

# MEMORANDUM

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TO: Members, Senate Education Committee  
FROM: Barbara J. Hinton, Legislative Post Auditor  
DATE: January 17, 2006  
SUBJECT: Projection of Costs for Outcomes-Based Approach to 2013-14

During the presentation of our education cost study report last Monday, Senator Vratil asked us what the education costs would be in future years under the outcomes-based approach, using the standards adopted by the State Board of Education.

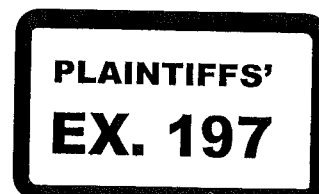
This information is presented in the accompanying table. Please note the following:

- the estimated costs are being shown in 2006-07 dollars, which allows you to see the effect of the increase in standards over the years.
- we included hold harmless funding in the figures for 2006-07, which increases the estimates for State supplemental equalization aid and KPERS slightly that year.
- the need for "hold harmless" funding beyond 2006-07 is essentially eliminated under the outcomes-based approach because of the fiscal impact of the increased outcome standards in future years.

Please let us know if you have any additional questions.

Enclosure

cc: Kathie Sparks, Legislative Research Department  
Carolyn Rampey, Legislative Research Department  
Theresa Kiernan, Revisor of Statutes Office



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**Estimated Cost of Meeting Future Performance Standards  
(in 2006-07 dollars)**

	STANDARDS							
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>OUTCOMES-BASED</b>								
Foundation-Level	\$3,151,289,271	\$3,349,417,195	\$3,476,962,046	\$3,604,506,896	\$3,732,670,897	\$3,860,215,747	\$3,983,426,550	\$4,108,494,802
Hold Harmless	\$9,351,874	\$295,583	---	---	---	---	---	---
Supplemental Aid	\$260,574,595	\$276,748,909	\$287,387,579	\$298,033,513	\$308,731,126	\$319,377,059	\$329,661,238	\$340,100,454
KPERS Contribution	\$198,941,334	\$209,869,264	\$217,200,749	\$224,547,832	\$231,930,580	\$239,277,663	\$246,375,088	\$253,579,510
<b>TOTAL</b>	<b>\$3,620,157,075</b>	<b>\$3,836,330,951</b>	<b>\$3,981,550,373</b>	<b>\$4,127,088,241</b>	<b>\$4,273,332,603</b>	<b>\$4,418,870,470</b>	<b>\$4,559,462,876</b>	<b>\$4,702,174,765</b>
BSAPP	\$4,659	\$5,012	\$5,239	\$5,466	\$5,695	\$5,922	\$6,142	\$6,365
<b>CURRENT FORMULA</b>								
Foundation-Level	\$2,752,015,150	\$2,752,015,150	\$2,752,015,150	\$2,752,015,150	\$2,752,015,150	\$2,752,015,150	\$2,752,015,150	\$2,752,015,150
Hold Harmless	---	---	---	---	---	---	---	---
Supplemental Aid	\$222,186,876	\$222,186,876	\$222,186,876	\$222,186,876	\$222,186,876	\$222,186,876	\$222,186,876	\$222,186,876
KPERS Contribution	\$175,389,495	\$175,389,495	\$175,389,495	\$175,389,495	\$175,389,495	\$175,389,495	\$175,389,495	\$175,389,495
<b>TOTAL</b>	<b>\$3,149,591,521</b>	<b>\$3,149,591,521</b>	<b>\$3,149,591,521</b>	<b>\$3,149,591,521</b>	<b>\$3,149,591,521</b>	<b>\$3,149,591,521</b>	<b>\$3,149,591,521</b>	<b>\$3,149,591,521</b>
<b>DIFFERENCE</b>	<b>\$470,565,554</b>	<b>\$686,739,430</b>	<b>\$831,958,852</b>	<b>\$977,496,720</b>	<b>\$1,123,741,082</b>	<b>\$1,269,278,949</b>	<b>\$1,409,871,355</b>	<b>\$1,552,583,244</b>

STANDARDS	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Math</b>								
4th Grade	67%	73%	78%	82%	87%	91%	96%	100%
7th Grade	67%	73%	78%	82%	87%	91%	96%	100%
10th Grade	56%	65%	70%	76%	82%	88%	94%	100%
<b>Reading</b>								
5th Grade	70%	76%	80%	84%	88%	92%	96%	100%
8th Grade	70%	76%	80%	84%	88%	92%	96%	100%
11th Grade	65%	72%	77%	81%	86%	91%	95%	100%
<b>Graduation Rate</b>	<b>75%</b>	<b>75%</b>	<b>75%</b>	<b>75%</b>	<b>75%</b>	<b>75%</b>	<b>75%</b>	<b>75%</b>

Source: LPA cost study results.