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## Report of the 2010 Commission to the 2008 Kansas Legislature

**CHAIRPERSON:** Ms. Rochelle Chronister

**VICE-CHAIRPERSON:** Dr. Ray Daniels

**OTHER MEMBERS:** Senator Jean Schodorf, and; Representatives Clay Aurand, and Sue Storm

**NON-LEGISLATIVE MEMBERS:** Carolyn Campbell, Stephen Iliff, Dennis Jones, Barbara Mackey, 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 it 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 consider suggestions for improvements in the educational system ; and
- Make recommendations to guide the Legislature to fulfill goals established by the Legislature in meeting its constitutional duties.

### LCC Referred Topics:

- Local School District Centralized Accounting and Reporting System - Study the possible development of a centralized local school district accounting and reporting system. Review the current accounting and reporting system that the Kansas Department of Education utilizes for local school district expenditures. Study the practices of other states in this area, especially Wisconsin and Minnesota. Review software programs that would facilitate centralized accounting, including building based budgeting. Examine how any such system could be implemented and coordinated with the new state accounting system.
- Efficiencies and Effectiveness of the School (K-12) Funding Formula. Study the efficiencies and effectiveness of the existing school (K-12) funding formula. Review the best practices documented in the most recent Standard and Poor's Efficiency Report. Also, review the budgetary inefficiencies as documented by the 2010 Commission and the Legislative Post Audit Committee.

*December 2007*

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# 2010 Commission

## REPORT

### CONCLUSIONS AND RECOMMENDATIONS

The 2010 Commission spent the 2007 interim visiting school districts in central and northwestern Kansas, rounding out its tour of a number of school districts begun in 2006. These grassroots visits along with hours of testimony during the summer of 2007 can be grouped in two areas that appear to be of utmost importance to Kansas regarding public education. These two areas are:

#### **Teacher Shortages, Retention, and Recruitment Issues**

- Early Childhood Development
- Teacher Shortages, Retention, and Recruitment Recommendation Package

With an acknowledgment that more than one initiative will be needed to address the issues of teacher shortages that put public education in the State at risk, the 2010 Commission makes the following recommendation for State Fiscal Year 2009.

- Increase the Base State Aid Per Pupil (BSAPP) by \$100 in SFY 2009 to \$4,474 per pupil which would add nearly \$26.0 million in additional funding to the 2008-09 budgets of school districts. This \$26 million would be in addition to the \$34 million increase already appropriated for SFY 2009.

The 2010 Commission further recommends that this funding focus on increasing teacher salaries so that Kansas can become more competitive with surrounding states and states currently employing Kansas teachers.

A great deal of research both in Kansas and across the country recognizes the importance of mentoring and professional development programs in retaining both new and veteran teachers. The following recommendations would assist in this effort:

- Add \$2.250 million to the Professional Development Program, bringing the total funding to \$4.0 million in SFY 2009.

The law enacting this program provides 50 percent reimbursement to districts for actual professional development expenditures. If the State funded this program as current law states, the State aid would equal \$6,250,000 which is either one-half percent of a district's general fund budget or 50 percent of its actual expenditures, whichever is less.

- Add \$500,000 to the Mentor Teacher Program bringing the total funding to \$2.0 million in SFY 2009. These additional funds would fund the second year of mentoring for 500 new teachers.
- Fund leadership academies for principals and other administrators with \$500,000.
- Provide \$2.5 million to create a Teacher Retention Incentive Program. These funds would be used to encourage math, science, and special education teachers who are eligible to retire to remain in teaching by matching local school district funds up to \$2,500 per teacher placed into a savings plan for the teacher, outside of the current Kansas Public Employees Retirement Plan.

#### **Early Childhood Recommendation Package**

- The 2010 Commission recommended retaining current Department of Education early childhood programs in the Department and shifting the Infant-Toddler special education program (*tiny-k*) from the Department of Health and Environment to the Department of Education. In addition, the recommendation included shifting the Early Head Start Program from the Department of Social and Rehabilitation Services to the Department of Education and the Pre-Kindergarten Pilot Program in the Children's Cabinet to the Department of Education.
- The 2010 Commission recommended that the Children's Cabinet move forward over the next year leading the Early Learning Coordinating Council (ELCC) in improving coordination and expanding services in early childhood programs not included in the Department of Education. The Commission expressed the desire that these programs "cover all corners of the state."
- The 2010 Commission recommended providing \$15.0 million in SFY 2009 to fund all-day kindergarten.

In its 2007 Report, the 2010 Commission acknowledged the importance of early education and recommended that all-day kindergarten be expanded to include all Kansas children eligible to attend. In light of this, the 2010 Commission recommends the Legislature fund \$15.0 million in SFY 2009 to begin funding this effort. In order to fully fund all-day kindergarten across the State, \$15.0 million would be needed every year for five years.

#### **Other Recommendations**

- As part of its statutory responsibility, the 2010 Commission reviewed the various weightings in the School District Finance and Quality Performance Act (SDFQPA). Because of this, the Commission recommends that the second level of funding for at-risk students, the high-density formula, be based on the prior year's data and be determined using a linear transition calculation.
- In addition, the Commission recommends that the bilingual weighting in the school finance formula be changed from a full-time equivalent weighting with contact hours to headcount and adjusted to 0.2 from the present 0.395.

- The 2010 Commission recommends that the threshold amount per student of the Special Education Catastrophic State Aid Program for school year 2008-09 be increased from \$25,000 per student to \$36,000 and in years thereafter the base be increased by an amount equal to the percentage increase of the CPI (urban). For students meeting the qualifications of an exceptional child and for whom the district provided special education services, the state would reimburse the district 75 percent of the cost above \$36,000 per student.
- The Commission recommends:
  - The State Department of Education require every school district use the Kansas Accounting Handbook and require newly hired school district clerks be trained in a course using the Kansas Accounting Handbook; returning clerks should be required to complete a refresher course.
  - The State Board of Education should review annually the financial reporting system to determine if any alterations or additions are needed based on requests for accounting information.
  - Regarding vocational education, the Legislature through the House and Senate Education Committees requests an update of the State Department of Education's vocational education transition plan which will implement the changes taking place at the national level in this program.

**Proposed Legislation:** The Commission has no authority to introduce legislation.

#### 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 SDFQPA and other provisions of law relating to school finance and the quality performance accreditation system;
- Evaluating the SDFQPA 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 BSAPP and determining if the amount should be adjusted;
- Evaluating the reform and restructuring components of the SDFQPA 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 is 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 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

### Early Childhood Programs

2007 HB 2310 directed the Legislative Educational Planning Committee (LEPC) in collaboration with the 2010 Commission to study and make recommendations related to early childhood education. Included among the directives were the following:

- Prepare a plan which recommends the establishment of the Office of Early Childhood Education by January 1, 2009, as well as the structure of the Office;
- Develop a coordinated and comprehensive system for the delivery of early childhood education services;
- Facilitate interagency and interdepartmental cooperation;
- Encourage and facilitate joint planning and coordination between the public and private sectors to better serve children's needs;
- Make recommendations related to design of a universal application form and single point of access which would better service families of young children;
- Evaluate and report on the performance and cost effectiveness of early childhood education services and make recommendations to ensure private and public entities are accountable for the progress of children; and
- Conduct hearings so that a wide variety of input is received.

The bill required that several *ex officio* members be added to the LEPC and 2010 Commission for purposes of this study. Those members are:

- Commissioner of Education;
- Secretary of the Kansas Department of Health and Environment;
- Secretary of the Kansas Department of Social and Rehabilitation Services; and
- Executive Director of the Kansas Children's Cabinet.

The bill required the LEPC to present a report of its activities to the Governor and Legislature on or before December 31, 2007.

A performance audit entitled *Children's Program's: Reviewing Whether They Are Coordinated To Avoid Duplication and Maximize the Use of Resources* provided a foundation for the Commission's review. Additional background information on the science of early childhood brain development was collected during a special meeting held with Dr. Jack Shonkoff, Director of the Center on the Developing Child at Harvard University. In addition, the Commission invited testimony on the early childhood program issue and heard from more than thirty individuals from every corner of the state. Presenters included representatives of pre-kindergarten, head start and early head start, *tiny-k*, Healthy Start Home Visitor, and Parents as Teachers programs, as well as family day care providers. The Commission also reviewed early childhood programs in other states with research provided by Dr. Lisa Klein, Director of Early Childhood Programs at the Kansas Health Institute. All state agencies involved in early childhood programming testified.

#### **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).

Commission members continued visits to local school districts in their ongoing effort to review the achievements accomplished with additional school funding across the State. Members visited Geary County, Salina, and Colby unified school districts in April.

The Commission heard several completed performance audits related to a variety of educational areas, including the review of the following:

- *The Cost of Vocational Education Programs;*
- *Alternative Models for Organizing Middle School and High Schools;*
- *The Research on Charter School Performance;*
- *Staff Recruitment and Retention Strategies used by Kansas School Districts;* and
- *Issues Related to Virtual Schools.*

At its July meeting, the Commission heard from Michael Stewart, Director of School Evaluation Services at Standard & Poor's, with the presentation of the Kansas School District Efficiency Study. The Study included efficiency measurement and improvement tools applied to all Kansas school districts. Twenty-one Kansas school districts were identified as "efficiency frontier" districts (those receiving efficiency scores of 100 percent) which could be viewed as benchmark districts for other districts to use as good examples.

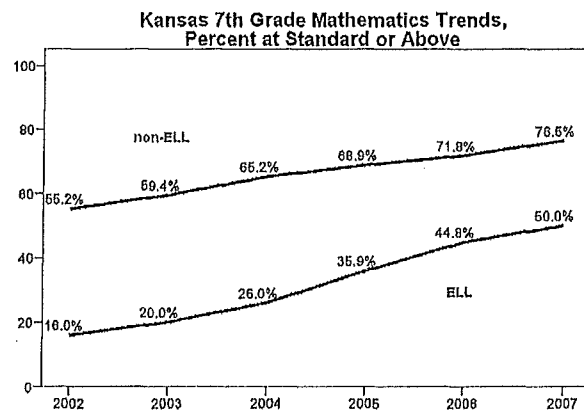
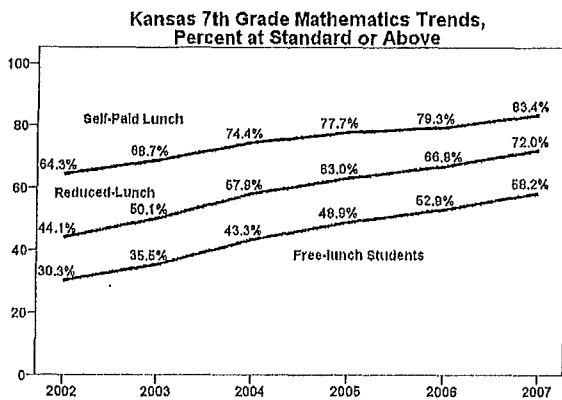
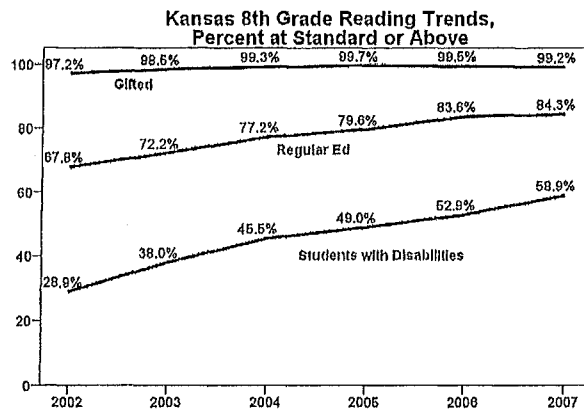
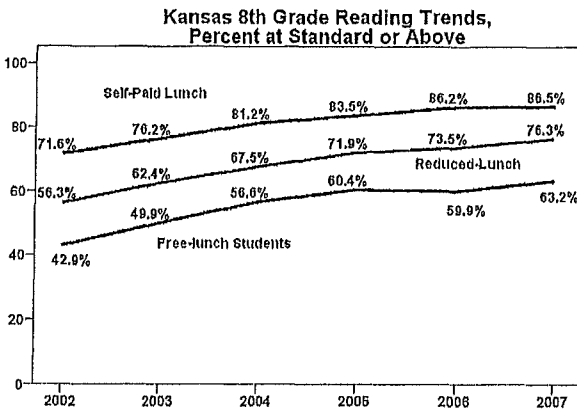
In fulfilling its mandate to monitor the SDFQPA, the Commission received information on the academic progress of Kansas students, particularly students identified as at risk of failure, including students with disabilities, students who qualify for free lunches, and English language learners.

The following information was presented to the Commission in October 2007 by Dale Dennis, Deputy Commissioner of the Kansas Department of Education:

- Kansas students averaged a composite score of 21.9 compared to 21.2 nationally on the ACT;
- In Kansas, 77 percent of graduating seniors went on to post-secondary education; and
- On the National Assessment of Education Progress (NAEP), Kansas:

- 4th graders ranked 2nd in the nation on math;
- 8th graders ranked 2nd on math;
- 4th graders ranked 6th on reading;
- 8th graders ranked 6th on reading.

The charts below, provided by the Kansas Department of Education, show progress in math and reading for free-lunch students, students with disabilities, and English language learners.



**Teacher Shortage Issue**

The Commission held a day of hearings on the issue of teacher shortages inviting participants to identify initiatives that could assist in alleviating this - one of the most critical education issues in the State.

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

- Forty-two percent of Kansas teachers leaving the profession, leave after only seven years of teaching;
- Fifty-one percent of licensed personnel in Kansas schools are over age 45, and 36 percent are over age 50; and
- As of June 2007, there were 1,144 teacher vacancies in the State.

More than a dozen presenters discussed teacher shortages with Commission members. Superintendents and administrators from the following school districts presented concerns as well as recommendations for improvements. Those appearing included:

- Dr. John Morton, Unified School District (USD) 373, Newton;
- Dr. John Heim, USD 253, Emporia;
- Dr. David Brax, USD 313, Buhler;
- Gary Price, USD 250, Pittsburg;
- Dr. John Burke, USD 261, Haysville;
- Bill Hall, USD 214, Ulysses;
- Robert Scheib, USD 208, WaKeeney;
- Mike Wilson, USD 501, Topeka; and

- John Rios, USD 500, Kansas City.

Issues identified as contributing to teacher shortages included:

- A Kansas Public Employees Retirement System (KPERs) law that makes it difficult to rehire retired teachers;
- The fact that Kansas is 37th in the nation in teacher salaries when the salaries are not adjusted for regional cost differences (2005-06 school year); when adjusted for regional cost differences, Kansas ranks 31st in the U.S.
- Lack of students choosing teaching as a career; and
- Inadequate professional development and mentoring programs for current teachers.

<b>Average Salary by Assignment for the 2006-07 school year</b>		
	Average Salary with Fringes	Average Base Salary
<b>Mathematics</b>	<b>46,325</b>	<b>40,466</b>
<b>Science</b>	<b>46,054</b>	<b>40,036</b>
<b>Special Education</b>	<b>47,041</b>	<b>42,663</b>
* Information provided by the Kansas Department of Education		

**School District Centralized Accounting and Reporting System**

The Legislative Coordinating Council requested the 2010 Commission study the feasibility of development and implementation of a centralized accounting system for use by all school districts. A performance audit entitled *Comparing the Centralization of School District Accounting in Different States* described this issue as a long term concern of legislators who expressed difficulty in meaningfully comparing



expenditures across Kansas school districts. In 2005, the Department of Education created the Kansas Education Comparative Performance and Fiscal System, which allows on-line comparisons of a variety of fiscal and demographic data from Kansas school districts. However, even with this new system, some legislators have expressed concern that the system's information is not detailed enough and is not consistent across districts. These concerns led to introduction of House Bill 2175 in 2007, which would require the State Board of Education to develop an accounting and reporting system for all school districts that is maintained centrally, Internet based, and easily accessible. The Department of Education's fiscal note on such a system indicated an initial estimate of \$100,000 to conduct a needs assessment. No estimate was provided on the implementation of such a system.

In its review of this topic, the Commission heard from a variety of presenters including Representative Lana Gordon of Topeka, Dr. Brenda Dietrich, Superintendent of USD 437, Auburn-Washburn School District; Dr. Dale Rawson, Superintendent of USD 244, Burlington; Dr. Rob Balsters, Deputy Superintendent of Business, USD 345, Seaman, who also represented the United School Administrators; Mark Dick from the accounting firm of Allen, Gibbs, and Houlik; Representative Tom Holland, owner of Holland Technologies, Inc. (a firm that markets accounting software).

School officials, Mark Dick, and Representative Holland indicated that Kansas already has a centralized reporting system that has been used for many years. They also agreed that development and implementation of a new accounting system could be very costly and may not accomplish the goal of providing more uniform and consistent data.

The Commission considered this issue and made recommendations presented later in this report.

## CONCLUSIONS AND RECOMMENDATIONS

The Commission's conclusions and recommendations are organized into two major categories:

- Teachershortages,retention,andrecruitment; and
- Early childhood development.

In addition, a section entitled "Other Issues" is included.

### Teacher Shortages, Retention, and Recruitment Recommendations

**Teacher Salaries.** The issue dominating the Interim Session discussions regarding K-12 education was teacher shortages across the State. The Commission heard from Dr. Alexa Posny, Commissioner of Education; Legislative Post Audit performance audits entitled: *K-12 Education: Reviewing the Staff Recruitment and Retention Strategies Used by Kansas School Districts* and *K-12 Education: Reviewing Issues Related to Developing and Retaining Teachers and School Principals*, and dozens of school officials from across the State. In June 2007, there were 1,144 teacher vacancies in Kansas' school districts. By the start of the school year, in early August, there were 497 vacancies. If these vacancies, 105 were in special education and 45 were in math and science. These vacancies were dealt with in a variety of ways, including interactive video in rural districts and combining classes.

The performance audits indicated that 25 percent of the State's current teachers will be eligible to retire in the next five years while 33 percent are over the age of 50.

Other factors exacerbating the teacher shortage issues include the fact that Kansas ranks 38<sup>th</sup> in the nation in actual teacher salaries (31<sup>st</sup> in

teacher salaries when those salaries are adjusted for regional cost differences).

A survey of teacher working conditions presented to the Commission by Dr. Blake West, President of the Kansas National Education Association, showed that teacher salary levels was a critically important issue in retaining teachers.

### **Improving the Quality of Staff**

A second theme heard by the Commission in its tours of the state was the importance of staff. Specific items relevant to staff include the following:

- Leadership Academies;
- Mentoring New Teachers;
- Professional Development of Current Teachers; and
- Attracting, Developing, and Retaining Teachers.

**Leadership Academies.** The Commission recognizes the efforts of the State Department of Education in providing small grants to school districts and service centers to fund a variety of leadership workshops and trainings. This type of funding was done on a statewide basis prior to this time.

In its tour of school districts, the Commission gained the impression that the skills, knowledge, commitment, and dedication of administrators to educational improvement is vital to improving student proficiency. To enhance the quality of leadership, the Commission supports statewide continued and improved leadership programs.

A July 2006 Legislative Post Audit report entitled *K-12 Education: Reviewing Issues Related to Developing and Retaining Teachers and School Principals* reviewed literature on attracting and retaining school principals. The report described three “best practices” for principal professional development:

- Provide practical training, such as training on budgets, case studies, and problem solving;
- Include opportunities for peer support and leadership coaching, such as support groups and training with peer principals; and
- Offer development through a variety of providers, such as outside agencies, university personnel, or national conferences.

The Commission believes that these academies are an efficient and practical way to provide good practices for present and future principals.

**Mentoring New Teachers.** The Commission notes input it received in the field from teachers who stressed the importance of mentoring. A Department of Education survey showed that new teachers with mentors were retained at a rate of 65 percent over a six-year period. Those new teachers not having mentors were retained at a 57 percent rate.

The performance audit report on developing and retaining teachers cited mentoring programs as one of the best strategies described in educational literature to retain new teachers. Through mentoring programs, such as the one in Kansas, new teachers are paired with experienced teachers to receive guidance and support.

The Kansas Mentor Teacher Program was established by the 2000 Legislature beginning with the 2001-02 school year. It is a voluntary program and provides probationary teachers with professional support and continuous assistance by an on-site teacher. A mentor teacher is a certificated teacher who has completed at least three consecutive school years of employment in the district, has been selected by the school board as having demonstrated exemplary teaching ability, and has completed training provided by the school district in accordance with Kansas Department of Education criteria. Each mentor teacher may receive a grant not

to exceed \$1,000 per school year for up to two probationary teachers. Fiscal year (FY) 2002 was the first year the Mentor Teacher Program was funded. That year, the Legislature limited grants to support only beginning teachers in their first year of teaching. No funding was approved for this program from FY 2003 through FY 2005. Subsequent years' funding was \$1,050,000 in FY 2006, \$1.2 million in FY 2007, and \$1.5 million in FY 2008. It would take \$3.0 million annually to fully fund this program.

**Professional Development of Current Teachers.** The Commission supports professional development efforts and believes these efforts must be related to the curriculum (job imbedded), be consistent, and be on-going. The Commission recognizes the importance of professional development in implementing reforms that have proven successful in improving student proficiency, such as the professional learning communities, noted above. The recent performance audit, *K-12 Education: Reviewing Issues Related to Developing and Retaining Teachers and School Principals*, noted that one of the overarching best practices for teacher professional development is the commitment of adequate resources to professional development by earmarking funds for training, paying advanced education training costs, and offering more time for professional development.

Legislation requires school districts to provide professional development programs. School districts may use local money and receive matching state aid for education approved by the State Board of Education. There is a limitation placed on the amount of state aid a USD can receive. The limitation is one-half of one percent of the individual school's general fund budget. For the current fiscal year and FY 2008, the Legislature appropriated \$1.75 million for professional development. Actual expenditures by school districts in the 2005-06 school year totaled nearly \$12 million in state and local funds combined. If the State funded this program as current law provides, the state aid would equal

\$6,250,000 which is the sum of either one-half percent of a district's general fund budget or 50 percent of its actual expenditures, whichever is less.

**Attracting, Developing, and Retaining Teachers.** The Commission reviewed the 2006 Teacher Working Condition Survey sponsored by Governor Sebelius, Kansas National Education Association, United School Administrators, and the Center for Teaching Quality. Approximately 22,000 teachers and administrators (53 percent of Kansas educators) responded to the survey. Among survey findings was the importance of adequate planning time for teachers as well as empowering them as decision makers in their schools.

The Commission supports activities intended to attract, develop, and retain high quality teachers and school principals as identified in the above-referenced survey as well as the Legislative Division of Post Audit performance audit report regarding teacher and principal retention entitled *K-12 Education: Reviewing Issues Related to Developing and Retaining Teachers and School Principals*.

The performance audit describes best practices for attracting and retaining teachers.

For attracting teachers, education literature includes:

- Improving compensation;
- Increasing recruitment efforts; and
- Reducing barriers to becoming a teacher.

For retaining and developing teachers, education literature includes:

- Establishing mentoring programs;
- Developing teacher preparation and transition programs;
- Improving working conditions;

- Increasing pay; and
- Dedicating adequate resources to training specifically targeted to teachers' needs.

The Commission heard from several school district superintendents that disincentives built into the Kansas Public Employees Retirement System (KPERs) law made it difficult for districts to hire retired teachers. Glenn Deck, Executive Director of KPERs, presented information and proposals for assisting with this problem.

Mr. Deck presented a proposal to temporarily eliminate the \$20,000 annual earnings limitation for retired teachers desiring to return to teaching in a public school district.

**Proposal:** Eliminating the \$20,000 earnings limitation.

**Type of Exception:** Eliminate the \$20,000 earnings limitation for retired teachers returning to work for the same employer when the criteria outlined below are met.

**Length of Exception:** Sunsets after a three-year period.

**Eligible Retirees:** Any teacher who retired from the hiring school district with normal (unreduced) retirement benefits.

**Waiting Period:** Must have a break of 30 days after retirement date before returning to any work with any KPERs employer.

**Eligible Positions:** Subject to the limitation below, the position to be filled is in one of the following categories: math, science, special education, and other individual positions approved by the State Board of Education.

The maximum number of positions in each school district to which the exception may be applied is the greater of the following:

- Five percent of total district teaching positions; or
- Five positions.

**Proposal: Retention Incentive.** Mr. Deck made a second proposal, a retention incentive for teachers about to retire. This incentive, related to retirement benefits, is the provision of an employer contribution to a deferred compensation plan on behalf of teachers who continue to work beyond the point at which they would otherwise be eligible to retire with full benefits. Whether structured as a one-year or multi-year plan, such a contribution could be made subject to a vesting schedule consistent with the period over which the employer is seeking to retain the employee before retirement. Furthermore, it could provide a significant incentive to employees who are eligible to retire while remaining cost effective for employers.

Recommendations arising from these conclusions begin below.

- Increase the Base State Aid Per Pupil (BSAPP) by \$41 in SFY 2009 to \$4,474 per pupil which would add a total of \$59.8 million to the 2008-09 budgets of school districts. (2006 Senate Bill 549 increased BSAPP \$59 in SFY 2009; this recommendation would add \$41 more per pupil in SFY 2009.)
  - The 2010 Commission further recommends that this funding focus on increasing teacher salaries so that Kansas can become more competitive with surrounding states and states currently employing Kansas teachers.

A great deal of research both in Kansas and across the country recognizes the importance of mentoring and professional development programs in retaining both new and veteran teachers. The following recommendations would assist in this effort:

- Add \$2.250 million to the Professional Development Program for a total of \$4.0 million.
  - The law enacting this program provides 50 percent reimbursement to districts for actual professional development expenditures.
- Add \$500,000 to the Mentor Teacher Program, bringing the Program total to \$2.0 million in SFY 2009.
  - These additional funds would allow 500 more new teachers to receive mentors in 2009.
- Fund leadership academies for principals and other administrators with \$500,000.
- Provide \$2.5 million to create a Teacher Retention Incentive Program. (This proposal is similar to the one proposed by Glenn Deck of KPERS, but not exactly the same because it targets particularly hard-to-fill positions.)
  - These funds would be used to encourage math, science, and special education teachers who are eligible to retire to remain teaching in their own districts by matching local school district funds up to \$2,500 per teacher placed into a savings plan for the teacher, outside of the current Kansas Public Employees Retirement Plan.
- Retain current Department of Education early childhood programs in the Department and shift the Infant-Toddler special education program (*tiny-k*) from the Department of Health and Environment to the Department of Education. In addition, the recommendation includes shifting the Early Head Start Program from the Department of Social and Rehabilitation Services to the Department of Education and the Pre-Kindergarten Pilot Program from the Children's Cabinet to the Department of Education.
- The Commission further recommended that the Children's Cabinet move forward over the next year leading the Early Learning Coordinating Council (ELCC) in improving coordination and expanding services in early childhood programs not included in the Department of Education. The Commission expressed the desire that these programs "cover all corners of the state."

Research has shown that full-day kindergarten, if appropriate scheduling and curricula are used, can boost academic performance and bring social benefits. This is particularly true when considering children from educationally disadvantaged backgrounds. Children with full-day kindergarten experience score higher on standardized tests and have fewer grade retentions and higher attendance rates. There is also clear evidence that participation in full-day kindergarten has a significant impact on classroom behavior.

School district officials recognized the importance of all-day kindergarten to the extent that it has been funded even when no specific state funding was available for it. (Beginning with the 2006-07 school year, school districts could use their state-provided at-risk funds to pay for all-day kindergarten.)

- Provide \$15.0 million in SFY 2009 to fund all-day kindergarten.

The total cost of all the above recommendations is \$31,250,000.

### **Early Childhood Program Recommendations**

Following a comprehensive review of early childhood programs from a great variety of providers both at the state and local level, the Commission recommended a reorganization of early childhood programs as described below:

In its 2007 Report, the 2010 Commission acknowledged the importance of early education and recommended that all-day kindergarten be expanded to include all Kansas children eligible to attend. In light of this, the 2010 Commission recommends the Legislature fund \$15.0 million in SFY 2009 to begin funding this effort. In order to fully fund all-day kindergarten across the State, \$15.0 million would be needed every year for five years.

Information presented at the 2007 Governor's Summit on Early Childhood included estimates indicating that, for every \$1.00 invested in early childhood education, \$17.00 was saved later. A Federal Reserve Bank Senior Vice President, Arthur Rolnick, estimated a 12 percent public rate of return on quality early childhood programs.

#### **Vocational Education**

Staff from the Legislative Division of Post Audit presented the performance audit entitled *K-12 Education: Reviewing the Cost of Vocational Education Programs*. In consideration of the importance of vocational education to the economy of Kansas and the knowledge that a major overhaul of vocational education at the federal level currently is underway, the Commission concludes that attention to this important transition in vocational education should be monitored closely.

- The Commission recommends the Legislature, through the House and Senate Education Committees, request an update of the State Department of Education's transition plan to implement the changes taking place at the national level with the reauthorization of the federal Carl Perkins Act which significantly expands and reorganizes states' vocational education programs.

#### **Other Recommendations**

- As part of its statutory responsibility, the 2010 Commission reviewed the various weightings in the School Finance Act. Because of this, the Commission recommends that the second level of funding for at-risk students, the high-density formula, be based on the prior year's data and be determined using a linear transition calculation.
- In addition, the Commission recommends that the bilingual weighting in the school finance formula be changed from a full-time equivalent weighting with contact hours to headcount and adjusted to 0.2 from the present 0.395.
- The 2010 Commission recommends that the threshold amount of the Special Education Catastrophic State Aid Program for school year 2008-09 be increased from \$25,000 per student to \$36,000 and in years thereafter the base be increased by an amount equal to the percentage increase of the CPI (urban). Catastrophic aid was developed in 1994 when the Legislature provided that any student that met the qualifications of an exceptional child and the school district provided special education services that exceeded \$25,000, the state would reimburse the district 75 percent above the \$25,000. This program served 60 students in 2001 costing nearly \$1.5 million; in 2007 it included 185 students and cost \$3.3 million.

The number of students qualifying for this program is increasing substantially. The 2010 Commission may want to consider increasing the \$25,000 limitation.

If the consumer price index was applied to the \$25,000 each year since 1994, the limitation would be approximately \$36,000 in fiscal year 2007.

The Commission heard the performance audit entitled *Comparing the Centralization of School District Accounting in Different States* as well as testimony from Representative Lana Gordon and school district officials.

The Commission recommends:

- The State Department of Education require every school district use the Kansas Accounting Handbook and require training

of newly hired school district clerks on the Kansas Accounting Handbook; returning clerks should be required to complete a refresher course.

- The State Board of Education should review annually the financial reporting system to determine if any alterations or additions are needed based on requests for accounting information.

The Following is a Minority Report Filed by  
2010 Commission Member, Steve Iliff

**2010 Commission**

Minority Report to the 2008 Kansas Legislature  
By Stephen R Iliff CPA, MBA, a member 11/28/07

Introduction ..... 1  
Teacher Recruitment and Retention ..... 1  
    Should we Increase in Base State Aid?..... 2  
    Accountability and Effective Resource Management ..... 2  
    Some schools are effective in recruiting and retaining teachers but some are not ..... 3  
    Are teachers leaving because of wages?..... 4  
    Are teachers leaving to go to other states that pay more? ..... 5  
    Will increased wages influence teachers to stay? ..... 5  
Professional Development Program ..... 6  
Leadership Academies ..... 6  
    Cost Effective Training ..... 6  
    Recommendation..... 7  
Mentor Teacher Program ..... 8  
Early Childhood Recommendation Package..... 9  
Kansas Accounting Handbook and Chart of Accounts..... 9  
Post Audits re Financial Issues: ..... 9  
Previous Minority Reports..... 9

A vital part of achieving higher standards is effective resource management—attention to *what* to spend resources on, how to spend them, and how much to spend.<sup>1</sup>

**Introduction**

This is my third year on the Commission. It has been enlightening. For fiscal year (FY) 2008, Kansas will spend almost 4 billion dollars on education. This represents 64% of the total State budget. Education dollars increased 7.4% over FY 2007 which increased 8.2% over FY 2006<sup>2</sup>. The rate of increase is more than double the consumer price index. Education is critical to the well being of our State, but capital and labor are not unlimited resources. The legislature must be very careful to ensure that all money given to the State is used effectively.

**Teacher Recruitment and Retention**

My fellow commissioners and I have heard much testimony regarding the topic or recruitment and retention. There does appear to be a real problem that continues to grow. However we do not agree on the same solutions.

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<sup>1</sup> Kansas Education Resource Managemnet Study, Phase iii Winter 2006 Standard & Poor's.  
<sup>2</sup> Kansas Fiscal Facts August 2007



### **Should we Increase Base State Aid?**

The 2010 Commission recommended 26 million more dollars by increasing the base state aid. This is in addition to the over 100 million dollars that is going to schools because of the Supreme Court Order. This is the third consecutive year that an additional amount of that magnitude has been distributed to school districts. We do not know how the money for the previous two years has been used and whether or not it has been effective. (See below for the new post audits reports the 2010 Commission requested.) As far as I can tell, adding another 26 million to what the Supreme Court required would not be responsible until you understand the impact of the previous increases.

### ***Accountability and Effective Resource Management***

The power to levy taxes and spend tax money is a sacred trust and should be treated as such. Tax dollars should be spent as wisely as any hardworking taxpayer would spend his/her own dollars. Before any more money is put into the system, we must institute a standardized accounting system consistently applied and enforced that will allow anyone who desires to be able to see the impact of new money on academic outcomes; teacher's salaries specifically (i.e math, science and special education) as well as in general; impact on property taxes and income taxes. We must have a system that will allow anyone to compare one school against another easily in outcomes, expenditures and demographics. Right now, the only way we can tell what is going on is to commission very expensive post audits, a year or two after the fact. Even these audits are hindered and rendered more time consuming because not every district or even schools within a district are accounting for expenditures the same way.

The tentative reason given by the Commission for increasing the money for education is to help recruit and retain teachers specifically in science, math and special education. But at our October meeting we all learned that:

1. The legislature has little or no say in where the actual dollars are spent.
2. Local control would dictate how this money would be used but subject to collective bargaining.
3. The collective bargaining unit does not allow pay increases to go to special subject areas or grades or even for high risk areas without special concessions and a majority vote which is only in rare circumstances.
4. There are no required measuring tools to follow this money to see if it, in fact, does what it is allocated to do.

In effect, giving more money in this fashion is not responsible resource management. Without clear instructions and control in distribution it could all go for retirement benefits or to more levels of bureaucracy.

### **Recommendations**

The solution is to replicate the private market as much as possible and to free the local schools from the shackles of both bureaucratic state regulations and union rules that are outdated, restrictive and not in the best interest of each school district.

Encourage professionals to teach in their subject area. We all would agree that not every expert can teach just because they know a lot about a specific field. But we should also agree that a teaching certificate guarantees even less. At least the professional expert knows his subject by education and experience.

The market must be allowed to dictate the value of math, science, special education teachers and those who teach in high risk or underserved areas. We have heard many arguments for paying math and science teachers a wage competitive with private industry. It is a good argument. But you simply can't do it if you have to increase all teachers' wages by the same percentage. It would break the bank far sooner than salaries would become competitive. We do not have a shortage of general elementary or middle school teachers. We do have shortage of high school math, science and special education teachers.

***Some schools are effective in recruiting and retaining teachers but some are not***

As I have said in the past, the principal is the cornerstone to a well run school, whether the school is filled with at risk, English language learners or special education students.

According to the 2006 Teachers Working Conditions Survey:

Evidence throughout the survey data indicates that teachers with positive perceptions about their working conditions are much more likely to want to remain teaching in their current school (Table 3). Leavers are more positive than movers, most likely because those who are leaving teaching do so not just due to dissatisfaction, but other non-teaching related causes (retirement, personal reasons, etc.).

- Only one-third (35 percent) of movers agree that the faculty takes steps to solve problems, compared to 70 percent of those who want to stay. Agreement that these steps are taken are an important predictor of increased elementary achievement.
- The greatest differences between stayers and movers are in the areas of leadership and empowerment. Stayers are more than 2.5 times more likely to note the presence of effective and supportive leaders than their colleagues who want to teach elsewhere.<sup>3</sup>

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<sup>3</sup> A Report on the 2006 Kansas Teacher Working Conditions Survey  
<http://www.kansastwc.org/twcks2006.pdf>

**To interpret:** Faculty enjoy working in a school where the leadership provides vision; is supportive and appreciative; won't tolerate slackers; enforces the rules equitably; will defend them against unreasonable parental expectations; and they feel empowered to make reasonable changes in their classroom for the better.

Let me give a real example of a new teacher I spoke to recently. She is a new elementary school teacher with a large number of high risk children in her class. She is high energy and very kind and though the large class provides a challenge to even a great teacher, she is not overwhelmed. She believes that she is connecting with most of the students and will have a positive impact. Her new principal doesn't *talk* to her or the other teachers but *yells* at her and has accused her of many things that are not true in front of the students. The principal obviously has had little training in basic people management and may be overwhelmed himself. If the principal is frightened that his new position may reveal his ignorance or incompetence, he may react in this classic manner. The young teacher has appealed over her principal's head as have many other teachers and as a result been not only accused of insubordination but racism. This principal is the 7<sup>th</sup> principal in about as many years at this school. There is a mentorship program at the school for new teachers, but this teacher has yet to see or hear from a mentor. As I relayed this example to the Commission, many in the room had heard of similar circumstances.

**Conclusion:**

1. As the result this teacher is biding her time to find a job opening outside the district.
2. This district will never be able to recruit or retain good teachers and almost no salary would make them stay. Money is not the key issue here.
3. Leadership is critical.

**Recommendation:**

There needs to be a mechanism for good teachers to report dire situations at their school without fear of retaliation.

All new principals should receive a boot camp type training and be closely monitored until they have proved themselves.

***Are teachers leaving because of wages?***

The main reasons teachers are leaving is due to working conditions not wages. Wages, of course, may be a factor, but it is not the most important or most frequently mentioned. Most teachers leave in the first 3-7 years because they are not trusted, have little support or just move to another location closer to where they live or want to live. In Kansas City the average teacher makes about \$30.00 per hour for which, according to the 2006 Post Audit report, is competitive with professions that have similar requirements.<sup>4</sup> But good teachers will put in more hours and thus get paid less per hour and poor teachers will put in the bare

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<sup>4</sup> *K-12 Education: Reviewing Issues Related to Developing and Retaining Teachers and School Principals* July 2006 page 21

minimum and thus get paid more per hour. Thus good teachers will migrate to where they find better working conditions.

### ***Are teachers leaving to go to other states that pay more?***

Kansas teachers' average salaries are 38th in the United States if you don't take cost of living into consideration, but we jump to 32<sup>nd</sup> when adjusted for regional costs<sup>5</sup>. It is far more accurate to use the latter figure rather than the unadjusted. New York is not the Midwest. But honestly the difference between 32<sup>nd</sup> and 20<sup>th</sup> is only \$2,337 per year, which would not normally be a deciding factor. Many have said that we are losing teachers to Texas but Texas is ranked last in wages both actual and adjusted although their Metropolitan areas did pay more than Kansas. Kansas is behind only Nebraska and Colorado but not by enough to make a Kansan move for money.

More importantly, Kansas was ranked 6<sup>th</sup> in starting salaries according to the July 2006 audit<sup>6</sup> while Texas was ranked 23<sup>rd</sup> in starting salaries in 2005-06.

### ***Will increased wages influence teachers to stay?***

According to the July 06 Audit re Retaining Teachers:

**Researchers have found a positive relationship between salaries and retention, but not between salaries and student performance.** *While increasing teacher salaries appears to increase teacher retention, those findings should be interpreted with caution because researchers also have found that other factors—such as working conditions—may have a stronger effect on retention, and using salaries to reduce attrition may be very costly. Researchers haven't found a strong association between teacher salaries and student performance, because of the complexity of the relationship and other methodological problems that make it difficult to study.*<sup>7</sup>

One reason that increased salaries could be costly is that it may influence the poorer teachers to stay while having less impact on your best quality teachers who may be more concerned with working conditions. That would also explain why increased salaries can't be associated with better student performance. It wouldn't be difficult to find a number of schools where a poor principal helps to cause low morale, poor student discipline and consequently low achievement; where your best teachers only wait for an opening in a better managed school; while the poor teachers are content to stay because they are not interested as much in student performance and not pushed to excel. The more you increase a poor or lazy teachers' salary the greater your chances of retaining them.

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<sup>5</sup> According to the Average Salaries for Public School Teachers prepared by the Legislative Post Audit

<sup>6</sup> *K-12 Education: Reviewing Issues Related to Developing and Retaining Teachers and School Principals* July 2006 page 19

<sup>7</sup> *K-12 Education: Reviewing Issues Related to Developing and Retaining Teachers and School Principals* July 2006 page 22

**The goal should not be to retain all teachers but to retain the good to great teachers. Also it is very difficult to make decisions based on generalities. The general does not fit the specific. This is why local control is so important and principals should be free to negotiate with the individual teacher alone without interference from a collective bargaining group.**

#### **Recommendation**

Each school principal should be free to reward his teachers based on merit. Each school would be given enough money so the average salary of all full time equivalent teachers would be a fair amount, but the principal would have full freedom to reward good teachers who get results with bonuses and larger percentage increases. This is how private industry works and why it does so much better than the socialist model. If collective bargaining is creating an environment that will prevent Kansas students from performing at their best then we must change the system.

### **Professional Development Program**

The commission recommended 2.25 million for this program. In theory professional development is a very good idea, but all programs are not alike and before we recommend money, we should determine which ones are successful so we can reward success not mediocrity. We must also recommend tools to measure the effectiveness of the new dollars spent. We have not done that kind of research to determine the effectiveness of current program options.

### **Leadership Academies**

Leadership academies could be a very effective method to development but again, not all training is effective. An academy must have a method for evaluating the amount of progress a principal is making during the seminar or course offered.

### ***Cost Effective Training***

The best course I have ever had was put on by a private national accounting firm that was training its newly hired accountants. It was taught by other accountants in the national company who were using the methods they were teaching and had excellent work experience. The new staff members flew from all over the country to Denver early one Monday morning. It was in this firm's best interest to get these new accountants working as effectively as they could in the shortest amount of time. We worked about 10 hours a day on a practice audit of a hypothetical company. We not only learned the best auditing techniques of the company but were tested to make sure we had, in fact, learned them and would use them in practice. The evenings were spent talking about what we did during the day and asking questions in a casual atmosphere. Not a minute of time was wasted; every thing presented was practical and we knew we would need it if we were going to succeed in our new jobs. We all flew out Friday afternoon and had no time the entire week to leave the hotel. This was similar to my experience in the Army Special Forces training experience and was probably set up by some in the Marines. But it was very effective and an excellent use of resources.

One principal I spoke to, who was highly regarded by parents and teachers alike, thought that much of the training he received was a total waste of time. Outside motivational speakers were brought in, who knew nothing about teaching or management. They were humorous, enthusiastic, expensive and very good speakers and story tellers, but after all the hype settled down, everyone would go back to work and be just as ineffective as before. If he was flown out of town for training, it often broke down into just an expensive junket at taxpayer expense with nothing to show for it.

### **Recommendation**

Leadership academies must be cost effective and run like a serious private company would run them where every dollar counted. A report would have to go back to the school board (independence here is very important) and posted on line, on how well each principal did in the course and how their principals in their district did in particular. If the superintendent and board members don't take training seriously the principals won't either. The evaluations should be reviewed at the next board meeting.

Management is the key to success for individual schools and our educational system. In the book *First, Break all the Rules*, Buckingham and Coffman summarize the most critical element in every company.

We had discovered that the manager—not pay, benefits, perks, or a charismatic corporate leader—was the critical player in building a strong workplace. The manager was the key.<sup>8</sup>

It's not that employee focused initiatives (i.e. wage, vacation, daycare, profit sharing) are unimportant. It's just that your immediate manager is more important. She defines and pervades your work environment. If she sets clear expectations, knows you, trust you, and invests in you, then you can forgive the company its lack of a profit-sharing program. But if your relationship with your manager is fractured, then no amount of in-chair massaging or company-sponsored dog walking will persuade you to stay and perform. It is better to work for a great manager in an old fashioned company than for a terrible manager in a company offering an enlightened, employee-focused culture.<sup>9</sup>

"He's not a bad man," she admits, "He's just not a manger. He's insecure, and I don't think you can be insecure and a good manager. It makes him compete with his own people. It makes him boast about his high style living when he should be listening to us."<sup>10</sup>

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<sup>8</sup> *First, Break All the Rules* by Marcus Buckingham and Curt Coffman, page 32

<sup>9</sup> *Ibid* page 34

<sup>10</sup> *Ibid* page 35

Perhaps the best thing any leader can do to drive the whole company toward greatness is, first, to hold each manager accountable for what his employees say to these twelve questions, and, second, to help each manager know what actions to take to deserve "Strongly agree" responses from his employees.<sup>11</sup>

While the Kansas Teachers Working Survey was very well done and reports were good, it was lengthy and a little complex with some questions worded ambiguous and it may take a long time to analyze<sup>12</sup> and be a bit lengthy for a board or superintendent to make effective use of.

The following questions were developed by the Gallup Organization and provided the key data for a mammoth research study over a 25 year period. They surveyed over a million employees in a wide variety of companies, industries and countries. The research was published in the book *First, Break All the Rules*, a study about management and managers.<sup>13</sup> The answers could easily be answered online and summarized in a database and help pinpoint quickly the principals who may need the most help and training.

1. Do I know what is expected of me at work?
2. Do I have the materials and equipment I need to do my work right?
3. At work, do I have the opportunity to do what I do best every day?
4. In the last seven days, have I received recognition or praise for doing good work?
5. Does my supervisor, or someone at work, seem to care about me as a person?
6. Is there someone at work who encourages my development?
7. At work, do my opinions seem to count?
8. Does the mission/purpose of my company make me feel my job is important?
9. Are my co-workers committed to doing quality work?
10. Do I have a best friend at work?
11. In the last six months, has someone at work talked to me about my progress?
12. This last year, have I had opportunities at work to learn and grow?

## **Mentor Teacher Program**

Again, all programs are dependent on the quality of the mentor. Just having a program on paper does not guarantee results. We don't have a system in place for measuring results that I know of. We want to fund success.

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<sup>11</sup> Ibid page 36

<sup>12</sup> *Creating Conditions for Student and Teacher Success: A Report on the 2006 Kansas Teacher Working Conditions Survey* By Eric Hirsch and Scott Emerick with Keri Church, Cynthia Reeves and Ed Fuller

<sup>13</sup> Ibid page 36

## **Early Childhood Recommendation Package**

Thanks to Governor Sebelius and Speaker Neufeld, the most important research we heard this year was presented at the Governor's Summit on Early Childhood Education by Jack Shonkoff, MD. He indicated that the last 3 months of pregnancy and the first 18 months of life are the most critical in the formation of the brain. One businessman recommended taking money away from colleges, if necessary, to help this very special period of growth in the new baby. The data clearly indicated that the most important time to focus on was this critical 24 month period. One speaker went so far as to say, "If the brain was damaged or effected negatively by an overload of toxic stress during this period of time, then larger prisons will be the only way we can control the result". But here we are not educating children but mothers and fathers.<sup>14</sup>

## **Kansas Accounting Handbook<sup>15</sup> and Chart of Accounts**

The Commission recommended requiring training on the Kansas Accounting Handbook. This does not go far enough. The State of Kansas should adopt a detailed chart of accounts that is flexible enough that all schools and districts could use it. Training should be required and each school should be required to use the same chart of accounts. A system for measuring accuracy and consistency should be put in place to determine results. Each school's reports should flow into the internet so that data miners could be able to compare the financial expenditure with results and demographics to quickly see who is getting best results with the least expenditure. Currently this is done for teachers and principal salaries and the reports are very helpful. Why not allow all accounting to be included and accessible via Excel?

## **Post Audits re Financial Issues:**

At the Chair's request the 2010 Commission was reminded of our duties to review financial data to see how efficient and effective our schools were in obtaining their outcomes. As a result we asked the Post Audit division to look into School District Efficiency to see how effective various districts were at handling the new money. This will be one of the most important audits we have requested.

## **Previous Minority Reports**

Everything I have said in my previous reports still holds and all legislators should be advised to read them. Don't miss any of the exciting and instructional installments. They are free and online.

### **Finally:**

Psychologist Ernest Becker<sup>16</sup> stated that:

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<sup>14</sup> *Kansas Early Childhood Comprehensive Systems Plan*

<sup>15</sup> *Kansas Accounting Handbook* Kansas State Department of Education June 2005

<sup>16</sup> Quoted in the introduction to *In Search of Excellence* Thomas Peters and Robert Waterman, Jr.



He (the employee or teacher in our case) needs at one and the same time to be a conforming member of a winning team and to be a star in his own right.

Society...is a vehicle for earthy heroism...Man transcends death by finding meaning for his life...It is the burning desire for the creature to count...What man really fears is not so much extinction, but extinction with *insignificance*...

In other words, men willingly shackle themselves to the nine-to-five if only the cause is perceived to be in some sense great.

Kansas schools should provide this kind of environment for the teachers.