

**Report of the
2010 Commission
to the
2009 Kansas Legislature**

CHAIRPERSON: Ms. Rochelle Chronister

VICE-CHAIRPERSON: Dr. Ray Daniels

RANKING MINORITY MEMBER: Senator Jean Schodorf, and; Representatives Clay Aurand and Sue Storm

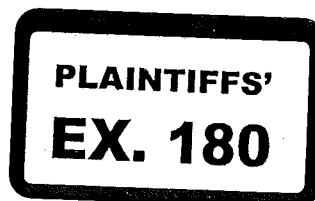
NON-LEGISLATIVE MEMBERS: Carolyn Campbell; Stephen Iliff; Dennis Jones; Emile McGill; Barb Hinton, Post Auditor (or designee); and Attorney General's designee; Lee Urban

STUDY TOPICS

The Commission has authority to:

- Conduct ongoing monitoring of the school district finance act;
- Evaluate the school district finance act and determine if there is a fair and equitable relationship between the costs of the weighted components and assigned weightings;
- Determine if additional school district operations should be weighted;
- Review the amount of base state aid per pupil and determine if the amount should be adjusted;
- Evaluate the system of financial support, reform and restructuring of public education in Kansas and in other states to ensure that the Kansas system is efficient and effective;
- Conduct hearings and receive and consider suggestions for improvements in the educational system from teachers, parents, the Kansas Department of Education the State Board of Education, other governmental officers and agencies, and the general public;
- Make recommendations it deems necessary to guide the Legislature to fulfill goals established by the Legislature in meeting its constitutional duties.

December 2008



2010 Commission

REPORT

CONCLUSIONS AND RECOMMENDATIONS

In carrying out its mandated duty of monitoring the School District Finance and Quality Performance Act, the 2010 Commission spent a great deal of time listening to school district officials and reviewing the progress school districts have made since the inception of the Commission. As shown later in this report, Kansas students have made great academic strides over the past several years. According to school officials, this is largely due to the infusion of school funding, particularly the large amount of funding directed at helping at-risk students. Additionally, school district officials frequently testified of the importance of multi-year funding which also has been helpful in ensuring success in Kansas public schools.

Considering this, the 2010 Commission makes the following recommendations:

- The Legislature should approve a three-year school finance plan which extends current state law through school year 2012 - 2013 that provides for increases in state aid based upon the Consumer Price Index - Urban.
- The Legislature should approve a Professional Development Program at the Kansas Department of Education for the 2009-2010 school year totaling \$6,250,000.
- The Legislature should approve a budget of \$630,000 for the Kansas Department of Education for the 2009-2010 school year for use in leadership initiatives.
- The Legislature should extend the state law which allows for a second student count date for school districts meeting certain criteria related to increased students of military families, for an additional four years. In addition, this second student count should be a “net” increase count.
- The Commission will continue to monitor the progress of the Early Learning Coordinating Council and will request a report on the Council’s work next year.
- The Commission recognizes that much has been done in the state to retain teachers and eliminate the teacher shortage. However, the Commission will continue to monitor activities in this area.

Proposed Legislation: The Commission requests the introduction of one bill related to extension of the second court date for school districts.

BACKGROUND

The 2006 Legislature created the 2010 Commission, which is composed of eleven members, nine voting and two serving as *ex officio* nonvoting members. The statutory duties of the Commission include:

- Monitoring the implementation and operation of the School District Finance and Quality Performance Act and other provisions of law relating to school finance and the quality performance accreditation system;
- Evaluating the School District Finance and Quality Performance Act and determining if there is a fair and equitable relationship between the costs of the weighted components and assigned weightings;
- Determining if existing weightings should be adjusted;
- Determining if additional school district operations should be weighted;
- Reviewing the amount of base state aid per pupil and determining if the amount should be adjusted;
- Evaluating the reform and restructuring components of the Act and assessing the impact thereof;
- Evaluating the system of financial support, reform and restructuring of public education in Kansas and in other states to ensure that the Kansas system is efficient and effective;
- Conducting hearings and receiving and considering suggestions from teachers, parents, the Department of Education, the State Board of Education, other governmental officers and agencies, and the general public concerning suggested improvements in

the educational system and the financing thereof;

- Making any recommendations it deems necessary to guide the Legislature to fulfill goals established by the Legislature in meeting its constitutional duties to: provide for intellectual, educational, vocational and scientific improvement in public schools and make suitable provision for the finance of the educational interest of the state;
- Examining the availability of revenues to ensure adequate funding of elementary and secondary education in the state;
- Examining voluntary activities, including extracurricular activities, which affect educational costs;
- Monitoring and evaluating associations and organizations that promote or regulate voluntary or extracurricular activities including, but not limited to, the Kansas State High School Activities Association; and
- Providing direction to the Legislative Division of Post Audit school finance audit team and receiving performance audits conducted by the team.

The statute authorizing the Commission will sunset on December 31, 2010.

The Commission is to submit an annual report to the Legislature on the work of the Commission.

COMMITTEE ACTIVITIES

Monitoring of the School District Finance and Quality Performance Act

The Commission used a variety of methods to carry out its statutory responsibility of

monitoring the School District Finance and Quality Performance Act (SDFQPA).

Providing a foundation for the work of the Commission in calendar year 2008, Dr. Andy Tompkins, Dean of the College of Education at Pittsburg State University, provoked thought in a presentation entitled: *How Are Our Schools and Our Expectations of Our Schools Changing?*

Dr. Tompkins described two proposals recently presented by national groups seeking change in the American school system.

The Partnership for 21st Century Skills proposes:

- Learning academic content through real-world examples, applications, and experiences both inside and outside the school;
- Becoming globally aware and increase financial, business, and civic literacy; and
- Undertaking high quality assessments.

The Commission on the Skills of the American Workforce proposes:

- Creating board examinations for core subjects at the end of 10th grade with students who pass the exam moving to post secondary education;
- Moving students out of public school earlier, cost savings would be used to hire more highly qualified teachers and invest in early childhood education; and
- Closely tying education with workforce needs.

A Kansas Association of School Board's presentation presented data from a variety of sources showing:

- Educational attainment affects earnings, and the impact is increasing;
- High income states are highly likely to have high educational attainment;

- Educational attainment matters far more than low tax rates to a state's economic well being, as measured by personal income and poverty rates.

Among the Plains States (Kansas, Colorado, Missouri, Nebraska, Iowa, Minnesota, and North and South Dakota), Kansas has the third highest per capita income, trailing only Colorado and Minnesota. Colorado and Minnesota are the only two states that exceed Kansas on educational outcomes, and both have higher total tax burdens than Kansas. The three lowest earning states - Missouri, South Dakota, and Oklahoma - have the highest poverty rates in the region, despite having some of the lowest tax rates. These three states also have the lowest overall educational attainment in the region.

At its July 2008 meeting, Regent Gary Sherrer gave Commission members several suggestions for improving education in the State:

- Increase integration of performance-based funding in the current funding formula. This new funding model could include:
 - Paying nationally certified teachers an extra \$5,000 a year for ten years;
 - Funding pilot programs in school districts based on student performance providing incentives for educators;
 - Providing financial rewards to buildings that performed and met the standards of the state tests.
- Increase interactive distance learning.
- Kansas has not done what could be done with interactive distance learning. Retired teachers could be utilized for interactive distance learning, and rural communities would benefit from the program.

- Increase principals' leadership initiatives.

In addition to considering these educational issues, the Commission heard several completed performance audits focusing on specific educational issues, including review of the following:

- *Reviewing Issues Related to Special Education Funding;*
- *Determining the Reasons for Variations in Virtual School Costs;*
- *Estimating the Impact of a Second Count Date on School District Funding;*
- *Assessing the Quality of English as a Second Language Preparation in Kansas Teacher Education Program;* and
- *School Districts' Use of Additional Funding.*

Specific School Finance State Aid Budget Review

Since the creation of the 2010 Commission, Commission members have visited school districts all across the State to see the realities of public school life for themselves. In addition, hundreds of public school administrators and teachers have provided testimony at Commission meetings. One recurring recommendation has been that multi-year funding as provided in the School District Finance and Quality Performance Act (the Act) has done a great deal to ensure the ongoing success of Kansas schools.

The Act mandated that state aid increases be based upon the Consumer Price Index - Urban. The law mandating this expires on June 30, 2010. The Commission recommends that the Legislature amend this law by extending it for three additional years which would require the total amount of state aid, except state aid for special education and related services, be

increased by not less than a percentage equal to the percentage increase in the Consumer Price Index - Urban during the preceding fiscal year.

Teacher Shortage Issue

At its August 2008 meeting, Dr. Alexa Posny, Commissioner, Kansas Department of Education, set the stage for this discussion by highlighting the following statistics:

- 40 percent of Kansas teachers leave the field after seven years;
- 36 percent of Kansas teachers can retire within five years;
- 50 percent of reported personnel are over 45, and 36 percent are over 50;
- 12 percent fewer students have gone into teaching over the past six years;
- In June 2008, there were 846 teacher vacancies across the state; and
- In August 2008, an estimated 375 teacher vacancies remained.

Dr. Posny went on to state reasons teachers leave the teaching profession:

- Isolation from colleagues;
- Assignments outside their area of training;
- Lack of appreciation or respect;
- Feeling discouraged and frustrated;
- Feeling left out of the decision making;
- Poor school management and not enough support from administration;
- Lack of classroom resources;
- Too many regulations;
- Lack of mentoring or induction programs;
- Large class size;
- Undisciplined and poorly motivated students;
- Uninvolved parents;
- Unreasonable expectations; and
- Lack of resources.

Dr. Posny described the large number of teacher licensure regulatory changes made in the past year by the Kansas Department of Education

which provide greater flexibility in the licensing process in an effort to help alleviate the teacher shortage crisis.

At its July 2008 meeting, Dr. Blake West, President of the Kansas National Education Association (KNEA), presented KNEA's plan for addressing the teacher shortage in its report *Great Teachers for 21st Century Schools: A realistic plan to address the recruitment and retention of teachers*. The Report outlined causes of the problem, then described solutions, some of which are described below:

- Attract candidates to teaching via future teacher programs beginning in middle school and continuing through a dual credit "intro to teaching" high school course;
- Encourage alternate route to teaching programs;
- Encourage tuition forgiveness programs for teachers;
- Increase salaries to make Kansas competitive with other states and other career options;
- Provide significant mentoring and induction support for new teachers;
- Ensure health insurance coverage for teachers;
- Improve the amount of time for grading, planning, parent involvement, and collaboration;
- Increase prestige for the profession of teaching by creating autonomous professional standards boards to oversee licensure, accreditation and professional development.

Special Issues Associated with Students of Military Families at Geary County USD 475

Because the 2010 Commission met jointly with the Legislative Educational Planning Committee (LEPC) on two occasions during the 2008 Interim Session, the Commission heard testimony on two topics referred to the LEPC by the Legislative Coordinating Council.

After listening to testimony from Geary County USD 475 Superintendent Ron Walker and Representative Barbara Craft regarding the increasing demands placed upon the Geary County USD because of the increasing number of students of military families coming into the District as well as the pressures placed upon students because of multiple deployments of one or both parents, the Commission made a recommendation to extend the second student count date law for districts facing military student increases.

Measuring Student Outcomes—Blue Ribbon Schools

The Commission received information on student outcomes from various organizations. Mark Tallman from the Kansas Association of School Boards made the following points at the August meeting:

- Percentage of Kansans with high school diplomas is at an all-time high;
- Kansas ACT scores increased at twice the national rate in the past decade;
- Student proficiency has risen steadily since state assessments began in the mid-1990s.

Mr. Tallman pointed out that while the progress is impressive, it has not come without a cost.

At the invitation of the 2010 Commission, representatives of all of the State's nationally recognized Blue Ribbon Schools appeared before

a joint meeting of the 2010 Commission and the LEPC in October.

The No Child Left Behind Blue Ribbon Schools Program is a prestigious U.S. Department of Education program honoring some of America's most successful schools. Schools are nominated by each state's chief state school officer based upon national criteria in three categories.

- Schools in the top 10 percent of the state in reading and math assessments with at least 40 percent disadvantaged students. (Disadvantaged is defined as eligible for free or reduced meals, Title I services, Limited English Proficiency, or migrant students.)
- Schools with at least 40 percent disadvantaged students that have dramatically improved student achievement to high levels. (Dramatically improving schools reaching high levels means that students are achieving above the 60th percentile in reading and math, the school must meet adequate yearly progress, and gains must have been dramatic over the past three years.)
- Schools in the top 10 percent of the state in reading and math assessments with fewer than 40 percent disadvantaged students.

The five Blue Ribbon Schools in Kansas are:

- Beeson Elementary School in the Dodge City School District
- Lincoln Elementary in the Lincoln School District
- Syracuse High School in the Syracuse School District
- Blue Valley North High School in the Blue Valley School District

- Ellsworth Elementary School in the Ellsworth School District

Some of the most outstanding qualities expressed by all Blue Ribbon School teachers and principals included:

- Caring educators focused on ensuring all students meet or exceed high academic standards, regardless of students' ability, poverty restraints, disability, gender, race, or language barrier.
- Data-driven instruction ensuring individual students receive the most effective interventions for each need.
- Principals and teachers working as teams.

Principals who clearly empower teachers.

- Perseverance and positive attitudes in spite of great challenges, whether lack of resources in the districts or students with many personal challenges.

Commission members asked Blue Ribbon school representatives to explain how their school had reached such a high level of achievement. Highly motivated and effective leaders and focused, hands-on professional development were two major reasons cited for Blue Ribbon school successes. Some examples from Blue Ribbon recipients are included below.

Principals with exemplary leadership abilities that develop empowered teachers was one of the main factors cited for outstanding achievement in individual schools. For example, the principal from Syracuse High School told members that the teachers determine the curricula in that school. "This is not a top-down decision." One principal takes all the school's students into the gym once a week, allowing teachers more planning time together.

Successful principals tended to have an attitude of collaboration, ability to communicate clearly, and a “servant-leader” mentality, encouraging teachers, staff, and students to achieve the best possible outcomes.

The majority of the Blue Ribbon recipients represented schools with high and growing numbers of disadvantaged students, which only seemed to spur school staff onto greater achievements.

Another common denominator among the Blue Ribbon recipients was that teachers determine the best professional development for themselves, such as learning how to identify individual student needs and, then, learning which interventions would work best with each particular student.

Lincoln Elementary teachers described how professional development led them, in 2005, to develop professional learning communities where teachers shared teaching strategies and student data. They also discussed how they meet with professionals from other schools sharing strategies that work.

In addition to the great strides made by the Blue Ribbon Schools, all Kansas students made academic improvements as shown in the charts at the end of this report (Attachment 1).

Career and Technical Education in Kansas Public Schools

The 2010 Commission held a hearing at its November meeting to learn of changes in career and technical education, formerly known as vocational education.

Because of changes in the federal Carl Perkins Act and the State Board’s efforts to integrate 21st century skills throughout the education system, the Kansas Department of Education is working with business, industry, and educators to implement a system of career clusters and

career plans of study that greatly expands career and technical education programs. This new method of delivering what had been a more limited vocational education begins earlier in a student’s career, works with the State’s business and industry sector to meet workplace needs, and encourage students to make a seamless transition from school to work or further education.

Several school district officials presented examples of successful pilots of this redesigned career and technical education.

Dr. Ralph Beacham from the Southeast Kansas Education Service Center (Greenbush) discussed an initiative in southeast Kansas among ten high schools, Pittsburg State University, and Ft. Scott Community College, which offers an architecture and construction career program based upon industry standards. This program partners with businesses that provide work experience opportunities for students.

Other presenters included Garden City High School; Independence High School; Nemaha Valley High School; Labette County School District; Kansas City, Kansas School District; and the Wichita School District.

Commission members plan to continue monitoring the progress of the redesigned career and technical education initiatives.

Update on Early Childhood Education

Jim Redmon, Executive Director of the Children’s Cabinet, presented an update on the Early Learning Coordinating Council’s work at the Commission’s November meeting. Mr. Redmon explained that the \$11.1 million of Children’s Initiatives Funds provided in 2008 for Early Childhood Block Grants is earmarked for:

- Early childhood programs in school districts;

- Child care centers and homes;
- Early Head Start and Head Start sites;
- Research-based child development services for at-risk infants;
- Toddlers and their families; and
- Preschool for three and four-year-olds.

Mr. Redmon reported the Children's Cabinet received 36 applications totaling over \$35.0 million. Three teams are reviewing proposals and final decisions on grant awards should be made by November 18, 2008. Mr. Redmon told the Commission that the Early Childhood Block Grant Program would enhance the coordination within the early childhood system, continue to build a foundation of best practices across the early childhood system in the state, and fill service gaps, both geographically and program-matically across Kansas. The Commission will review this area again next year.

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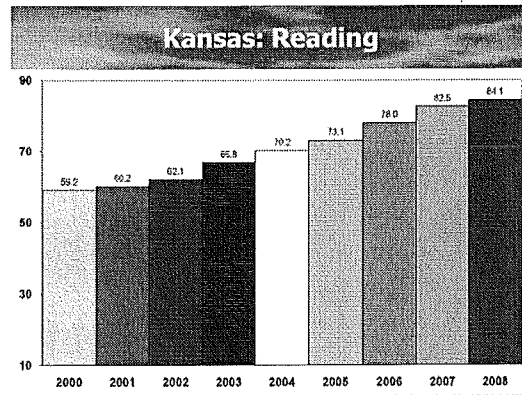
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Attachment 1

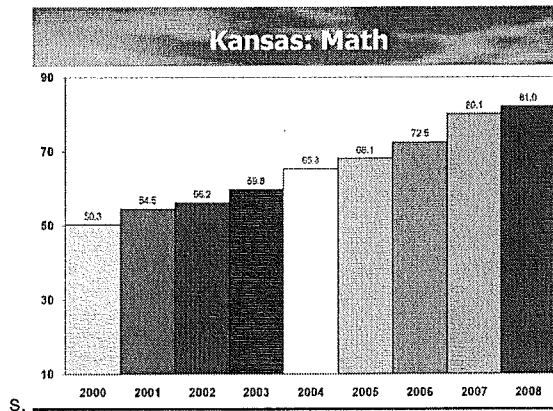
According to the Kansas Department of Education, results released in October 2008, from the 2008 Kansas Statewide Assessments show strong performance in reading, mathematics, science, and history/government for all students.

State Assessment Results Show Strong Performance by Kansas Students

TOPEKA—Results released today from the 2008 Kansas Statewide Assessments show strong performance in reading, mathematics, science and history/government for all students.



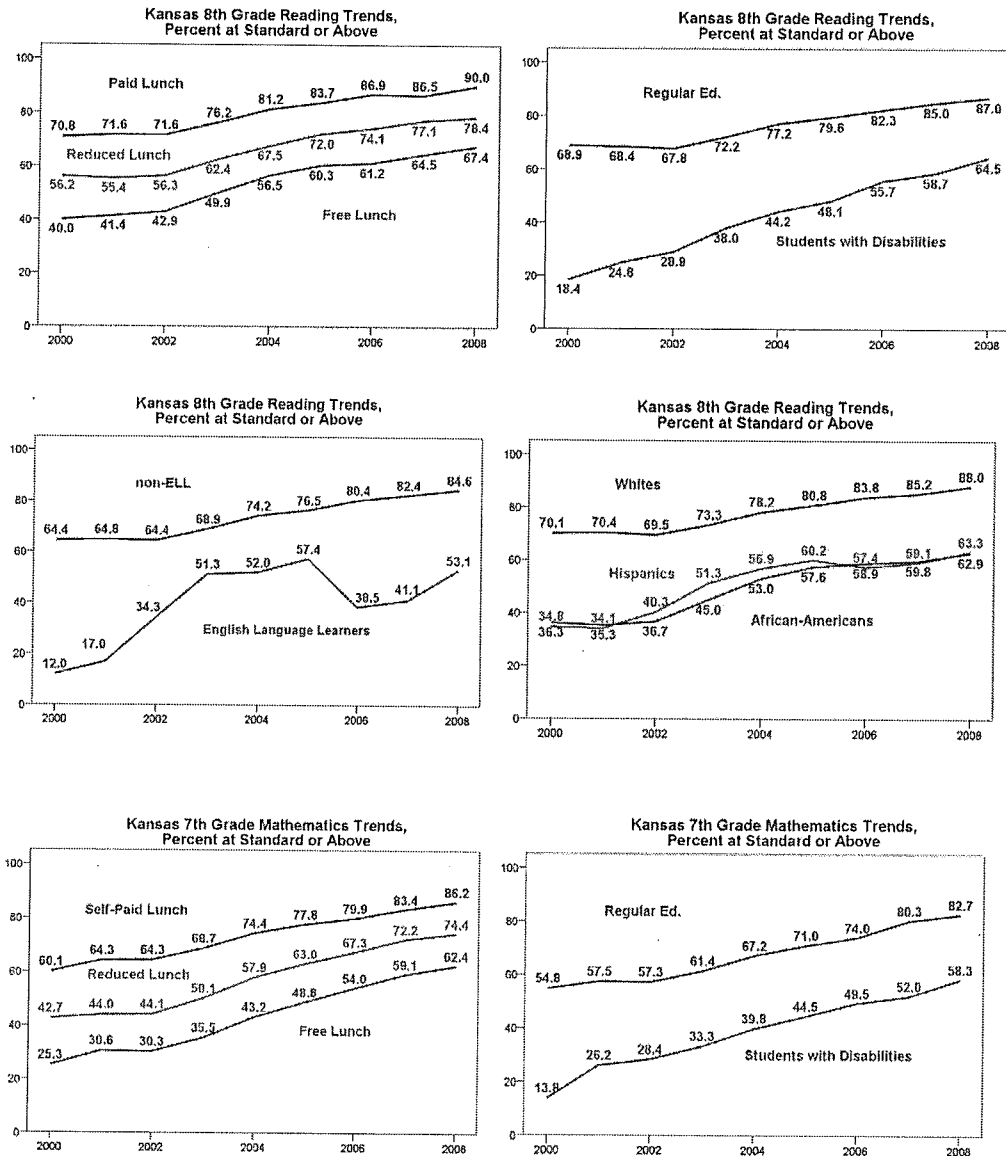
With over 99 percent participation by all students in reading, student performance is continuing an upward trend. The same holds true for Kansas students in mathematics.

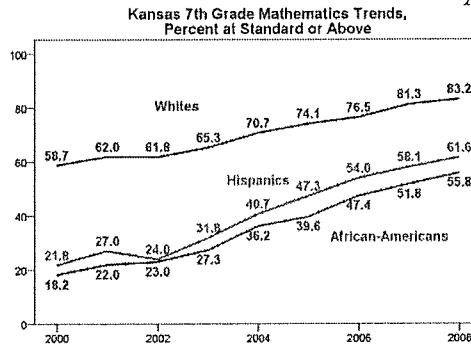
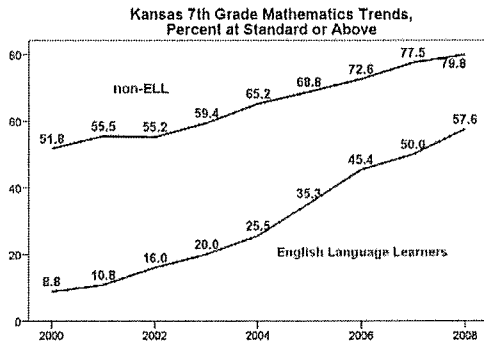


Attachment 1

When compared with the 2000 – 2007 results, the reading and mathematics scores reflect a continuing upward trend. “I use the word phenomenal when describing the achievement of our students across all grade levels in Kansas, said Dr. Alexa Posny, Kansas Commissioner of Education. She continued, “I attribute these outstanding results to the sustained focus of educators, administrators, and boards of education across Kansas. They have met and exceeded increasing higher targets under the No Child Left Behind legislation and their students are the beneficiaries.”

These trends also show that the gap among students is gradually closing.





According to Dr. Posny, "The achievement gaps among various groups of Kansas students in both reading and mathematics are gradually closing. Students and educators are working tirelessly to ensure that all children achieve to high levels." She continued, "Participation rates on all assessments in Kansas are above ninety-nine percent for all students. This indicates that the stakeholders in Kansas take the assessments very seriously and make sure that all students are counted."

History/government is tested bi-yearly in grades 6, 8, and high school. Science is assessed every year in grades 4, 7, and high school.

Kansas awards the Standard of Excellence at grade levels and building-wide. To receive a Standard of Excellence in reading for grades 3-6, at least 25% of students must be in the *Exemplary* category on the state assessment, with not more than 5% of students in *Academic Warning*. For grades 7-8, 20% of students must score in the *Exemplary* category, with not more than 10% of students in *Academic Warning*. For high schools, at least 15% of students must be in the *Exemplary* category, with not more than 10% of students in *Academic Warning*.

To receive a Standard of Excellence at the grade or building level in reading, the building must make AYP in the "All Students" group. Additionally, the following are expected percentage values for a school of excellence in reading.

- Grades 3-6, 60% of students classified as *Exceeds Standard* or above; 80% as *Meets Standard* and above; and 95% as *Approaches Standard* and above.
- Grades 7-8, 55% of students classified as *Exceeds Standard* and above; 75% as *Meets Standard* and above; and 90% classified as *Approaches Standard* and above.
- High school, 50% of students classified as *Exceeds Standard* and above; 70% as *Meets Standard* and above; and 90% classified as *Approaches Standard* and above.

To receive a Standard of Excellence in mathematics for grades 3-6, at least 25% of students must be in the *Exemplary* category on the state assessment, with not more than 5% of students in *Academic Warning*. For grades 7-8, 25% of students must score in the *Exemplary* category, with not more than 10% of students in *Academic Warning*. For high schools, at least 15% of students must be in the *Exemplary* category, with not more than 15% of students in *Academic Warning*.

Attachment 1

To receive a Standard of Excellence at the grade or building level in mathematics, the building must make AYP in the "All Students" group. Additionally, the following are expected percentage values for a school of excellence in mathematics.

- Grades 3-6, 60% of students classified as *Exceeds Standard* or above; 80% as *Meets Standard* and above; and 95% as *Approaches Standard* and above.
- Grades 7-8, 60% of students classified as *Exceeds Standard* and above; 80% as *Meets Standard* and above; and 90% classified as *Approaches Standard* and above.
- High school, 40% of students classified as *Exceeds Standard* and above; 70% as *Meets Standard* and above; and 85% classified as *Approaches Standard* and above.

Similar formulas are used to calculate the Standard of Excellence for science and history/government awards.

This year saw an increase in the number of awards for both reading and mathematics. There were 3,461 Standard of Excellence certificates awarded in reading; 2,755 in mathematics, 437 in science; and 217 in history/government.

Minority Report to the 2009 Kansas Legislature

By Stephen R Iliff CPA, MBA, current member of 2010 Commission.

The legislature should not approve a three-year school finance plan.

Educational leaders cannot expect to have guaranteed budgets, wage increases, and unlimited supplies or even continually increasing student populations. We live on a planet with scarce resources and future uncertainty. With property values going down, property taxes going up, businesses closing, sales tax revenues plummeting, corporations downsizing and income tax revenue plummeting, why should educators be insulated from the real world? The educational and government powers tend to act like they are not subject to the same laws as the rest of the population. But there are no guarantees in this world, not even tax increases. Our country and State are broke.

One of the reasons General Motors (GM) is bankrupt¹ and bleeding cash right now is that they have too many guaranteed commitments and contracts that bind them.

	General Motors	Toyota	Honda
Market Share	20 %	19%	11%
Brands 8		3	2
Dealers 7000	² 1500		1000
Wages Same		Similar	Similar
Benefits	UAW Jobs Bank ³ Minimal		Minimal

State Governments act very much like General Motors. They continue to offer unfunded benefits that private companies could never offer. They purchase more and more property while leaving beautiful old often historical buildings to decay.

The 2010 Commission should not be recommending any increase of any kind in this economic environment.

Professional Development

Although I agree that many professional development programs are excellent, they should be self-funded and in fact already are funded in the Kansas Highly

¹ Michael Levine, Wall Street Journal opinion page 11/17/08.

² These are protected by State Law-eliminating them is very expensive.

³ GM guarantees almost full wages to UAW "Jobs Bank" program for workers that lose the jobs through automation. GM supports more retirees than current workers. It owns or leases enormous amounts of property for facilities it's not using and probably will never use again.

Resource Effective Districts⁴ (KHRED). In the study done by Standard and Poor's they noted that the KHRED consistently:

1. Support and enhance classroom teacher's performance with on-the-ground instructional guidance and assistance.
2. Invest in targeted professional development to ensure return of strategic program investments.
3. Use teachers as expert resources for key decisions.
4. Extend the contract year to increase teacher development and planning time.
5. Focus district and building meetings on learning and instruction.

In addition these districts often fund development with fewer total dollars than less efficient districts. That is why they are more efficient. Any principal worth her salt would have in-house training by her best and brightest teachers. Usually those teachers enjoy the opportunity to help others in the profession they love. There are many fine videos that are helpful and/or online webinars. Light breakfast and lunches are not expensive. The legislature has added well over a billion new dollars to Kansas schools over the last three years. The best principals will find a way to get the job done with the tools and finances they currently have. To throw \$6,000,000 at schools without knowing where it is going, or how it will be used, and to have no measuring tool or reporting mechanism to see if it was effective, is irresponsible. As legislators, each person must see themselves as trustees of the hard-working Kansan's tax dollar. You must treat it like it was your own.

A real possibility is that this money will be wasted on junkets to exotic cities like Washington DC or San Diego to hear teachers who may not be as good as ones you have in-house, thus turning the money desperately needed to improve academics into a vacation package for some teacher or principal.

Leadership Initiatives

I also agree that leadership training should be provided and encouraged for principals. The Marine Corps Officers Training would be my first recommendation or the closest alternative. The best among the principals in Kansas (e.g., principals from the KHRED or Blue Ribbon Schools) would be glad to share their knowledge and again breakfast can be very inexpensive on school property. But I cannot agree that the Legislature should spend money it does not have at this time nor until I know of a program that will work with tools to measure the effectiveness of the program. Some are just junkets and a waste of both time and money. Some may be good but with technology available you can easily do webinars, videos or in-house (district) seminars.

⁴ Standard & Poor's Kansas Education Resource Management Study, Winter 2006

Accounting

The KSDE website should be made available for mass download of all data so that data miners could begin digging and developing their own reports. The current website is very slow and the information, though helpful, requires a lot of time and effort to get. For example, someone should be able to download all revenue, expenses, demographics and outcome data in detail for all districts in a given year as one file.

In a performance audit⁵ presented to the Legislative Post Audit Committee, the Legislative Division of Post Audit noted that 16 out of the 20 states had a standardized required chart of accounts. Kansas was one that did not. This would go a long way to making the data more accurate, consistent and easier to compare and use to improve performance.

Kansas School District Efficiency Study

Governor Sebelius commissioned Standard and Poor's to do an efficiency study of Kansas school districts, sponsored by the Ewing Kaufman foundation. It was an excellent study that came up with a mechanism to compare each similar district to the very best districts in the State using a statistic called the Relative Efficiency Score. According to the study:

The **Relative Efficiency Score** that each district earned was based on three variables: "**inputs**--how much the district spends per pupil; **outputs**—how well the district's student perform in reading and math; and **constraints**—how many of the district's student have special needs (i.e. economically disadvantaged backgrounds, physical or learning disabilities, or limited English proficiency)."⁶

The purpose of the comparisons was to help improve, not simply audit, cost-effectiveness. Successful organizations routinely compare themselves to the best-in-class organizations, communicate with them to learn how they achieved their superior results, and use that information to improve their own performance. "Benchmarking" is the comparative method that many organizations use to make continuous progress, and school districts can use it, too.⁷

The Kansas Legislature should require the accounting data we have to be put in a format so that this Efficiency Score could be calculated at the end of each fiscal year and posted along side all the AYP results. Every taxpayer, parent and board member should know these efficiency scores and ask questions when their score is less than 100%. They should be sent out with each person's property tax bill so that taxpayers can compare how well their tax dollars are being spent.

⁵ Performance Audit Comparing the Centralization of School District Accounting in Different States, February 2007.

⁶ Kansas School district Efficiency Study part II April 2007

⁷ Letter to the 2010 Commission dated August 3, 2007 by Michael Stewart, Director Standard and Poor's

Many districts are difficult to compare because they are so large. In order to allow reasonable comparisons and maximum benefit for the districts and stakeholders, the data should be accurate and available down to the building level. While a district like Wichita would be impossible to compare to Royal Valley, the individual buildings or schools easily could be compared.

Current Environment

We are now in a financial crisis in the country, but it is one of our own making. California and New York are the two best examples over overspending (spending every dollar the State taxes from the citizens), putting all your eggs in one basket (taxes from the financial industry), counting on good times to last forever (home appreciation and unlimited credit). But as we have all seen in the last 8 years and should have seen quite clearly if we had just read our history books of just the 20th Century, that good times don't last forever. Every farmer knows that you must store up during good times so that you have something to eat during the bad times.

General Motors is now facing bankruptcy and drastic cuts in union labor wages, retirement pay, health benefits and plant closings all while Toyota and Honda are building new plants in America and humming along, though their profits are temporarily down. The question is not whether a government should run like a business, but which model do you wish to run on? GM's or Toyota? Bear Stearns or Berkshire Hathaway? IndyMac or Wells Fargo? Countrywide or Strong Community banks like Fidelity and CoreFirst?

Kansas is now in a similar problem, though on a much smaller scale. We have had some very good years economically. Every new tax dollar has been spent. Government has grown and the schools have loaded themselves with new teachers, more para-professionals, increased wages, better retirements and benefits many of which are guaranteed. We have no reserves. The way school budgets are handled, they must spend every dollar, every year or they can only expect to get cut the next year. This means that districts, schools and programs often have to run out and buy technology and other things they really don't need just to show they spent it all. Why not reward those who get the job done with keeping their reserve for lean times? If a program really is successful in increasing scores and they don't spend all the money they have, shouldn't it be able to do that without incurring a future cut or having the money taken away?

Technology

The future is in technology and innovation. We must encourage the use of the latest technology to reduce costs and improve output. According to an excellent article by Clayton Christensen, a Harvard Professor of Business administration:

To educate every child, schools must migrate to a modular architecture--from the current

child. Computer-based learning offers a way. It is inherently modular and therefore easier and less expensive to customize to the way each child learns.

But computers have littered schools for over two decades without making much impact in the classroom's structure. That's because schools have implemented computers to sustain the current paradigm of teaching rather than disrupt it.

For computer-based learning to transform schools into child-centric learning environments, schools must implement the instructional software disruptively, by letting it compete where the alternative is no teacher at all. There is evidence this is happening in several places--from helping small, rural or low-wealth schools where specialized courses would not otherwise be available to serving students who need special tutoring, or for whom attending the normal school day is not an option.

Despite skepticism about the school system's ability to shift, online classes now account for 1 million enrollments in public education, up from 45,000 just seven years ago. Programs like Utah's Electronic High School are disruptively gaining ground and improving--and transforming education in the process.

The virtual schools and our own Greenbush project have proven that you can get a very good education cost effectively even with a teacher shortage or even a science and math shortage if you use the latest technology. This may be the only option for rural kids facing smaller and smaller classrooms and having to bus over an hour one way each day.

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