654	5,306,332	83,322
316	Thomas	Golden Plains	181.6	727,490	0	144.9	26.3	6.1	60.2	1.1	0.0	238.6	1,683,322	267,472	1,950,794	1,813,814	136,980	1,675,168	1,556,690	118,478
208	Trego	Wakeeney	380.5	1,524,283	0	173.8	35.2	0.0	50.8	5.8	0.0	265.6	2,588,277	484,870	3,073,147	2,836,790	236,357	2,519,316	2,361,202	158,114
329	Wabaunsee	Mill Creek Valley	440.0	1,762,640	0	192.1	77.7	0.0	50.3	14.0	0.0	334.1	3,101,045	476,776	3,577,821	3,618,448	-40,627	3,100,677	3,158,047	-57,370
330	Wabaunsee	Mission Valley	492.0	1,970,952	0	206.1	103.3	0.0	66.3	21.1	0.0	396.8	3,560,533	795,425	4,355,958	4,026,806	329,152	3,555,453	3,275,912	279,541
241	Wallace	Wallace County Schools	200.5	803,203	0	150.0	27.0	0.0	28.6	0.0	0.0	205.6	1,626,837	163,213	1,790,050	1,626,860	163,190	1,379,563	1,470,254	-90,691
242	Wallace	Weskan	102.5	410,615	0	103.3	13.5	1.1	13.1	0.0	0.0	131.0	935,401	133,081	1,068,482	953,667	114,815	925,901	823,991	101,910
108	Washington	Washington Co. Schools	348.5	1,396,091	0	163.0	46.2	0.0	67.1	6.3	0.0	282.6	2,528,187	341,329	2,869,516	2,724,711	144,805	2,489,475	2,399,315	90,160
223	Washington	Barnes	367.4	1,471,804	0	169.5	45.1	8.9	47.9	9.3	0.0	280.7	2,596,288	454,090	3,050,378	3,125,405	-75,027	2,586,288	2,506,714	79,574
224	Washington	Clifton-Clyde	318.0	1,273,908	0	152.0	48.3	0.0	44.5	11.3	0.0	256.1	2,299,845	291,137	2,590,982	2,415,680	175,302	2,281,499	2,140,873	140,626
467	Wichita	Leoti	402.0	1,610,412	0	180.7	33.9	39.4	96.7	6.4	0.0	357.1	3,040,955	237,962	3,278,917	3,230,196	48,721	3,025,955	2,979,062	46,893
387	Wilson	Altoona-Midway	184.5	739,107	0	145.8	32.4	0.0	44.9	2.8	0.0	225.9	1,644,062	245,978	1,890,040	2,005,422	-115,382	1,641,062	1,747,495	-106,433
461	Wilson	Neodesha	719.0	2,880,314	0	245.8	23.7	0.0	189.9	12.3	0.0	471.7	4,769,944	560,503	5,330,447	4,975,751	354,696	4,762,084	4,390,970	371,114
484	Wilson	Fredonia	662.8	2,655,177	26,758	239.2	51.9	0.0	165.9	10.9	0.0	467.9	4,556,342	530,089	5,086,431	4,844,575	241,856	4,554,354	4,342,989	211,365
366	Woodson	Woodson	448.5	1,796,691	20,000	194.5	58.8	0.0	127.2	11.2	0.0	391.7	3,385,841	547,436	3,933,277	3,624,306	308,971	3,385,186	3,105,373	279,813
202	Wyandotte	Turner-Kansas City	4,098.7	16,419,392	126,202	143.6	180.1	176.5	1,535.9	74.3	0.0	2,110.4	24,999,856	3,094,686	28,094,542	26,618,544	1,475,998	24,859,667	23,606,830	1,252,837
203	Wyandotte	Piper-Kansas City	2,169.9	8,692,619	3,545	76.0	181.7	13.7	138.4	51.2	0.0	461.0	10,542,930	2,147,375	12,690,305	10,887,529	1,802,776	10,542,930	8,740,437	1,802,493
204	Wyandotte	Bonner Springs	2,679.0	10,732,074	203,752	93.9	144.1	35.9	556.8	53.2	0.0	883.9	14,476,729	3,262,064	17,738,793	16,499,498	1,239,295	14,474,838	13,255,915	1,218,923
500	Wyandotte	Kansas City	21,152.0	84,734,912	593,161	741.2	528.5	1,735.6	9,904.6	563.3	0.0	13,473.2	139,301,712	16,225,009	155,526,721	144,769,419	10,757,302	139,078,762	129,452,649	9,626,113

## **APPENDIX 3**



## Division of Fiscal and Administrative Services

Kansas State Department of Education  
Landon State Office Building  
900 SW Jackson Street, Suite 354  
Topeka, Kansas 66612-1212

(785) 296-3871  
(785) 296-6659 - fax  
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May 26, 2017

FROM: Dale M. Dennis, Deputy  
Commissioner of Education

Craig Neuenswander, Director  
School Finance

SUBJECT: Local Option Budget

We have made an effort to compute the estimated local option budget (LOB) for 2017-18 using the base aid of \$4,490 in current law. See computer printout SF17-226.

The purpose of this computer printout is to provide an indication of increases/decreases in the LOB during the 2017-18 school year based upon Substitute for House Bill 2410. There may be additional amendments to the bill as it is moves through the Legislature.

If you have questions, feel free to contact this office.

t:legruns:SF17-171—LFB—4-7-17

KSDEEST 2 LOB000001



	5/16/2017		Col 1	Col 2	Col 3	Col 4	Col 5
			SF17-145 Col 3	LFB BASE	2017-18	2016-17	
			Proposed	Gen Fund	Proposed	Adopted	
			2017-18	(incl Sped)	Max LOB	LOB	Difference
<b>USD #</b>	<b>County</b>	<b>District Name</b>	Total Adj Enroll.	\$4,490	Budget	Budget	(Col 3 - Col 4)
<b>Total</b>	<b>STATE TOTALS</b>		472,772.5	3,565,322,331	1,099,865,497	1,067,746,822	32,118,675
256	Allen	Marmaton Valley	283.0	2,892,881	861,789	863,127	-1,338
257	Allen	Iola	1,264.0	10,443,671	3,133,101	3,150,882	-17,781
258	Allen	Humboldt	607.0	5,164,158	1,549,247	1,515,110	34,137
365	Anderson	Garnett	1,012.5	7,892,371	2,367,711	2,484,409	-116,698
479	Anderson	Crest	219.0	2,364,608	709,382	405,000	304,382
377	Atchison	Atchison Co Comm Schools	569.5	5,326,977	1,598,093	1,687,938	-89,845
409	Atchison	Atchison Public Schools	1,703.0	12,740,704	3,822,211	3,578,462	243,749
254	Barber	Barber County North	471.5	4,291,389	1,287,417	1,207,674	79,743
255	Barber	South Barber	248.5	2,457,400	737,220	687,767	49,453
355	Barton	Ellinwood Public Schools	448.8	3,908,017	1,172,405	1,091,193	81,212
428	Barton	Great Bend	3,022.5	21,942,172	6,582,652	6,499,570	83,082
431	Barton	Hoisington	737.7	6,294,712	1,888,414	1,743,769	144,645
234	Bourbon	Fort Scott	1,870.1	13,084,240	3,925,272	3,607,179	318,093
235	Bourbon	Uniontown	441.0	4,187,392	1,256,218	1,246,690	9,528
415	Brown	Hiawatha	914.6	7,748,133	2,324,440	2,143,811	180,629
430	Brown	South Brown County	570.0	5,629,305	1,688,792	1,680,979	7,813
205	Butler	Bluestem	497.8	4,653,311	1,395,993	1,444,620	-48,627
206	Butler	Remington-Whitewater	510.2	4,596,159	1,378,848	1,338,988	39,860
375	Butler	Circle	1,908.3	12,039,105	3,611,732	3,556,907	54,825
385	Butler	Andover	5,163.5	31,492,173	9,762,574	9,253,425	509,149
394	Butler	Rose Hill Public Schools	1,568.5	10,124,169	3,340,976	3,398,568	-57,592
396	Butler	Douglass Public Schools	677.3	5,658,557	1,867,324	1,827,614	39,710
402	Butler	Augusta	2,173.3	14,044,749	4,213,425	4,265,279	-51,854
490	Butler	El Dorado	1,904.3	13,684,469	4,105,341	4,168,515	-63,174
492	Butler	Flinthills	269.7	2,672,066	801,620	759,020	42,600
284	Chase	Chase County	353.0	3,281,186	984,356	1,015,472	-31,116
285	Chautauqua	Cedar Vale	182.5	2,005,235	601,571	395,000	206,571
286	Chautauqua	Chautauqua Co Community	371.9	3,675,425	1,102,628	1,072,320	30,308
404	Cherokee	Riverton	736.0	6,156,450	1,846,935	1,863,621	-16,686
493	Cherokee	Columbus	967.0	8,211,419	2,463,426	2,496,158	-32,732
499	Cherokee	Galena	813.5	6,861,856	2,058,557	2,092,419	-33,862
508	Cherokee	Baxter Springs	1,008.0	8,282,732	2,484,820	2,450,671	34,149
103	Cheyenne	Cheylin	138.0	1,711,018	513,305	520,040	-6,735
297	Cheyenne	St Francis Comm Sch	281.5	2,508,106	752,432	749,559	2,873
219	Clark	Minneola	243.5	2,438,494	731,548	722,119	9,429
220	Clark	Ashland	197.9	2,025,662	607,699	606,082	1,617
379	Clay	Clay Center	1,349.6	9,704,809	2,911,443	2,880,460	30,983
333	Cloud	Concordia	1,071.6	8,250,581	2,475,174	2,393,007	82,167
334	Cloud	Southern Cloud	185.0	2,137,985	641,396	713,212	-71,817
243	Coffey	Lebo-Waverly	430.7	3,807,459	1,142,238	1,280,739	-138,501
244	Coffey	Burlington	850.5	7,185,393	2,155,618	2,081,264	74,354
245	Coffey	LeRoy-Gridley	212.0	2,248,313	674,494	695,103	-20,609
300	Comanche	Comanche County	325.5	3,172,639	951,792	936,283	15,509
462	Cowley	Central	312.7	3,036,836	911,051	907,277	3,774
463	Cowley	Udall	339.7	3,030,122	909,037	928,029	-18,992
465	Cowley	Winfield	2,210.7	16,105,532	4,831,660	4,821,269	10,391
470	Cowley	Arkansas City	2,836.9	22,073,289	6,621,987	6,335,000	286,987
471	Cowley	Dexter	144.0	1,573,016	471,905	495,073	-23,168
246	Crawford	Northeast	470.5	4,524,015	1,357,205	1,383,416	-26,212
247	Crawford	Cherokee	523.1	4,951,325	1,485,398	1,684,619	-199,222
248	Crawford	Girard	1,017.8	8,051,622	2,415,487	2,335,075	80,412
249	Crawford	Frontenac Public Schools	929.0	6,985,384	2,095,615	2,034,196	61,419
250	Crawford	Pittsburg	3,039.1	22,322,942	6,696,883	6,364,720	332,163
294	Decatur	Oberlin	336.0	2,992,601	897,780	904,293	-6,513
393	Dickinson	Solomon	313.5	2,869,368	860,810	875,358	-14,548
435	Dickinson	Abilene	1,573.3	10,621,670	3,186,501	3,137,115	49,386
473	Dickinson	Chapman	1,086.8	8,332,765	2,499,830	2,475,710	24,120

	5/16/2017		Col 1	Col 2	Col 3	Col 4	Col 5
			SF17-145 Col 3	LFB BASE	2017-18	2016-17	
			Proposed	Gen Fund	Proposed	Adopted	
			2017-18	(incl Sped)	Max LOB	LOB	Difference
USD #	County	District Name	Total Adj Enroll.	\$4,490	Budget	Budget	(Col 3 - Col 4)
<b>Total</b>	<b>STATE TOTALS</b>		<b>472,772.5</b>	<b>3,565,322,331</b>	<b>1,099,865,497</b>	<b>1,067,746,822</b>	<b>32,118,675</b>
481	Dickinson	Rural Vista	309.0	2,894,321	868,296	921,368	-53,072
487	Dickinson	Herington	446.3	3,951,237	1,185,371	1,231,439	-46,068
111	Doniphan	Doniphan West Schools	333.0	3,400,085	1,020,026	1,005,747	14,278
114	Doniphan	Riverside	617.3	5,547,207	1,664,162	1,747,132	-82,970
429	Doniphan	Troy Public Schools	334.5	2,850,826	855,248	846,088	9,160
348	Douglas	Baldwin City	1,391.2	9,747,841	2,924,352	2,824,943	99,409
491	Douglas	Eudora	1,682.1	10,928,066	3,278,420	3,093,344	185,076
497	Douglas	Lawrence	10,732.5	74,798,383	24,683,466	23,297,182	1,386,284
347	Edwards	Kinsley-Offerle	338.0	3,394,385	1,018,316	1,032,998	-14,683
502	Edwards	Lewis	116.0	1,414,919	424,476	378,223	46,253
282	Elk	West Elk	343.5	3,515,988	1,054,796	1,034,400	20,396
283	Elk	Elk Valley	114.5	1,613,237	447,996	530,290	-82,294
388	Ellis	Ellis	434.6	3,556,912	1,067,074	1,010,904	56,170
432	Ellis	Victoria	297.0	2,468,522	740,557	739,614	943
489	Ellis	Hays	2,988.7	20,757,621	6,227,286	5,850,530	376,756
112	Ellsworth	Central Plains	489.0	4,628,196	1,388,459	1,304,810	83,649
327	Ellsworth	Ellsworth	639.7	5,197,552	1,558,746	1,481,709	77,037
363	Finney	Holcomb	993.5	7,586,858	2,276,057	2,150,000	126,057
457	Finney	Garden City	7,478.0	58,250,560	17,475,168	16,676,760	798,408
381	Ford	Spearville	355.0	2,974,656	892,397	884,315	8,082
443	Ford	Dodge City	6,837.8	56,436,059	16,930,818	16,008,101	922,717
459	Ford	Bucklin	230.0	2,323,493	697,048	657,500	39,548
287	Franklin	West Franklin	590.5	5,747,241	1,724,172	1,694,000	30,172
288	Franklin	Central Heights	555.0	5,250,271	1,575,081	1,592,996	-17,915
289	Franklin	Wellsville	773.0	6,109,207	1,832,762	1,833,608	-846
290	Franklin	Ottawa	2,418.9	16,862,562	5,058,769	5,069,420	-10,651
475	Geary	Geary County Schools	7,655.0	53,567,453	16,070,236	17,546,515	-1,476,279
291	Gove	Grinnell Public Schools	89.0	1,025,615	218,046	220,020	-1,974
292	Gove	Wheatland	110.0	1,359,926	407,978	405,823	2,155
293	Gove	Quinter Public Schools	298.5	2,681,893	831,387	860,964	-29,577
281	Graham	Graham County	369.3	3,369,932	1,010,980	1,005,053	5,927
214	Grant	Ulysses	1,705.0	12,336,868	3,701,060	3,649,066	51,994
102	Gray	Cimmaron-Ensign	646.5	5,388,930	1,616,679	1,671,502	-54,823
371	Gray	Montezuma	215.0	2,136,925	641,078	691,455	-50,378
476	Gray	Copeland	94.5	1,155,953	346,786	418,312	-71,526
477	Gray	Ingalls	239.5	2,225,765	667,730	674,060	-6,331
200	Greeley	Greeley County Schools	252.5	2,408,606	722,582	737,264	-14,682
386	Greenwood	Madison-Virgil	229.0	2,380,964	714,289	732,690	-18,401
389	Greenwood	Eureka	642.0	5,799,377	1,739,813	1,724,538	15,275
390	Greenwood	Hamilton	77.0	953,659	267,597	315,985	-48,388
494	Hamilton	Syracuse	528.5	4,733,964	1,420,189	1,423,018	-2,829
361	Harper	Anthony-Harper	822.0	7,727,253	2,269,494	2,316,214	-46,720
511	Harper	Attica	168.0	1,764,613	529,384	481,387	47,997
369	Harvey	Burrton	245.5	2,394,148	718,244	696,502	21,742
373	Harvey	Newton	3,433.3	23,211,078	6,963,323	6,911,599	51,724
439	Harvey	Sedgwick Public Schools	477.5	4,016,662	1,204,999	1,196,000	8,999
440	Harvey	Halstead	756.0	6,267,083	1,880,125	1,883,765	-3,640
460	Harvey	Hesston	801.6	5,914,527	1,951,794	1,954,110	-2,316
374	Haskell	Sublette	461.7	4,233,955	1,270,187	1,277,892	-7,706
507	Haskell	Satanta	311.0	3,117,668	935,300	912,132	23,168
227	Hodgeman	Hodgeman County Schools	297.5	2,738,966	821,690	820,208	1,482
335	Jackson	North Jackson	369.5	3,342,945	1,002,884	1,035,405	-32,521
336	Jackson	Holton	1,064.5	8,198,995	2,459,699	2,554,123	-94,425
337	Jackson	Royal Valley	834.6	7,197,110	2,159,133	2,287,502	-128,369
338	Jefferson	Valley Falls	374.5	3,387,100	1,016,130	1,056,443	-40,313
339	Jefferson	Jefferson County North	454.5	4,084,129	1,225,239	1,171,469	53,770
340	Jefferson	Jefferson West	859.5	6,884,815	2,065,445	2,035,421	30,024

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			2017-18	(incl Sped)	Max LOB	LOB	Difference
<b>USD #</b>	<b>County</b>	<b>District Name</b>	Total Adj Enroll.	\$4,490	Budget	Budget	(Col 3 - Col 4)
<b>Total</b>	<b>STATE TOTALS</b>		<b>472,772.5</b>	<b>3,565,322,331</b>	<b>1,099,865,497</b>	<b>1,067,746,822</b>	<b>32,118,675</b>
341	Jefferson	Oskaloosa Public Schools	593.5	5,641,335	1,692,401	1,591,626	100,775
342	Jefferson	McLouth	471.0	4,364,701	1,309,410	1,340,050	-30,640
343	Jefferson	Perry Public Schools	759.5	6,577,331	1,973,199	2,024,282	-51,083
107	Jewell	Rock Hills	303.5	2,982,743	709,893	700,125	9,768
229	Johnson	Blue Valley	22,259.3	155,128,170	51,192,296	48,519,957	2,672,339
230	Johnson	Spring Hill	2,742.0	21,283,999	6,385,200	5,261,457	1,123,743
231	Johnson	Gardner Edgerton	5,816.4	38,888,894	12,833,335	11,590,874	1,242,461
232	Johnson	De Soto	7,084.2	43,625,255	14,396,334	13,812,173	584,161
233	Johnson	Olathe	28,783.6	200,626,738	66,206,824	64,120,804	2,086,020
512	Johnson	Shawnee Mission Pub Sch	27,443.1	186,950,821	61,693,771	59,788,008	1,905,763
215	Kearny	Lakin	623.5	5,230,485	1,569,146	1,622,083	-52,937
216	Kearny	Deerfield	202.5	2,353,905	706,172	741,598	-35,427
331	Kingman	Kingman - Norwich	910.5	7,738,565	2,321,570	2,349,718	-28,149
332	Kingman	Cunningham	157.0	1,785,323	535,597	537,156	-1,559
422	Kiowa	Kiowa County	242.5	2,397,768	719,330	711,197	8,133
474	Kiowa	Haviland	103.5	1,262,448	378,734	379,947	-1,213
503	Labette	Parsons	1,272.5	10,109,538	3,032,861	2,939,784	93,077
504	Labette	Oswego	462.0	4,024,905	1,207,472	1,226,392	-18,921
505	Labette	Chetopa-St. Paul	442.0	3,947,832	1,184,350	1,225,972	-41,622
506	Labette	Labette County	1,548.1	11,784,636	3,535,391	3,375,549	159,842
468	Lane	Healy Public Schools	70.0	890,099	293,733	306,623	-12,890
482	Lane	Dighton	223.8	2,192,103	657,631	650,000	7,631
207	Leavenworth	Ft Leavenworth	1,704.6	9,742,423	3,215,000	3,539,416	-324,416
449	Leavenworth	Easton	612.5	5,370,059	1,611,018	1,687,280	-76,262
453	Leavenworth	Leavenworth	3,699.2	26,705,444	8,011,633	7,894,175	117,458
458	Leavenworth	Basehor-Linwood	2,327.6	14,450,125	4,335,038	3,882,569	452,469
464	Leavenworth	Tonganoxie	1,954.6	12,641,950	3,792,585	3,684,608	107,977
469	Leavenworth	Lansing	2,631.8	17,301,129	5,190,339	4,884,132	306,207
298	Lincoln	Lincoln	360.0	3,361,778	1,008,533	996,229	12,304
299	Lincoln	Sylvan Grove	242.3	2,482,572	744,772	500,000	244,772
344	Linn	Pleasanton	347.0	3,133,977	940,193	987,719	-47,526
346	Linn	Jayhawk	559.0	5,217,813	1,565,344	1,534,596	30,748
362	Linn	Prairie View	908.6	8,171,442	2,451,433	2,459,649	-8,216
274	Logan	Oakley	406.1	3,663,297	1,098,989	1,021,941	77,048
275	Logan	Triplains	70.5	878,491	289,902	323,981	-34,079
251	Lyon	North Lyon County	423.0	3,956,514	1,186,954	1,211,303	-24,349
252	Lyon	Southern Lyon County	512.0	4,490,095	1,347,029	1,350,252	-3,224
253	Lyon	Emporia	4,503.7	32,591,733	9,777,520	9,558,122	219,398
397	Marion	Centre	215.5	2,521,956	756,587	764,141	-7,554
398	Marion	Peabody-Burns	250.0	2,729,718	900,807	906,437	-5,630
408	Marion	Marion-Florence	517.0	4,676,829	1,403,049	1,349,977	53,072
410	Marion	Durham-Hillsboro-Lehigh	572.0	5,061,107	1,670,165	1,621,498	48,667
411	Marion	Goessel	276.0	2,637,864	870,495	863,699	6,796
364	Marshall	Marysville	713.5	6,069,706	1,820,912	1,803,805	17,107
380	Marshall	Vermillion	565.5	4,578,619	1,373,586	1,314,991	58,595
498	Marshall	Valley Heights	395.0	3,737,464	1,121,239	1,173,503	-52,264
400	McPherson	Smoky Valley	921.5	7,263,018	2,396,796	2,331,628	65,168
418	McPherson	McPherson	2,364.4	15,770,921	5,204,404	5,028,614	175,790
419	McPherson	Canton-Galva	371.4	3,349,862	1,105,454	1,151,022	-45,568
423	McPherson	Moundridge	392.9	3,388,560	1,118,225	1,153,795	-35,570
448	McPherson	Inman	426.1	3,702,079	1,221,686	1,196,840	24,846
225	Meade	Fowler	145.5	1,563,096	515,822	577,905	-62,083
226	Meade	Meade	393.9	3,342,626	1,103,067	1,138,479	-35,412
367	Miami	Osawatomie	1,154.5	10,024,357	3,007,307	3,027,917	-20,610
368	Miami	Paola	2,010.5	13,441,872	4,435,818	4,307,408	128,410
416	Miami	Louisburg	1,716.4	10,515,205	3,470,018	3,528,496	-58,478
272	Mitchell	Waconda	313.8	2,967,353	890,206	868,923	21,283

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273	Mitchell	Beloit	791.0	6,567,127	1,970,138	1,868,516	101,622
436	Montgomery	Caney Valley	766.0	6,184,330	1,855,299	1,845,466	9,833
445	Montgomery	Coffeyville	1,723.3	13,373,059	4,011,918	3,946,454	65,464
446	Montgomery	Independence	2,003.0	14,107,250	4,232,175	4,108,647	123,528
447	Montgomery	Cherryvale	814.9	6,822,424	2,046,727	2,013,841	32,886
417	Morris	Morris County	742.7	6,092,901	1,827,870	1,782,072	45,798
217	Morton	Rolla	165.5	1,719,187	515,756	588,359	-72,603
218	Morton	Elkhart	481.9	4,127,816	1,238,345	1,288,319	-49,974
113	Nemaha	Prairie Hills	1,142.7	8,551,499	2,565,450	2,488,805	76,645
115	Nemaha	Nemaha Central	584.8	4,885,837	1,465,751	1,170,000	295,751
101	Neosho	Erie-Galesburg	518.0	5,110,713	1,533,214	1,539,410	-6,196
413	Neosho	Chanute Public Schools	1,808.7	13,813,245	4,143,974	4,090,402	53,572
106	Ness	Western Plains	109.5	1,404,052	421,216	484,121	-62,905
303	Ness	Ness City	297.5	2,652,545	795,764	771,787	23,977
211	Norton	Norton Community Schools	701.2	5,867,893	1,760,368	1,759,037	1,331
212	Norton	Northern Valley	167.5	1,871,133	561,340	585,990	-24,650
420	Osage	Osage City	666.5	5,558,168	1,667,450	1,623,808	43,642
421	Osage	Lyndon	429.5	3,760,939	1,128,282	1,111,848	16,434
434	Osage	Santa Fe Trail	999.7	8,634,297	2,590,289	2,562,170	28,119
454	Osage	Burlingame Public School	300.0	2,684,966	805,490	844,149	-38,659
456	Osage	Marais Des Cygnes Valley	236.5	2,531,670	759,501	670,000	89,501
392	Osborne	Osborne County	284.1	2,717,667	815,300	845,608	-30,308
239	Ottawa	North Ottawa County	616.9	5,167,155	1,705,161	1,698,503	6,658
240	Ottawa	Twin Valley	591.7	5,018,530	1,656,115	1,632,260	23,855
495	Pawnee	Ft Larned	914.6	7,709,842	2,312,953	2,307,743	5,210
496	Pawnee	Pawnee Heights	143.5	1,583,982	522,714	442,999	79,715
110	Phillips	Thunder Ridge Schools	221.0	2,543,460	763,038	767,887	-4,849
325	Phillips	Phillipsburg	626.0	5,206,180	1,561,854	1,525,889	35,965
326	Phillips	Logan	151.0	1,709,450	512,835	565,637	-52,802
320	Pottawatomie	Wamego	1,524.6	10,116,570	3,034,971	3,002,851	32,120
321	Pottawatomie	Kaw Valley	1,158.0	8,835,212	2,650,564	2,634,833	15,731
322	Pottawatomie	Onaga-Havensville-Wheaton	301.0	2,738,531	821,559	840,540	-18,981
323	Pottawatomie	Rock Creek	1,035.1	7,803,698	2,341,109	2,213,144	127,965
382	Pratt	Pratt	1,130.0	8,992,070	2,697,621	2,610,764	86,857
438	Pratt	Skyline Schools	411.0	3,642,624	1,129,213	1,080,330	48,883
105	Rawlins	Rawlins County	347.4	3,151,078	945,323	923,233	22,090
308	Reno	Hutchinson Public Schools	4,826.2	34,365,857	10,309,757	10,287,770	21,987
309	Reno	Nickerson	1,108.5	9,075,658	2,722,697	2,769,732	-47,035
310	Reno	Fairfield	296.0	3,171,955	951,587	930,708	20,879
311	Reno	Pretty Prairie	258.0	2,404,678	721,403	765,242	-43,839
312	Reno	Haven Public Schools	817.0	7,087,997	2,197,279	2,248,779	-51,500
313	Reno	Buhler	2,276.3	15,565,633	4,669,690	4,617,490	52,200
109	Republic	Republic County	508.0	4,653,566	1,396,070	1,302,588	93,482
426	Republic	Pike Valley	222.5	2,336,104	700,831	686,149	14,682
376	Rice	Sterling	523.2	4,510,502	1,353,151	1,337,550	15,601
401	Rice	Chase-Raymond	167.0	1,922,146	576,644	579,066	-2,422
405	Rice	Lyons	817.8	7,310,532	2,193,160	1,893,090	300,070
444	Rice	Little River	321.9	2,917,725	875,318	911,216	-35,899
378	Riley	Riley County	686.9	5,660,680	1,698,204	1,679,444	18,760
383	Riley	Manhattan-Ogden	6,144.0	42,126,522	13,901,752	13,364,245	537,507
384	Riley	Blue Valley	216.5	2,261,162	746,183	671,635	74,548
269	Rooks	Palco	107.5	1,332,579	399,774	455,135	-55,361
270	Rooks	Plainville	340.3	3,055,151	916,545	962,024	-45,479
271	Rooks	Stockton	335.0	3,066,425	919,928	834,528	85,400
395	Rush	LaCrosse	290.0	2,730,803	819,241	830,000	-10,759
403	Rush	Otis-Bison	220.6	2,375,735	712,721	706,643	6,078
399	Russell	Paradise	113.7	1,352,644	405,793	446,473	-40,680

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407	Russell	Russell County	830.2	6,827,281	2,253,003	2,111,500	141,503
305	Saline	Salina	7,152.0	50,991,160	15,297,348	15,002,490	294,858
306	Saline	Southeast Of Saline	692.0	5,619,897	1,685,969	1,717,612	-31,643
307	Saline	Ell-Saline	462.5	3,942,552	1,182,766	1,233,338	-50,572
466	Scott	Scott County	990.5	7,488,643	2,246,593	2,096,672	149,921
259	Sedgwick	Wichita	48,737.2	383,379,541	115,013,862	111,369,465	3,644,397
260	Sedgwick	Derby	6,709.8	44,728,520	13,418,556	12,767,588	650,968
261	Sedgwick	Haysville	5,488.6	39,206,812	11,762,044	11,075,570	686,474
262	Sedgwick	Valley Center Pub Sch	2,782.2	18,605,935	5,581,781	5,321,342	260,439
263	Sedgwick	Mulvane	1,752.8	11,527,441	3,458,232	3,411,536	46,696
264	Sedgwick	Clearwater	1,122.0	8,249,702	2,474,911	2,471,795	3,116
265	Sedgwick	Goddard	5,587.9	36,451,741	10,935,522	10,178,501	757,021
266	Sedgwick	Maize	6,762.7	43,510,529	13,053,159	12,502,460	550,699
267	Sedgwick	Renwick	1,891.0	11,854,671	3,912,041	3,900,441	11,600
268	Sedgwick	Cheney	781.1	6,173,465	1,852,040	1,761,337	90,703
480	Seward	Liberal	4,903.0	37,926,902	11,378,071	10,250,000	1,128,071
483	Seward	Kismet-Plains	699.0	7,481,219	2,244,366	1,379,609	864,757
345	Shawnee	Seaman	3,746.6	25,293,009	7,587,903	7,475,889	112,014
372	Shawnee	Silver Lake	694.0	5,344,150	1,603,245	1,592,469	10,776
437	Shawnee	Auburn Washburn	6,249.4	41,429,691	12,428,907	11,614,736	814,171
450	Shawnee	Shawnee Heights	3,512.5	23,600,692	7,080,208	6,967,765	112,443
501	Shawnee	Topeka Public Schools	13,426.0	105,795,797	34,912,613	33,616,616	1,295,997
412	Sheridan	Hoxie Community Schools	380.9	3,308,801	992,640	887,978	104,662
352	Sherman	Goodland	907.0	7,461,694	2,238,508	2,408,048	-169,540
237	Smith	Smith Center	395.0	3,774,384	1,245,547	1,211,171	34,376
349	Stafford	Stafford	246.4	2,526,376	757,913	740,990	16,923
350	Stafford	St John-Hudson	336.9	3,129,995	970,298	981,774	-11,476
351	Stafford	Macksville	231.0	2,548,478	764,543	803,447	-38,904
452	Stanton	Stanton County	444.7	4,002,465	1,200,740	1,212,863	-12,124
209	Stevens	Moscow Public Schools	173.0	1,963,346	647,904	674,130	-26,226
210	Stevens	Hugoton Public Schools	1,074.9	8,615,428	2,584,628	2,554,725	29,903
353	Sumner	Wellington	1,596.5	11,971,481	3,591,444	3,471,792	119,652
356	Sumner	Conway Springs	484.8	4,092,955	1,227,887	1,248,630	-20,744
357	Sumner	Belle Plaine	601.0	5,348,547	1,604,564	1,588,804	15,760
358	Sumner	Oxford	294.0	2,885,291	865,587	925,529	-59,942
359	Sumner	Argonia Public Schools	187.5	2,042,808	612,842	502,720	110,122
360	Sumner	Caldwell	233.0	2,373,496	783,254	806,220	-22,966
509	Sumner	South Haven	202.5	2,205,176	727,708	684,739	42,969
314	Thomas	Brewster	147.0	1,591,744	477,523	382,827	94,696
315	Thomas	Colby Public Schools	893.4	7,085,312	2,125,594	2,176,376	-50,782
316	Thomas	Golden Plains	181.6	2,228,110	668,433	661,429	7,004
208	Trego	Wakeeney	380.5	3,410,987	1,023,296	1,002,148	21,148
329	Wabaunsee	Mill Creek Valley	440.0	4,012,671	1,203,801	1,269,535	-65,734
330	Wabaunsee	Mission Valley	492.0	4,786,137	1,435,841	1,364,541	71,300
241	Wallace	Wallace County Schools	200.5	1,986,602	595,981	566,166	29,815
242	Wallace	Weskan	102.5	1,181,496	389,894	357,775	32,119
108	Washington	Washington Co. Schools	348.5	3,355,928	1,006,778	1,006,913	-135
223	Washington	Barnes	367.4	3,364,059	1,009,218	1,011,921	-2,703
224	Washington	Clifton-Clyde	318.0	2,925,567	877,670	856,388	21,282
467	Wichita	Leoti	402.0	3,668,856	1,100,657	1,141,740	-41,083
387	Wilson	Altoona-Midway	184.5	2,105,719	543,276	605,830	-62,554
461	Wilson	Neodesha	719.0	5,929,903	1,956,868	1,891,821	65,047
484	Wilson	Fredonia	662.8	5,735,126	1,720,538	1,719,460	1,078
366	Woodson	Woodson	448.5	4,322,552	1,296,766	1,261,137	35,629
202	Wyandotte	Turner-Kansas City	4,098.7	31,111,065	9,333,320	9,053,413	279,907
203	Wyandotte	Piper-Kansas City	2,169.9	13,955,177	4,326,105	3,726,052	600,053
204	Wyandotte	Bonner Springs	2,679.0	19,230,749	5,769,225	5,426,138	343,087

	5/16/2017		Col 1	Col 2	Col 3	Col 4	Col 5
			SF17-145 Col 3	LFB BASE	2017-18	2016-17	
			Proposed	Gen Fund	Proposed	Adopted	
			2017-18	(incl Sped)	Max LOB	LOB	Difference
<b>USD #</b>	<b>County</b>	<b>District Name</b>	Total Adj Enroll.	\$4,490	Budget	Budget	(Col 3 - Col 4)
<b>Total</b>		<b>STATE TOTALS</b>	472,772.5	3,565,322,331	1,099,865,497	1,067,746,822	32,118,675
500	Wyandotte	Kansas City	21,152.0	171,143,479	51,343,044	49,972,534	1,370,510