

Governmental Relations Network Meeting

2011 KASB Convention

Mark Tallman

December 4, 2011



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Advocacy Action Plan (Handout)

- Standing Committee on Federal Issues
- Special Committee on Mandates
- Special Committee on College and Career Readiness
- Governmental Relations Seminar (Feb. 29-Mar. 1)
 - Day 1 ☐ Issues and Advocacy for Public Education
 - Day 2 ☐ College and Career Readiness
- Spring Regional Meetings/Candidate Forms
 - By State Senate District (after re-apportionment)
 - Legislative Update
 - Legislators, Candidates Invited

KASB Steps to a New Agenda

- **What Kansans believe about improving education:**
 - ✓ **Kansas Constitution**
 - ✓ **Listening Tour, Local Meetings**
 - ✓ **Public Opinion Survey**
 - ✓ **Kansas Conversation**
 - ✓ **Regional Education Summits**

Kansas Constitution Article 6

- 1) Intellectual, educational, scientific and vocational improvement,
- 2) Through a system of public education,
- 3) Maintained, developed and operated by local elected boards,
- 4) Under general supervision of the State Board,
- 5) Suitable provision for finance by Legislature,
- 6) No public education funds for religious sects.

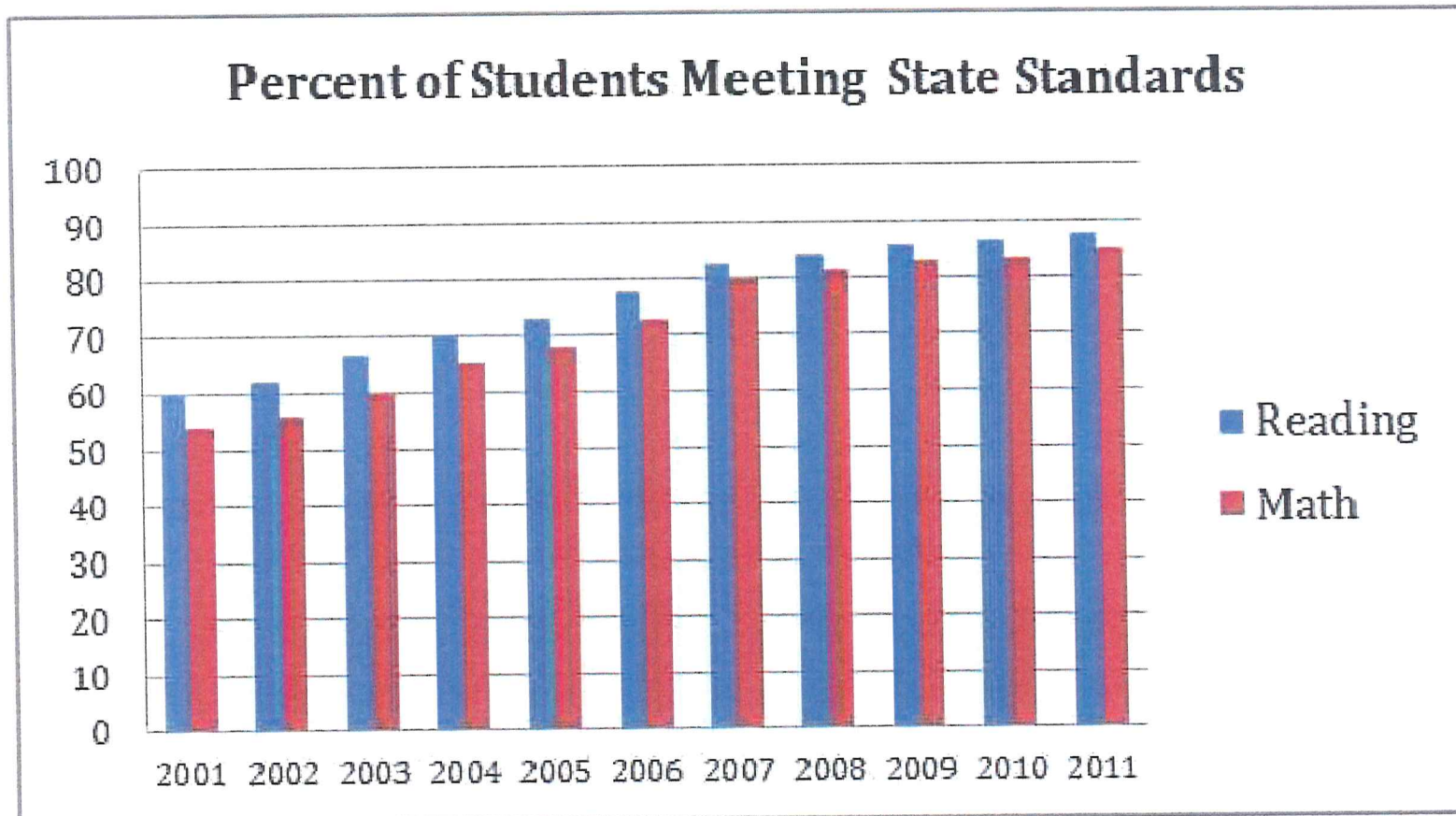
What Kansans are saying now:

- Kansas give their schools high marks, but want to get better ☐ keep improving.
- Improving education more than test scores.
- Concern that funding cuts are hurting.
- Funding quality education for every district, and especially children with special needs.
- Support local decision-making, foster innovation, reduce mandates.

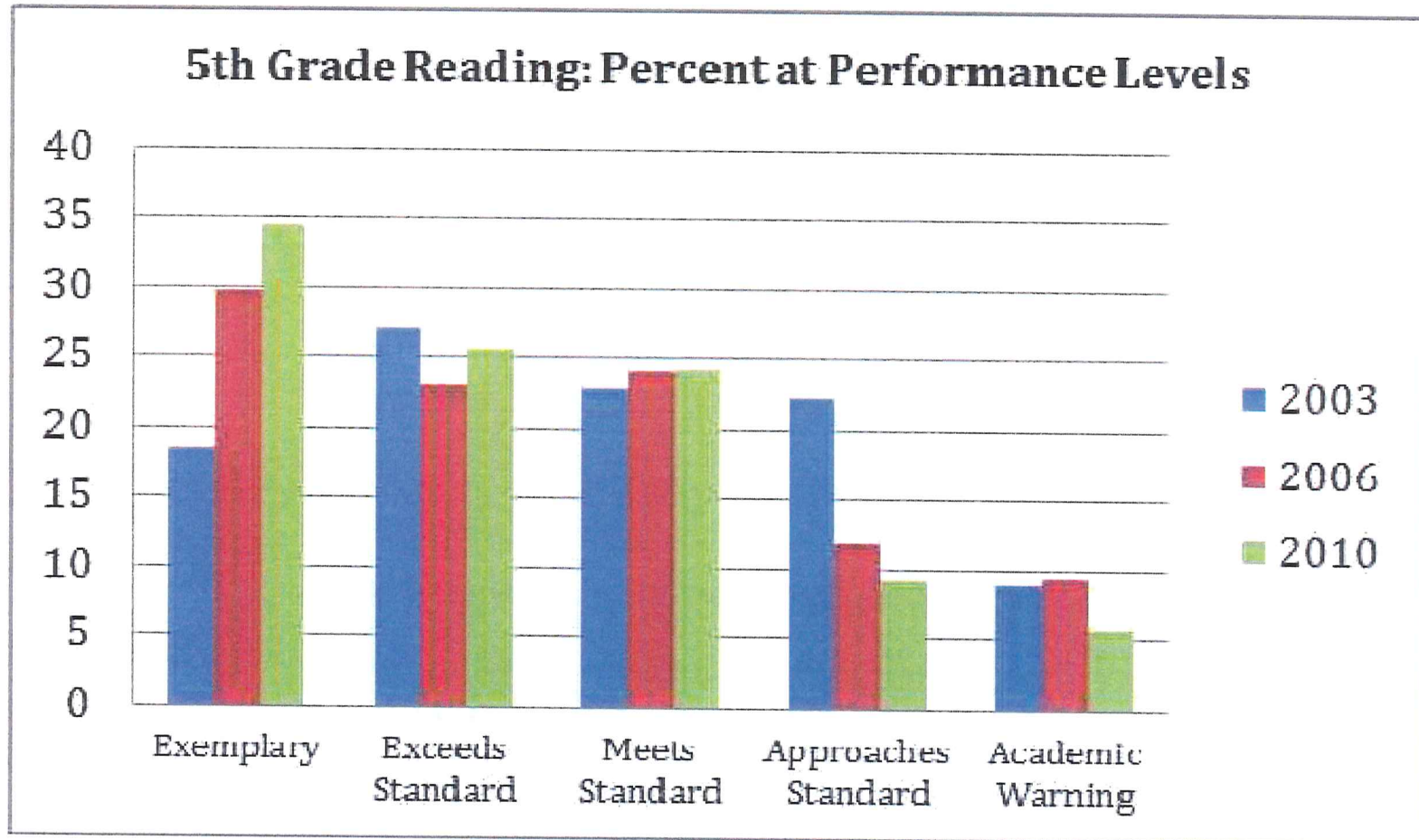
What research says:

- Summary of achievement data (handout).
- [?]Focus on Educational Achievement[?]
(Convention flash drive).
- Trends in school finance (handout).

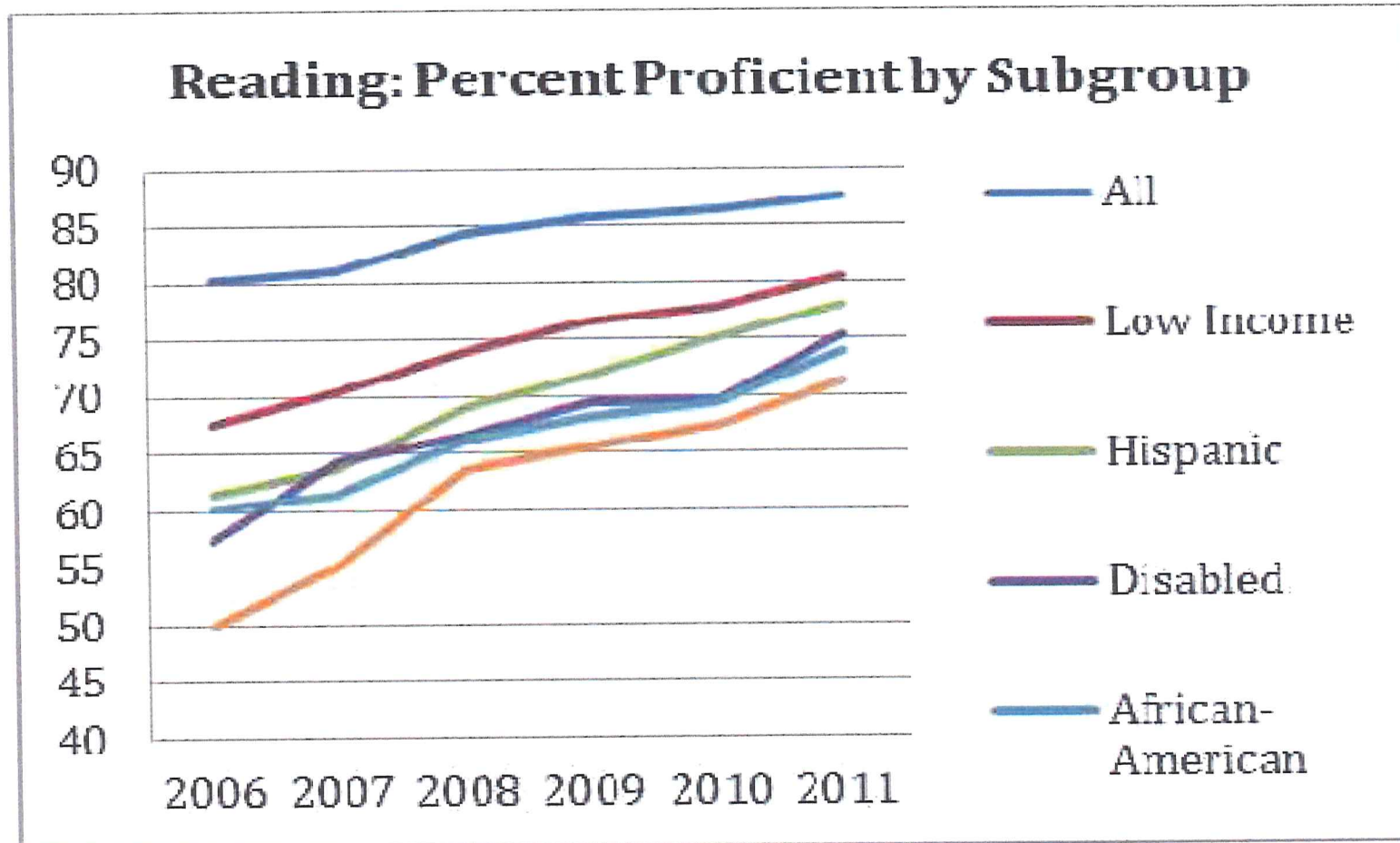
Student proficiency increased 40% over the past decade and now exceeds 80% at every level.



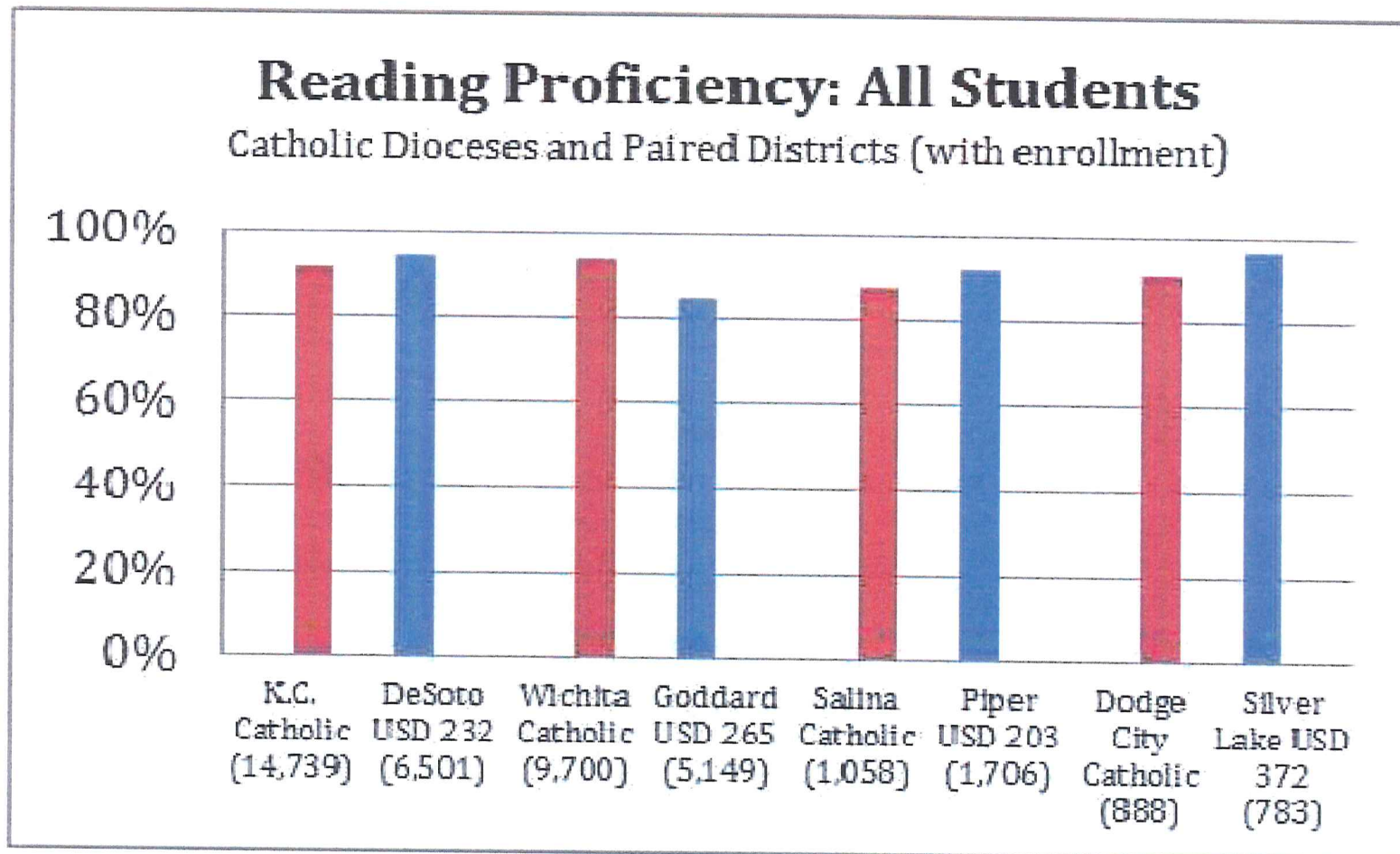
**Students are moving to higher levels of performance,
not just a minimum threshold.**



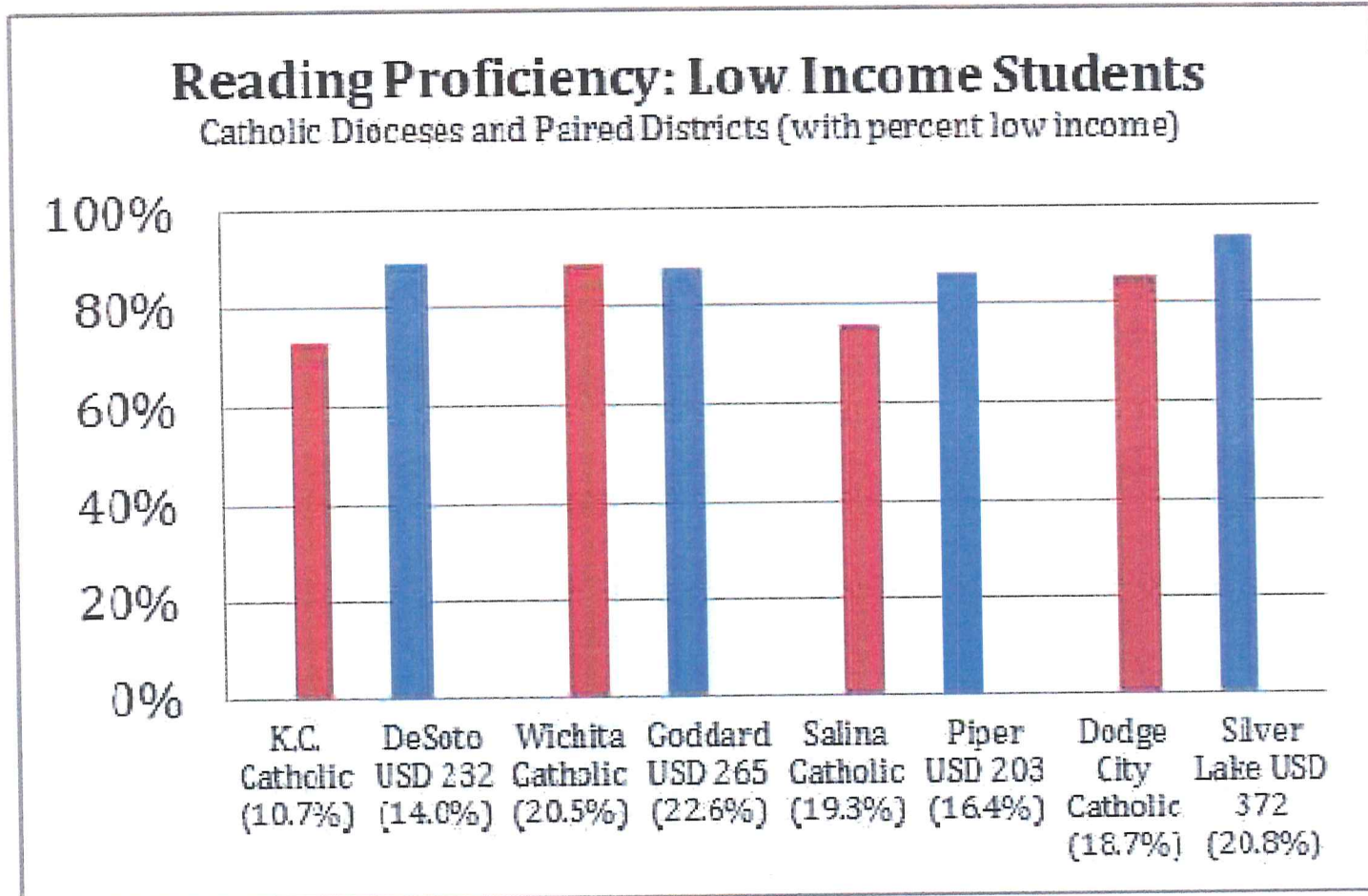
Kansas "at risk" students with historically lower educational outcomes made larger gains.



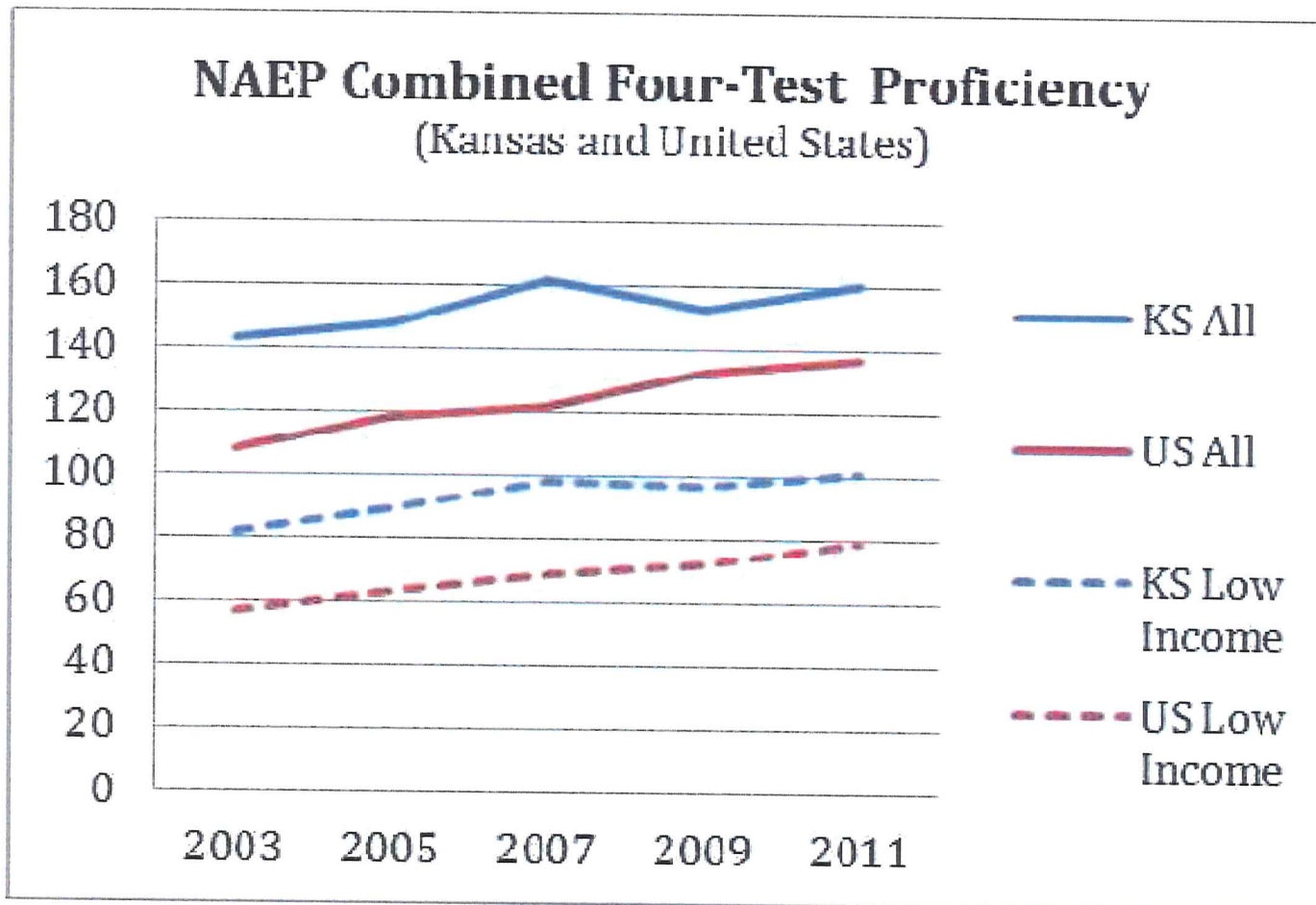
Public schools usually exceed private school systems with similar students.



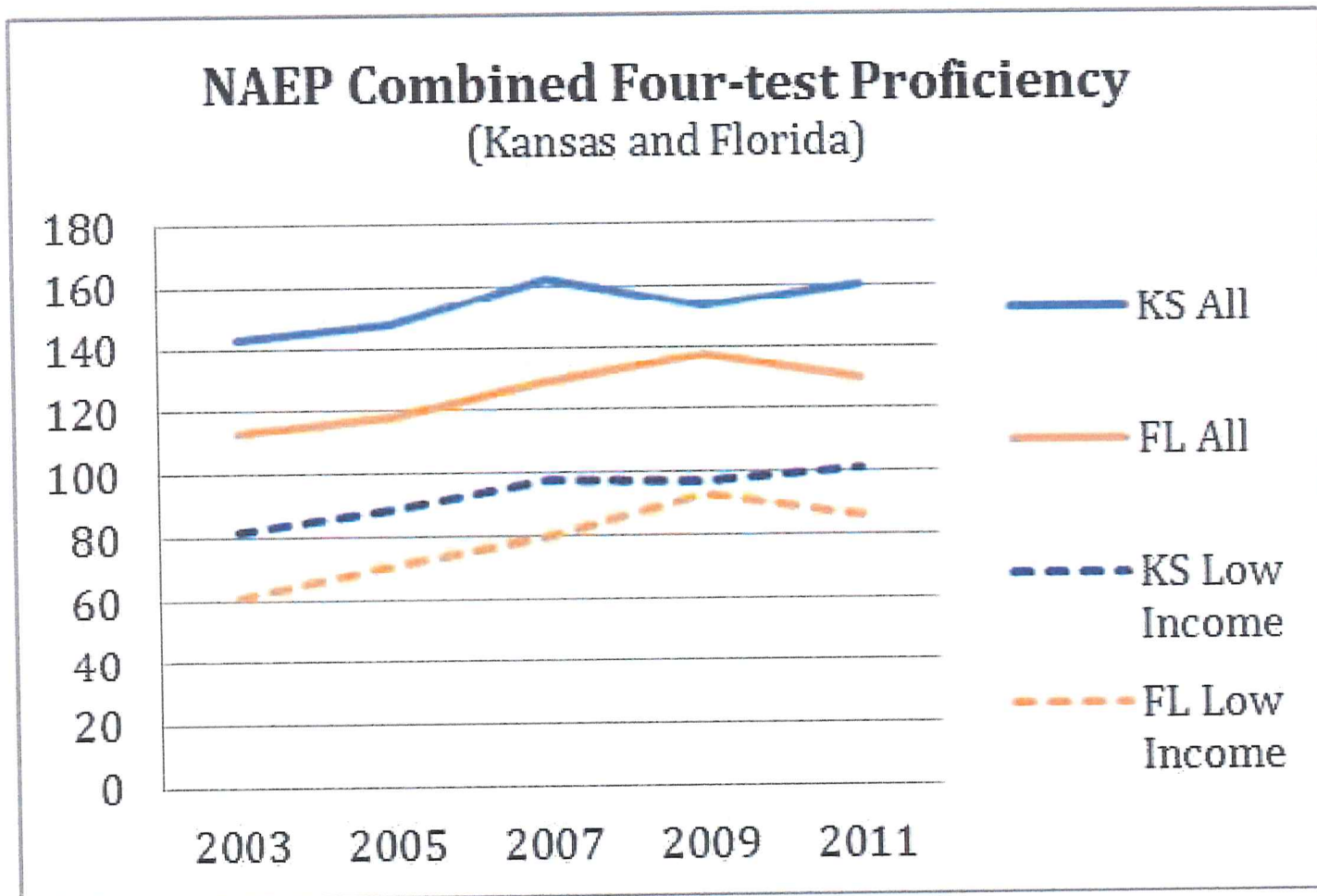
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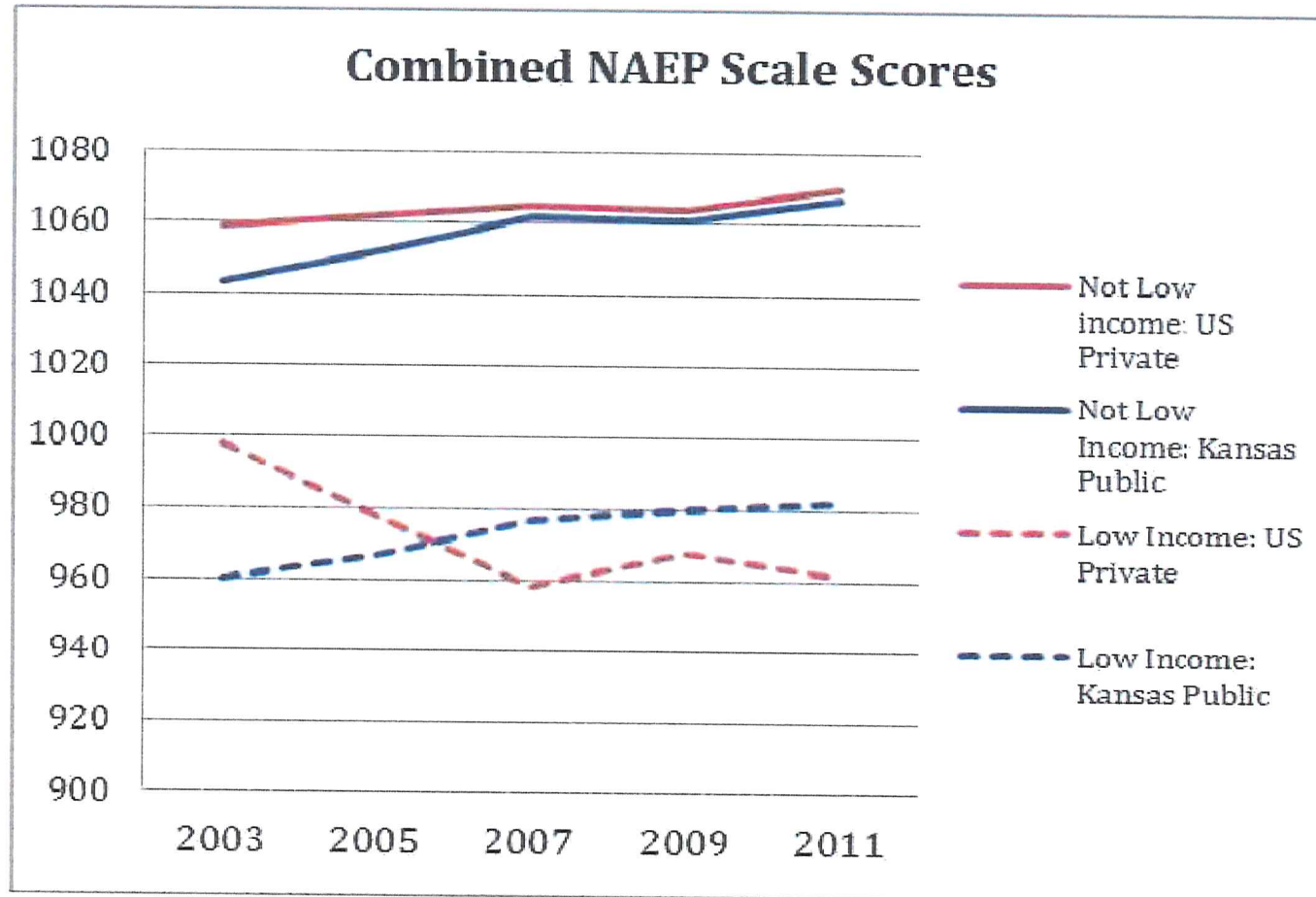
Kansas and the United States have improved performance on the NAEP.



Kansas outperforms 'reform state' Florida, lead widened since 2009.



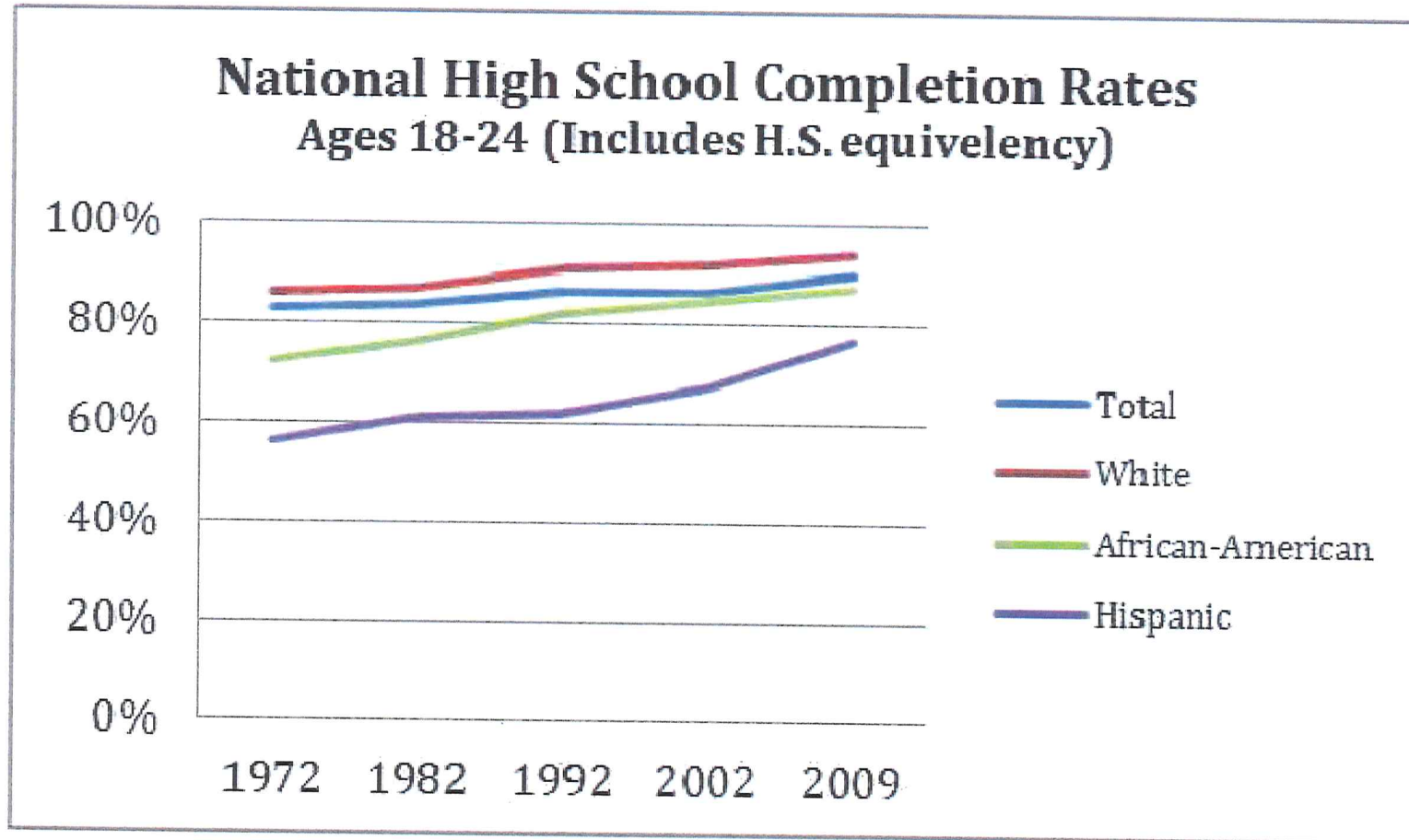
Kansas public schools equal national private schools for all students; do better with low income.



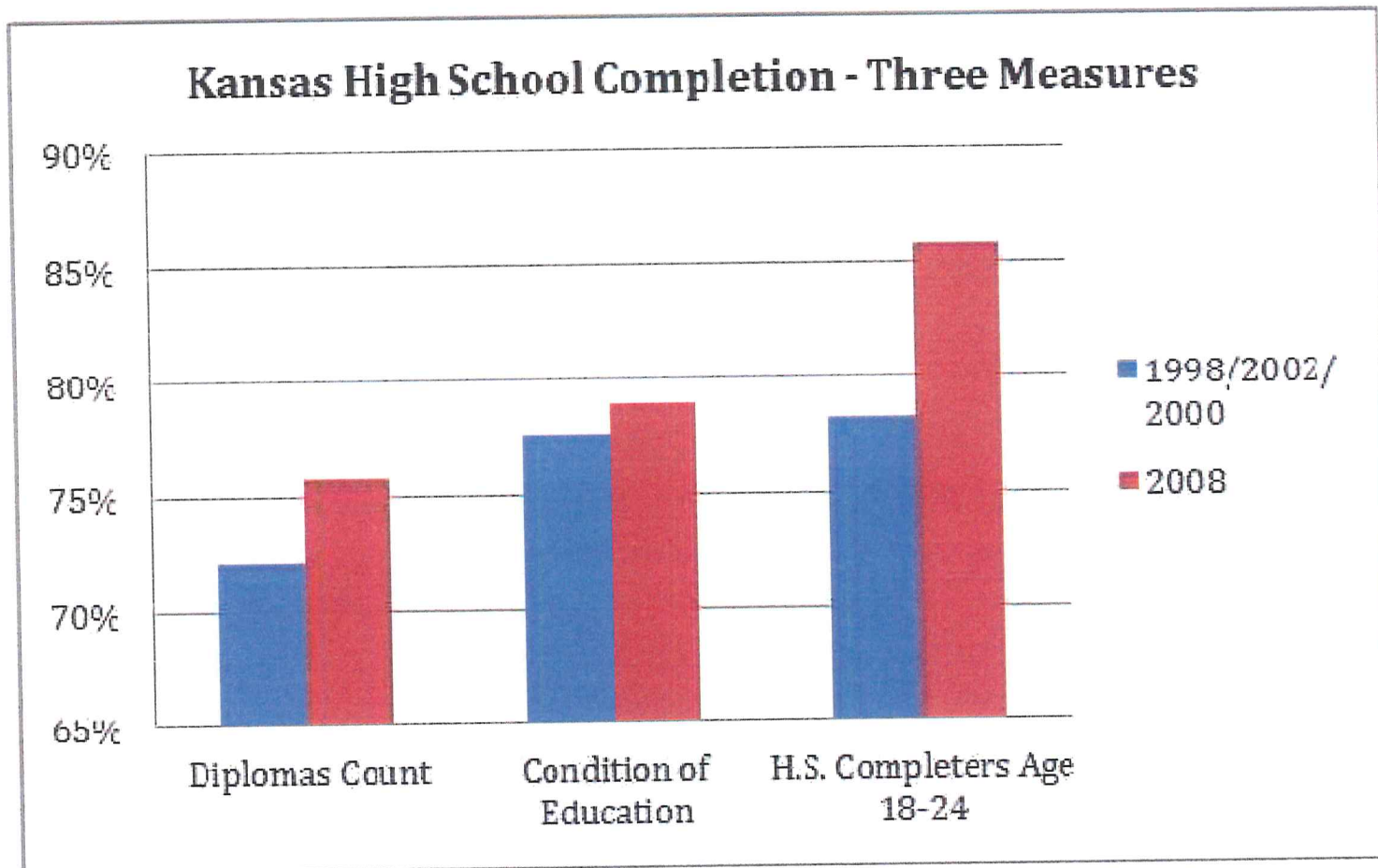
Kansas ranks very high nationally and regionally for all students and for low income students.

Pre-High School: 4th and 8th Grade Reading and Math					
Overall U.S. Rank	State	2011 NAEP Combined Scores All Students		2011 NAEP Free and Reduced Lunch	
		Rank	Score	Rank	Score
4	North Dakota	4	331	4	284
8	Kansas	9	319	7	278
9	South Dakota	9	319	12	270
10	Minnesota	7	323	16	264
14	Texas	25	305	8	274
14	Colorado	11	316	22	254
22	Iowa	21	308	21	258
24	Nebraska	21	308	25	251
26	Florida	31	296	19	262
29	Oklahoma	34	291	20	260
31	Missouri	30	301	25	251

Nationally, high school graduation rates are at an all-time high.



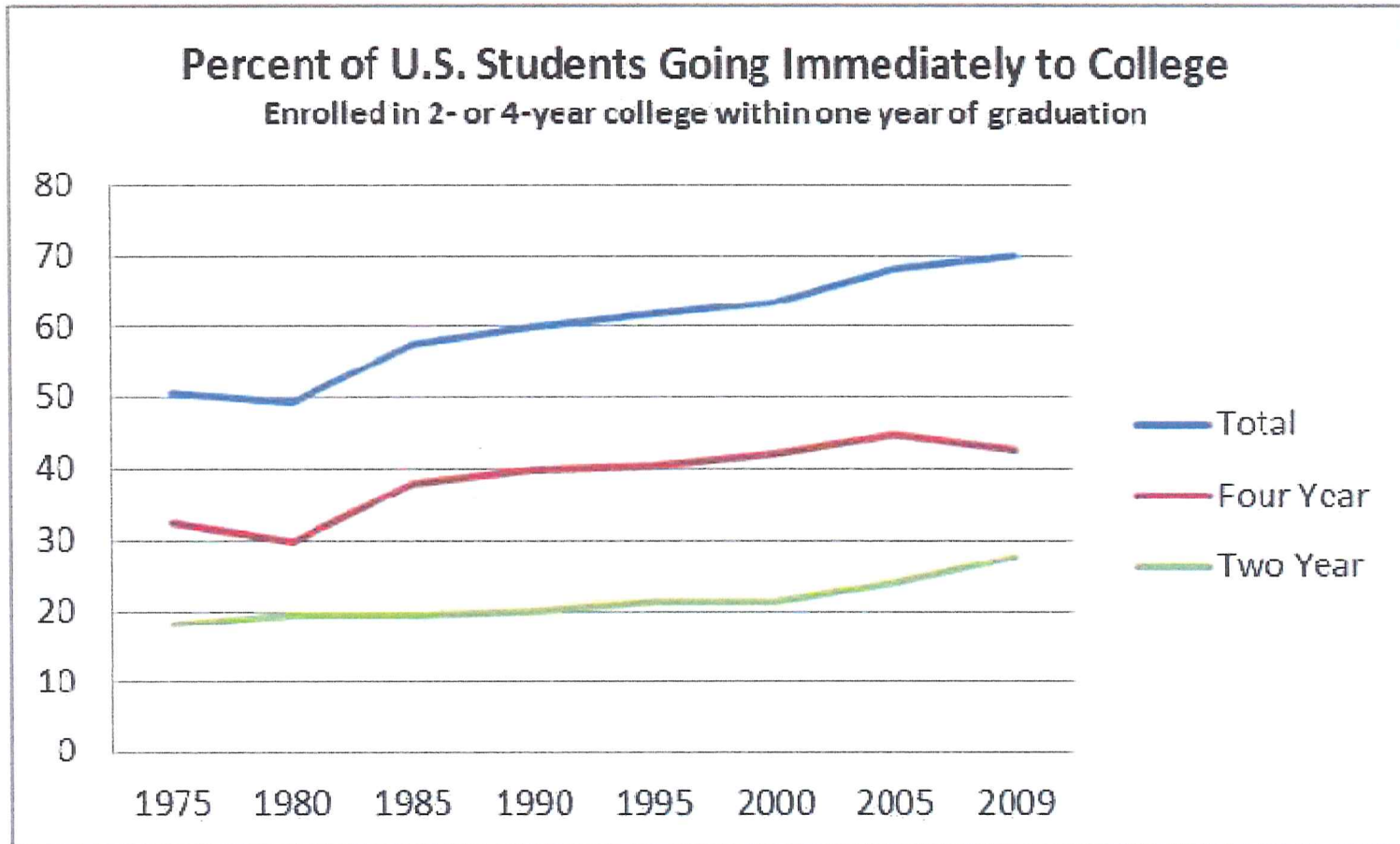
Kansas high school completion rates improved over the last decade.



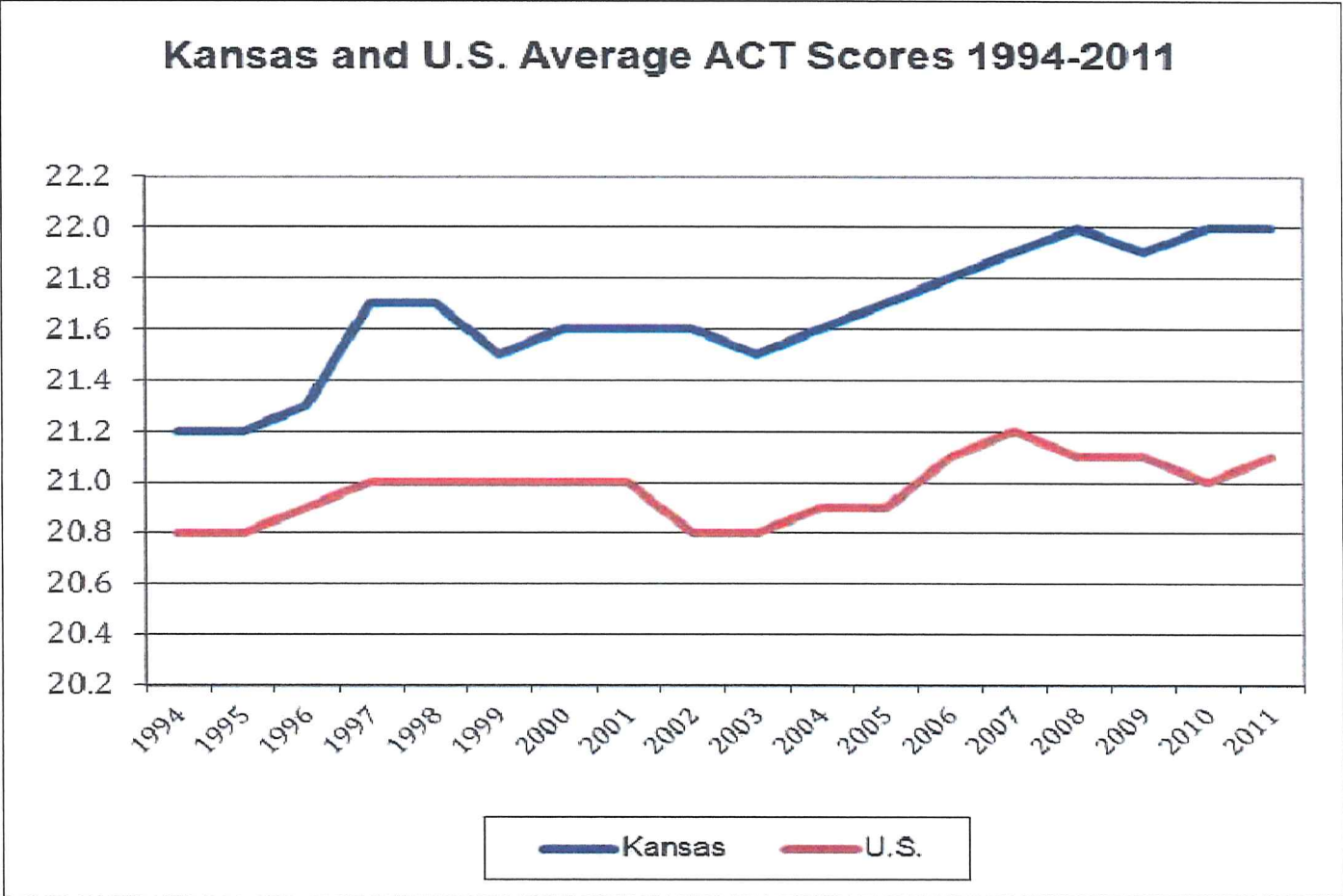
Kansas ranks well nationally on high school completion, but only average regionally.

High School Completion							
Overall U.S. Rank	State	Diplomas Count Graduation Rate 2008		Condition of Ed. Graduation Rate 2008		High School Completers, Age 18-24, 2006-08	
		Rank	Percent	Rank	Percent	Rank	Percent
2	North Dakota	4	80.2	7	83.8	1	90.9
3	Iowa	5	79.6	3	86.4	5	87.9
6	Minnesota	10	78.0	3	86.4	12	86.7
9	Nebraska	13	77.3	7	83.8	10	86.8
12	South Dakota	8	78.7	6	84.4	24	83.7
15	Kansas	18	75.8	19	79.0	17	85.8
17	Missouri	14	76.9	11	82.4	32	82.4
29	Colorado	23	73.3	30	75.4	28	82.9
33	Oklahoma	34	70.0	21	78.0	38	81.3
40	Texas	39	66.6	35	73.1	44	79.7
43	Florida	44	63.9	44	66.9	41	80.6

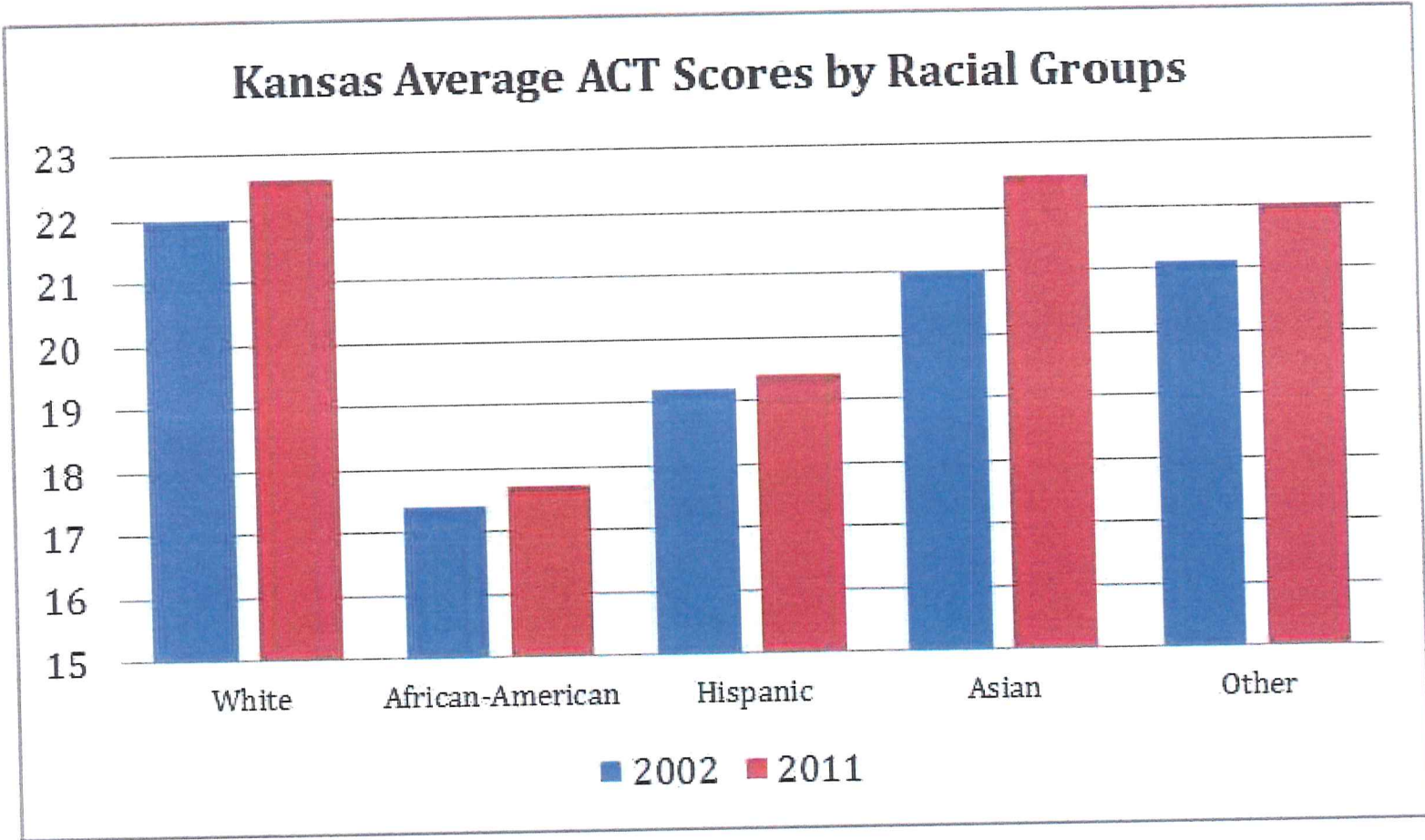
Far more students from each graduating class now attend college than in the past.



Kansas students' preparation for college has shown long-term improvement.



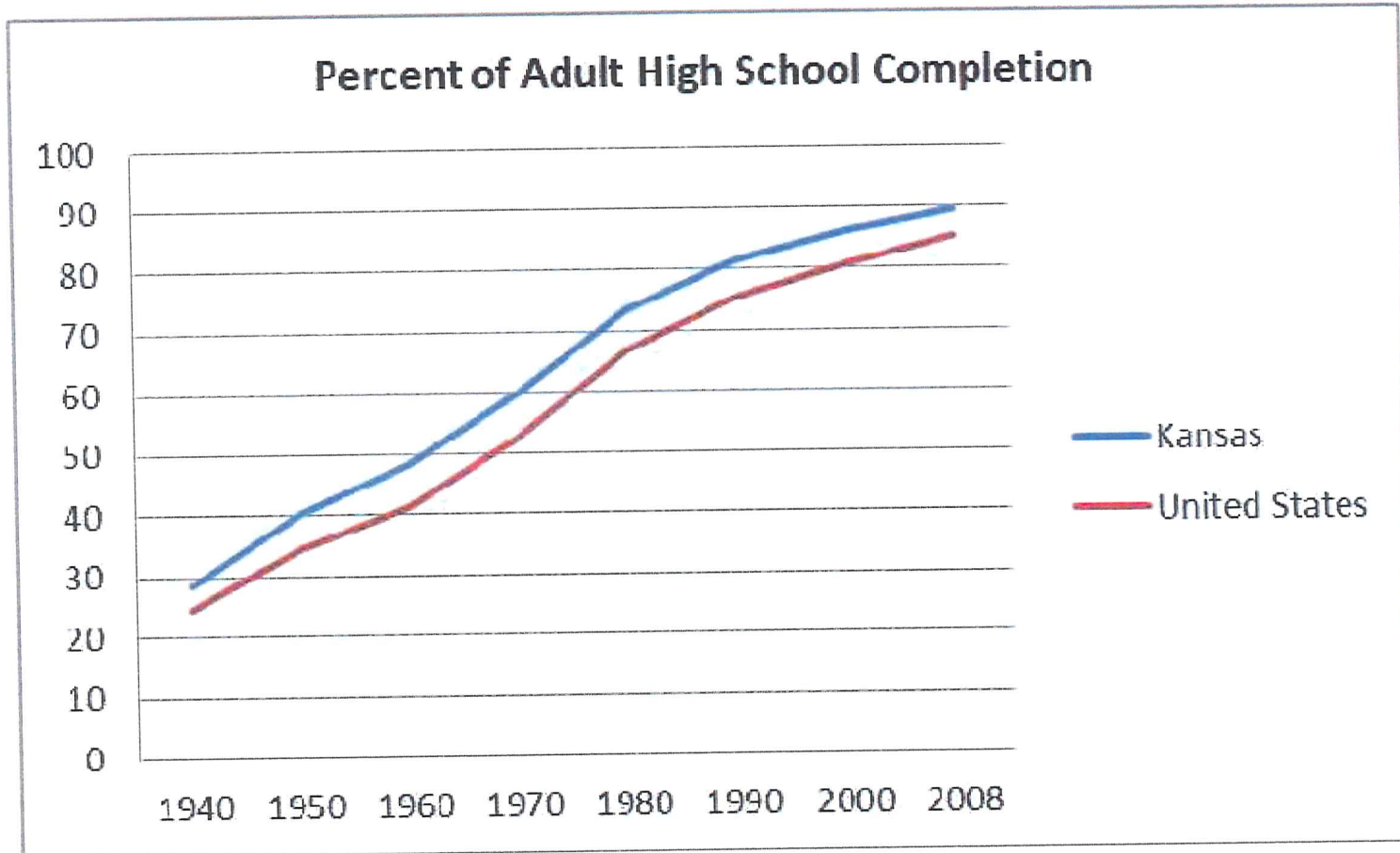
Kansas college preparation has improved for all ethnic groups, but major differences remain.



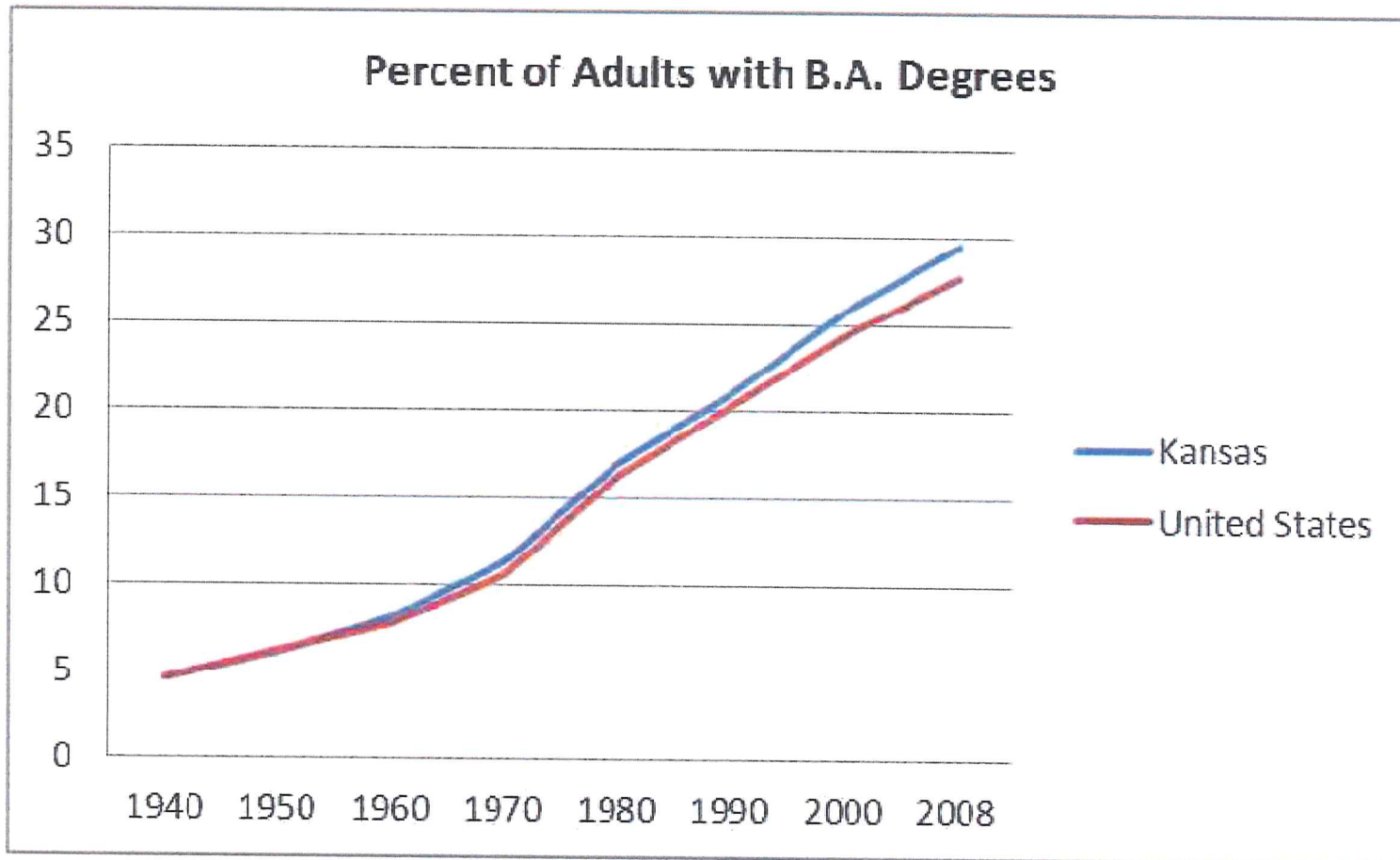
Kansas ranks in the top ten states nationally and top three regionally on college readiness.

Preparation for College (2010)									
Combined U.S. Rank	State	ACT/SAT Score (Test Taken by Most Graduates)			Percent Graduates Taking Majority Test			High ACT/SAT Scores per 1,000 Graduates	
		Rank	ACT	SAT	Rank	ACT	SAT	Rank	Number
4	Colorado	16	20.6		1	100		1	304.6
5	Minnesota	1	22.9		17	70		3	264.9
7	Kansas	5	22.0		13	75		6	244.0
8	Nebraska	3	22.1		14	73		8	242.2
9	South Dakota	9	21.8		11	79		9	240.2
16	North Dakota	12	21.5		10	81		17	216.4
23	Iowa	2	22.2		24	60		21	197
24	Missouri	11	21.6		18	69		19	212.2
33	Oklahoma	14	20.7		15	73		34	166
46	Florida	25	19.5		22	65		32	170.4
47	Texas	18		1462	20		53	45	143.3

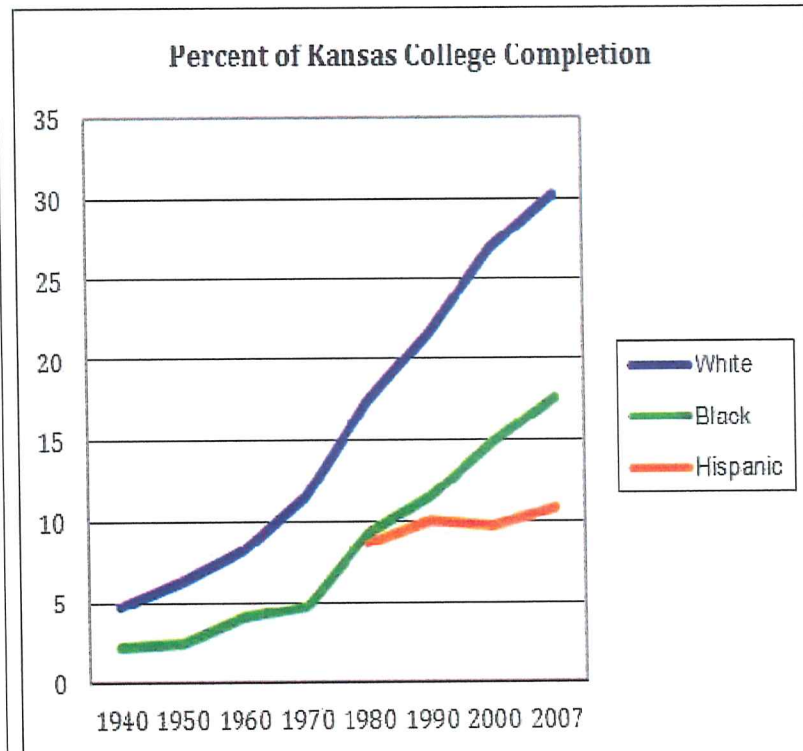
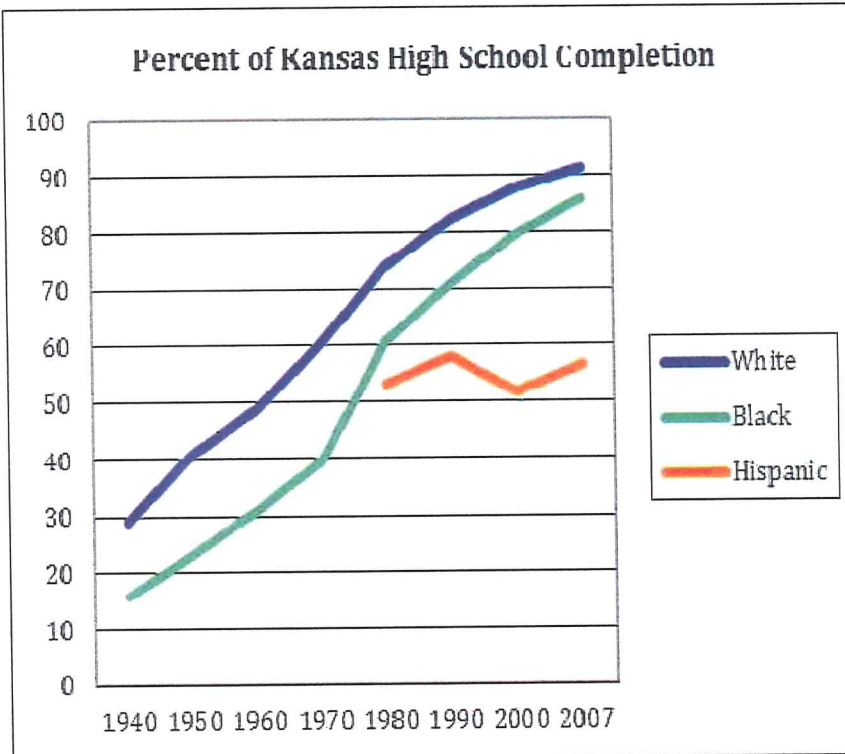
Kansas high school completion tripled from 1940 through 2008, and increased 50% since 1970.



The percent of Kansas adults with at least a four-year college degree is six times higher than 1940, tripled since 1970.



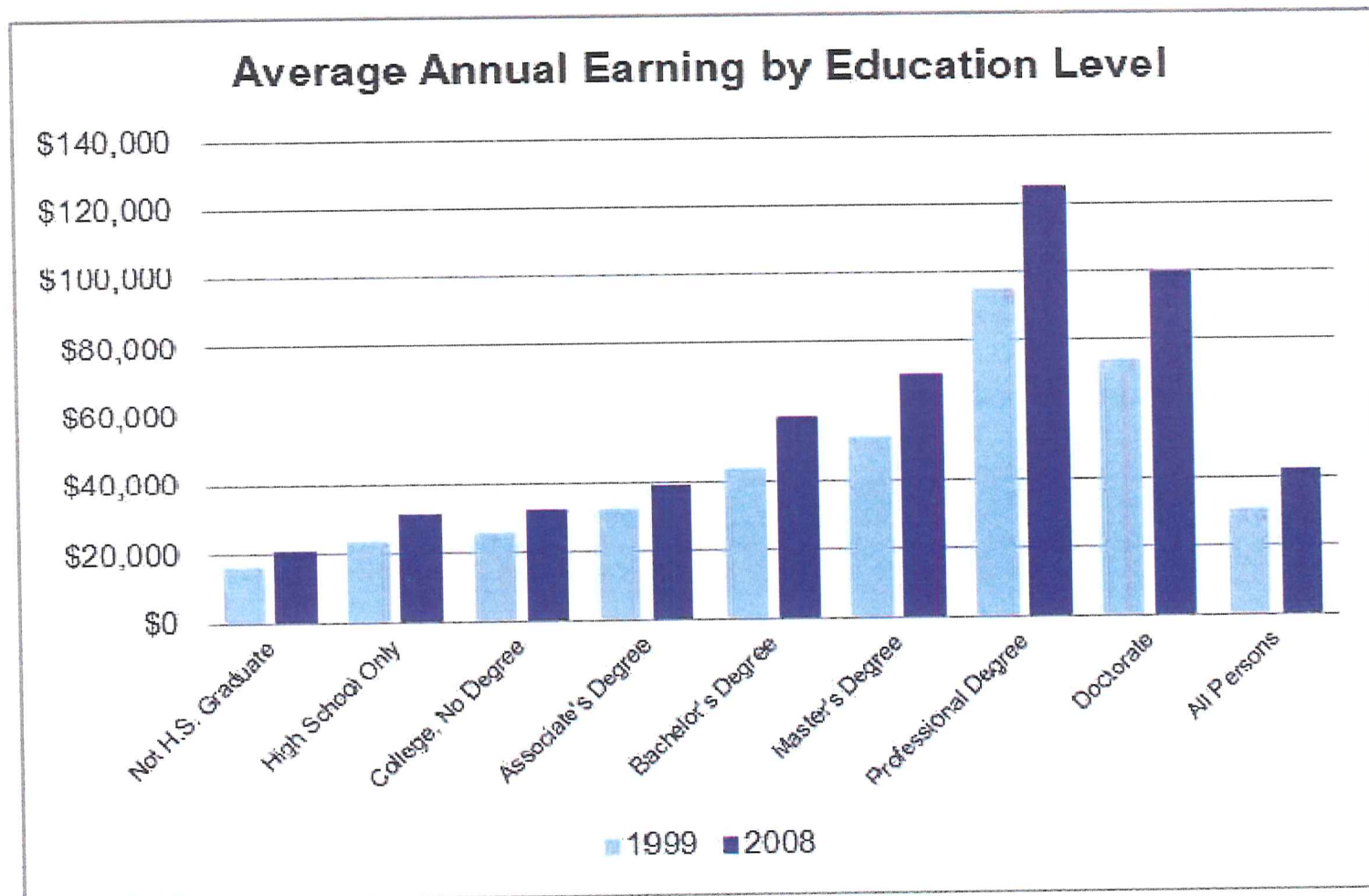
All major racial/ethnic groups have improved education levels, but major differences remain.



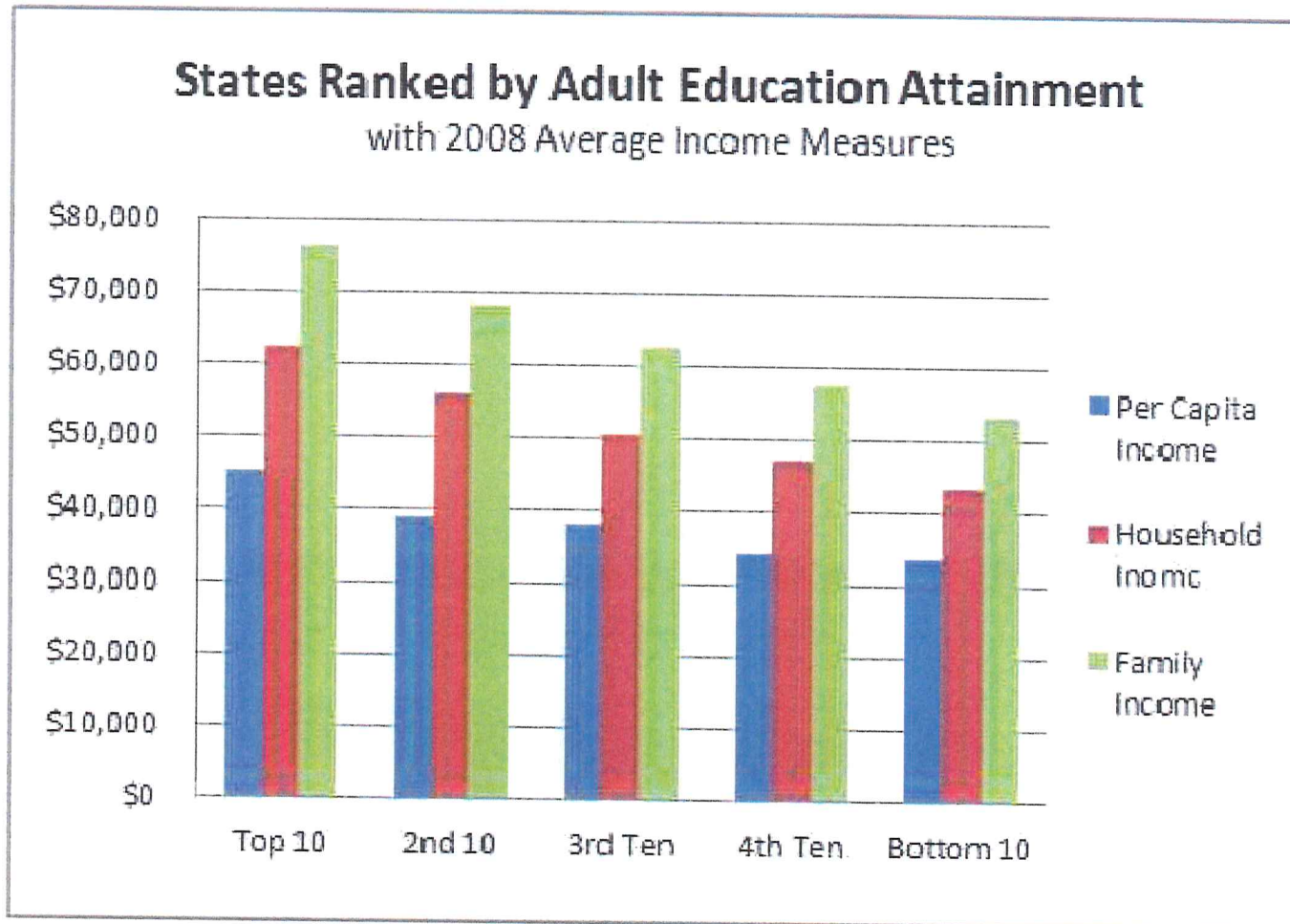
Kansas ranks high nationally and regionally for adult education attainment.

Adult (25 and Older) Education Attainment							
Combined U.S. Rank	State	High school graduate or more		Four-Year Degree or more		Advanced Degree or more	
		Rank	Percent	Rank	Percent	Rank	Percent
5	Colorado	17	88.9	2	35.6	7	12.7
7	Minnesota	3	91.6	10	31.5	18	10.0
13	Kansas	16	89.5	14	29.6	16	10.1
21	Nebraska	21	90.1	23	27.1	30	8.6
29	South Dakota	10	90.3	31	25.1	42	7.3
30	North Dakota	13	89.6	24	26.9	48	6.6
31	Missouri	28	86.5	33	25.0	26	9.1
32	Florida	33	85.2	27	25.8	27	9.0
33	Iowa	9	90.3	36	24.3	43	7.3
41	Texas	50	79.6	30	25.3	35	8.3
42	Oklahoma	32	85.5	43	22.2	44	7.2

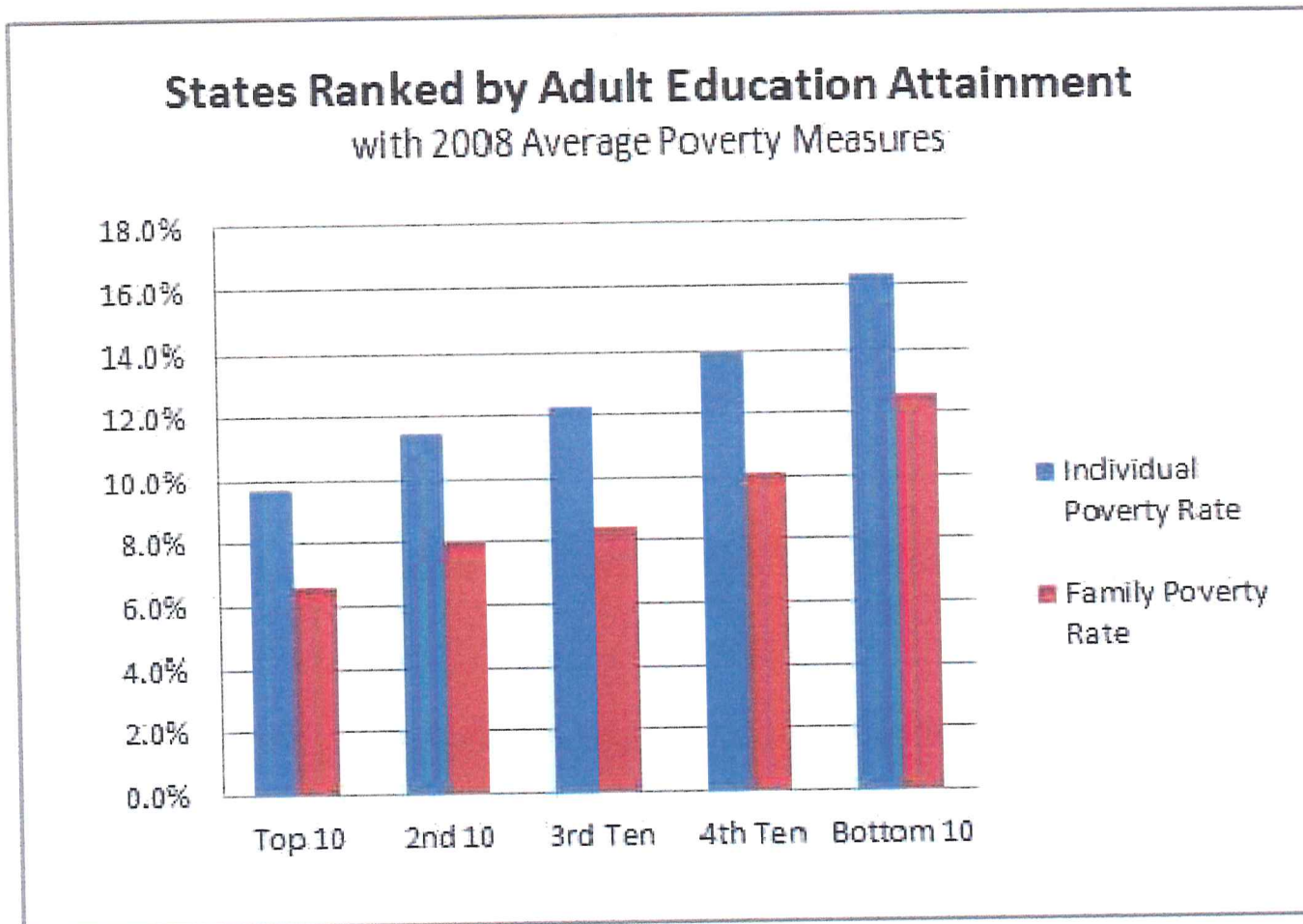
Increasing educational attainment is vital to economic prosperity.



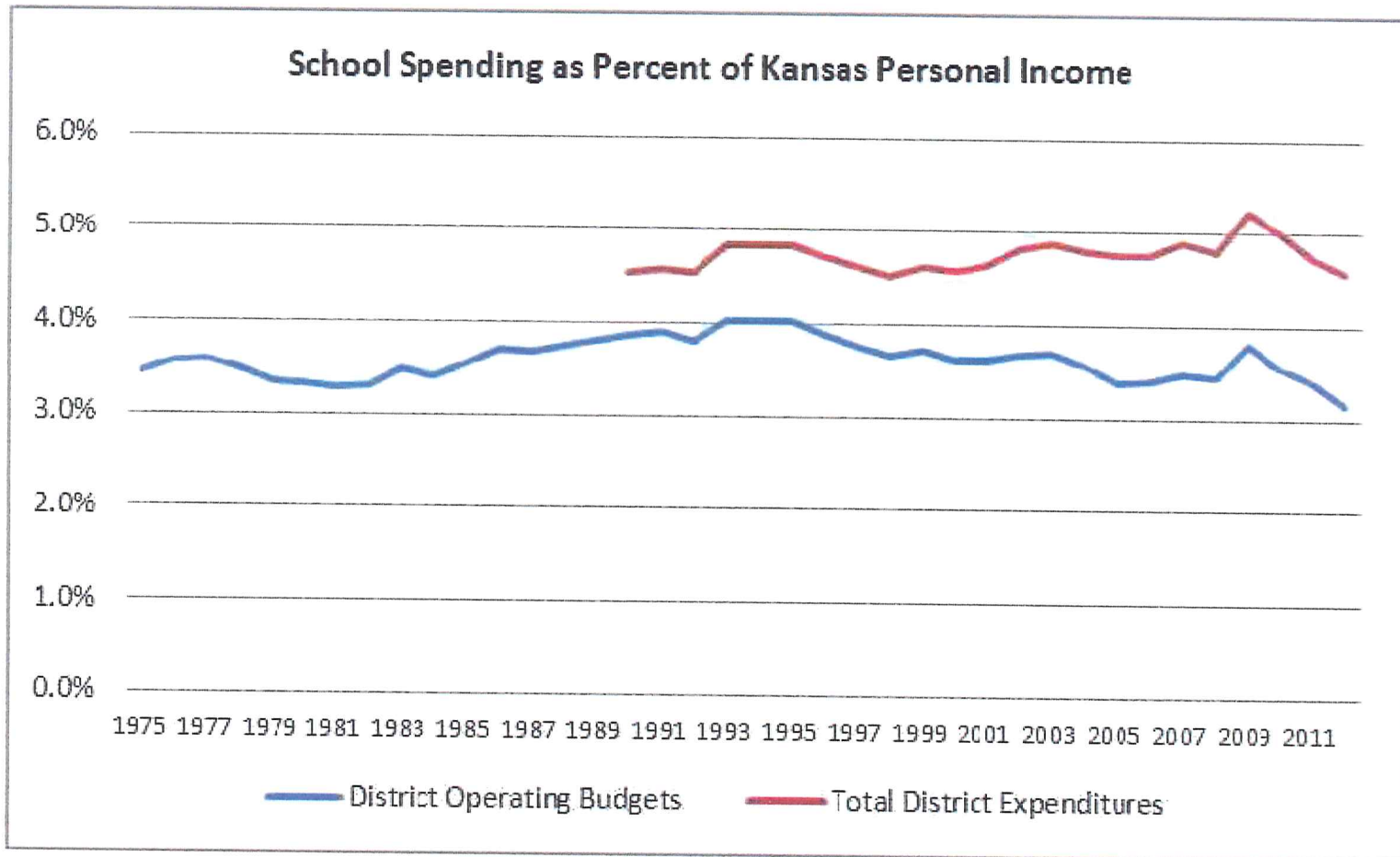
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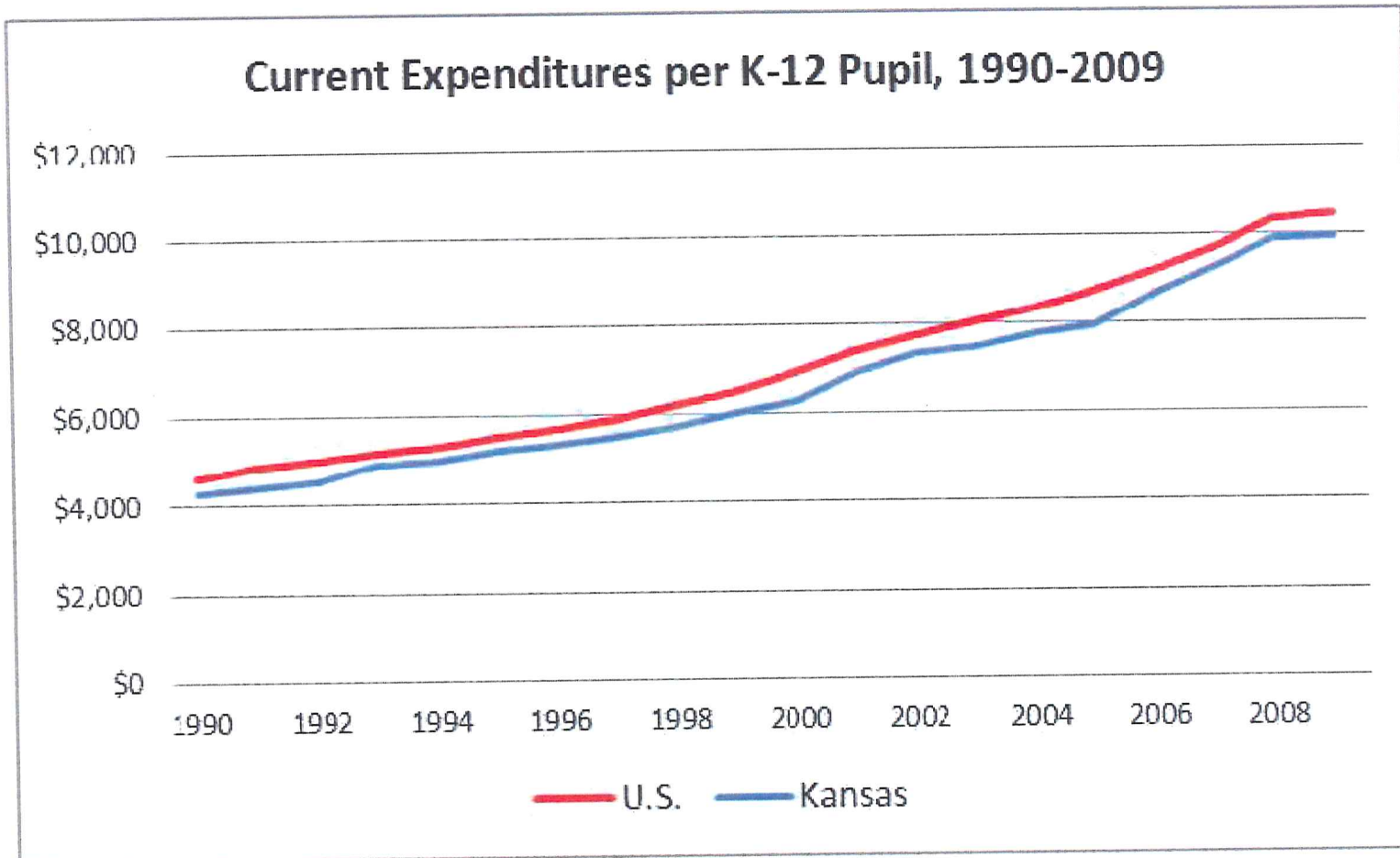
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Spending on K-12 education compared to Kansans' income has been stable for decades.



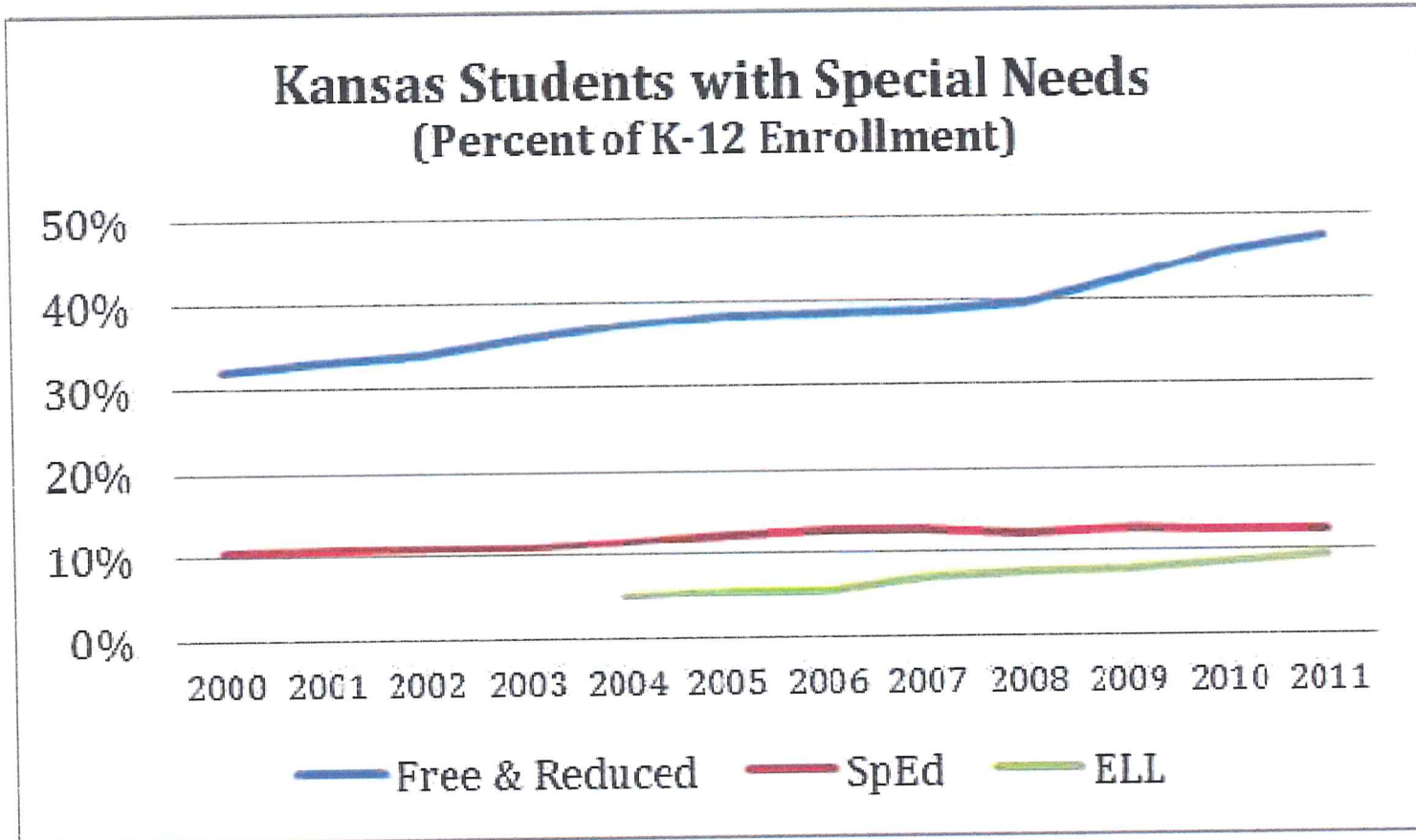
Kansas per pupil spending has been below the national average for at least two decades.



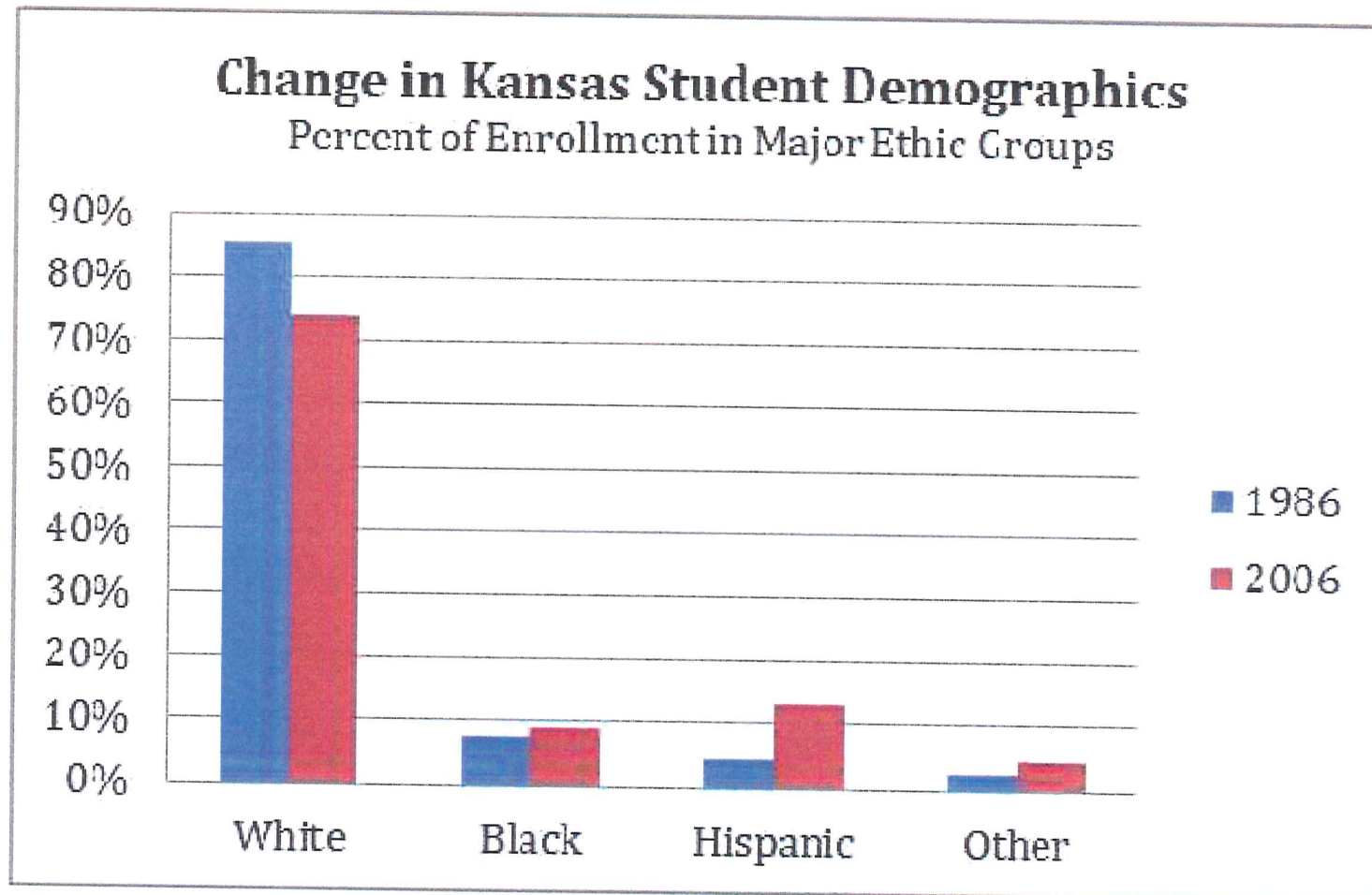
The highest performing states spend more per pupil than Kansas.

Overall Rank and Resources			
Eleven Score Rank	State	Current Spending Per Pupil 2009	Rank in Spending Per Pupil
1	Massachusetts	\$14,118	7
2	Vermont	\$15,175	4
3	New Hampshire	\$11,932	14
4	Minnesota	\$11,098	15
5	Connecticut	\$14,531	6
6	New Jersey	\$16,271	2
7	Kansas	\$9,951	26
8	North Dakota	\$10,151	23
9	South Dakota	\$8,507	43
10	Nebraska	\$10,045	25
11	Colorado	\$8,718	39
15	Iowa	\$9,707	28
24	Missouri	\$9,529	32
37	Florida	\$8,760	37
38	Oklahoma	\$7,885	45
41	Texas	\$8,540	42

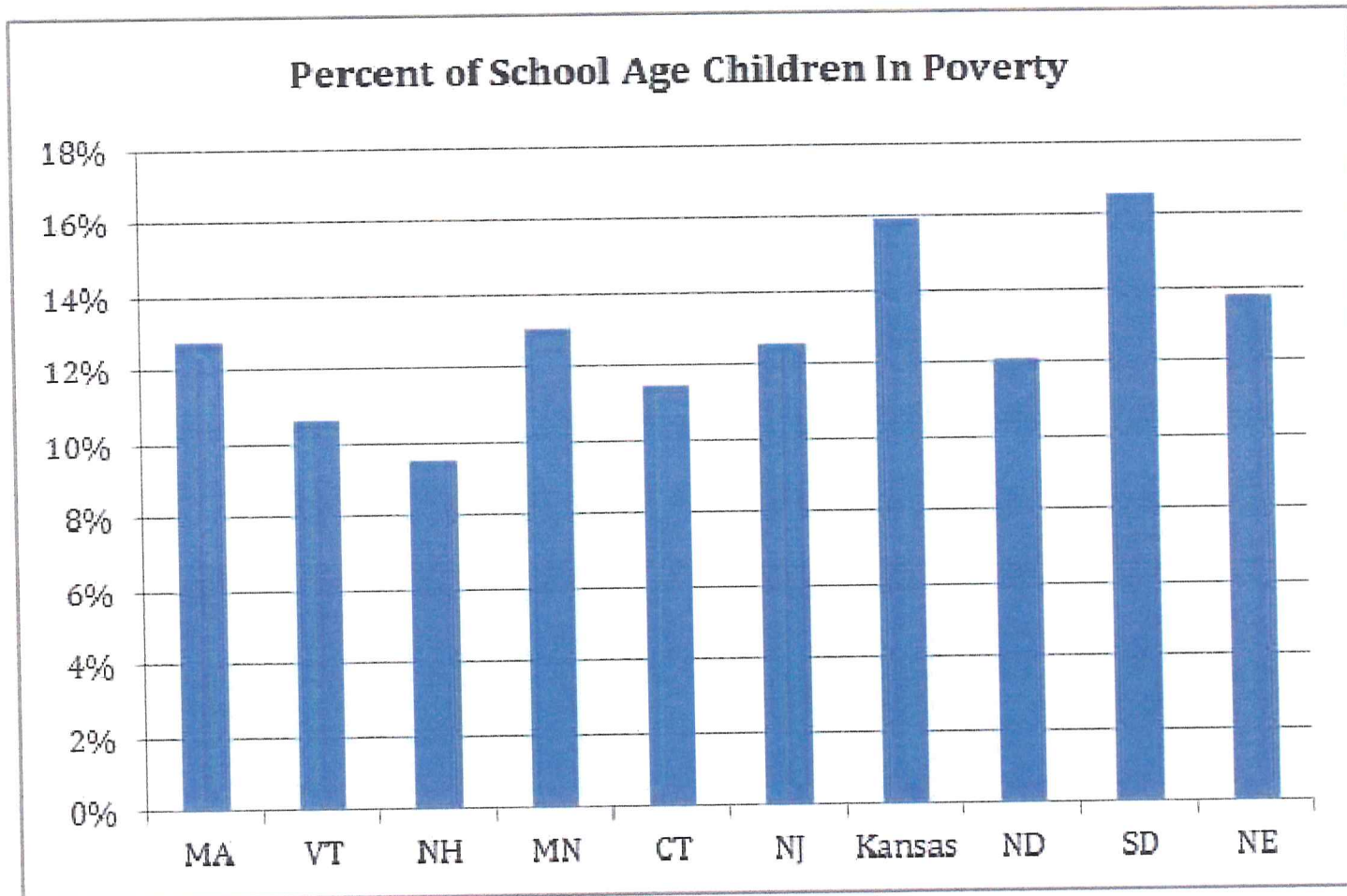
Kansas has a rising percentage of special needs students.



Kansas students are becoming far more racially diverse.



Kansas has more "at-risk" students than most other high-achieving states.



Conclusions:

- **Commit to be "First in Education, the Kansas Way."**
- **Change the school accountability system: first real chance since NCLB passed 10 years ago.**
- **Make school finance work for improvement: can we change for the better?**
- **Empower, rather than circumvent, local boards.**

School Finance: the Big Picture

- Start by understanding the very complex school finance system in its basic parts.
- Kansas school districts will receive and spend about \$5.5 billion from all sources and for all purposes this year.
- Divide that by about 460,000 students comes to about \$12,000 per student ☐ three times the base budget per pupil.
- It may be helpful to divide that \$5.5 billion roughly into four major categories.

Major components of finance

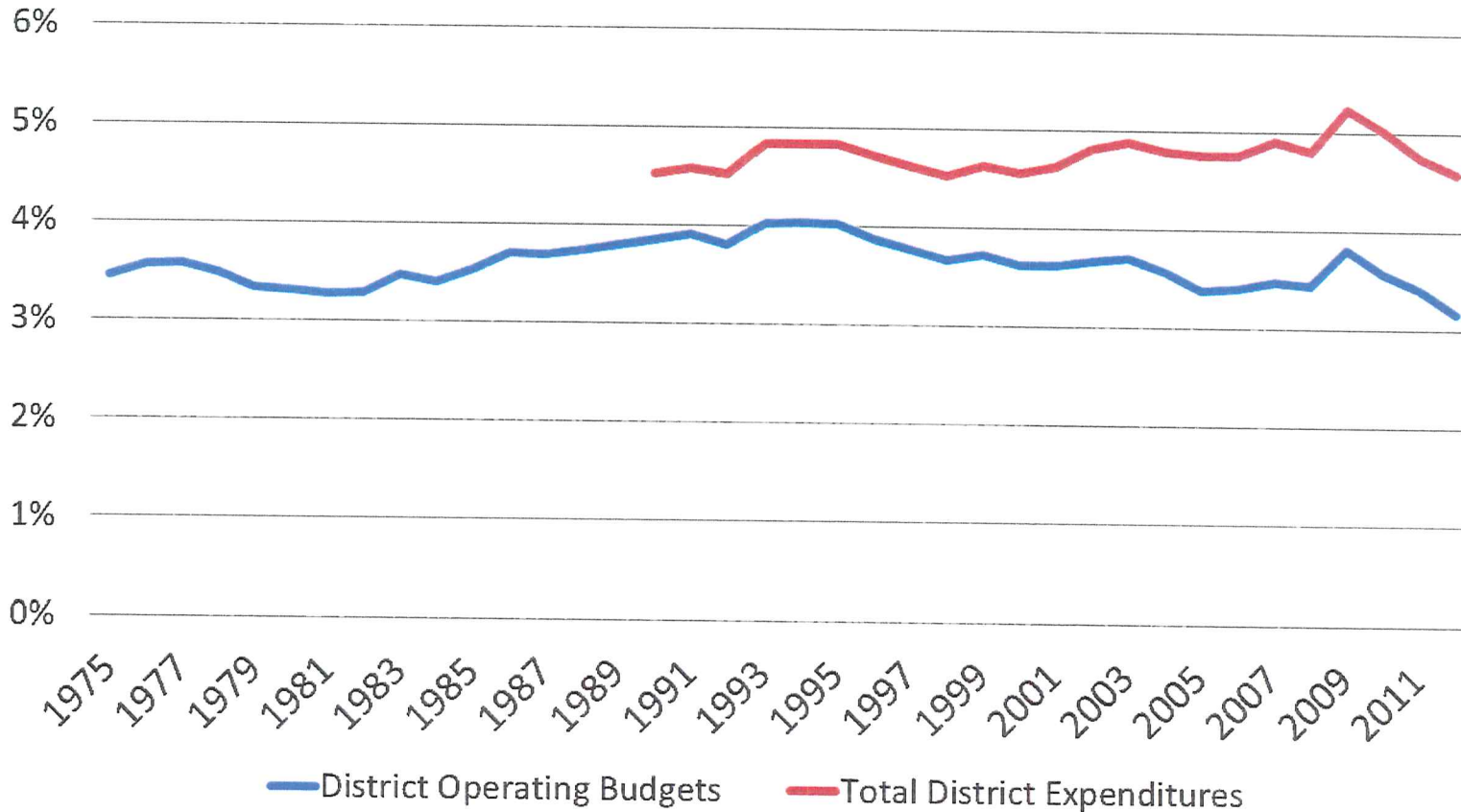
- Unrestricted state aid = \$2 billion
(Base times FTE students, plus enrollment weights)
- Targeted state aid = \$1 billion
(Special ed, at-risk, bilingual, vocational, transportation)
- Local Option Budgets = \$1 billion
(Generally, spend how you want)
- Federal, capital and debt, other = \$1.5 billion
(\$400 million federal aid for special ed, Title programs, student meals; \$1.1 billion for capital outlay, bonds, KPERS, student fees for meals, books, etc.; all other local)

Trends since 1992 law implemented

- Since 1993, total funding more than doubled (\$2.5 to \$5.5 billion); base and enrollment up just 11%.
- Special ed, at-risk, etc. **four times** higher.
- LOB funding **10 times** higher than 1993.
- Federal funding nearly **three times** higher.
- All other nearly **five times** higher (mostly for capital outlay, construction and KPERS).
- (See Handout on School Funding)

School Spending and Personal Income

School Spending as Percent of Kansas Personal Income



How the system has changed

- State funding much more targeted at special needs students; local funds for general programs.
- Much more reliance on local funding (LOB, capital outlay and bonding, other local) which is limited by state, with some state aid in some programs.
- Despite No child Left Behind costs, percentage from federal remains small part of budget.
- Despite increased spending on K-12 education, school revenues have actually decreased compared to total personal income in Kansas.

How was increased funding used?

- Since 1993: total school funding increased **\$3 billion**.
- Keeping up with inflation/teacher salaries (60% increase) alone required **\$1.5 billion**. (Base aid and enrollment weightings plus LOB increased just \$1.2 billion.)
- Special ed aid, targeted weightings and federal aid increased **\$1 billion** to improve achievement.
- Remaining **\$500 million**: KPERS increase; buildings and equipment from capital outlay, bonds approved by local voters.

Equalization Features in the Law

Equalized by state aid plus 20 mill levy:

- \$1.7 billion general state aid base only (equal per pupil)
- \$300 million enrollment weightings (pupil differences based on size, growth, housing costs)
- \$1 billion program weightings (pupil differences for at-risk, bilingual special ed, vocational, transportation)

Equalized by state appropriation or federal aid:

- \$250 million KPERS school aid, based on payroll
- \$400 million federal aid, formula-driven

Total: \$3.65 billion (67% of total funding)

Equalization Features in the Law

Partially equalized; state aid paid but significant disparities in local effort remain:

- \$1 billion = LOB partially equalized (to 81.2%, prorated 85%)
- \$400 million = bond and interest payments, \$100 million covered state aid

Total: \$1.3 billion (24% of total funding)

No equalization:

- \$450 million capital outlay, fees, other local revenues

Total: \$450 million (8% of total)

District reliance on state aid

- Percent of total school funding from state aid:
 - 1994 ☐ 56% (New law at 35 mills)
 - 2000 ☐ 62% (State levy reduced to 20 mills)
 - 2004 ☐ 52% (Prior to *Montoy*)
 - 2008 ☐ 58% (Following *Montoy* decision)
 - 2010 ☐ 58% (est.)
- Percent of State General Fund going to K-12 Aid since 1994: 50-52% (Excluding stimulus years)
- Key points: share of education paid by the state hasn't change much; share of state general fund spent on K-12 education hasn't changed much.

State General Fund and K-12 Aid

Years	State General Fund	State Aid to Districts
New formula; 1990s boom, state mill levy reductions:		
1994-2000	6.7% per year	7.3 per year
911 Recession, sales tax increase:		
2000-2004	No increase	No increase
Post-911 recovery, <i>Montoy</i> settlement:		
2004-2008	10% per year	11.0% per year
Great Recession, weak recovery:		
2008-2012	No increase	No increase

Kansas Budget Projections

- **November projection: current year up \$200 million.**
- **Next year (FY 2013), lost of \$200 million highway fund transfers means only 0.7% net revenue growth.**
- **One-cent sales tax expires in FY 2014 (\$350 million).**
- **Caseloads growth: \$72 million per year.**
- **KPERS: \$40 to \$80 million per year.**
- **Rebuild state ending balance for budget stability (like school districts - \$120 million increase in balances).**
- **Political pressure to reduce state income tax (50% of state general fund revenue).**

Budget Projections (Handout)

- ▶ Add \$200 million for K-12 education (half of State Board request) □ FY 13 ending balance \$138.9 (2%).
- ▶ Assume 3.5% growth in FY 14, sales tax expires.
- ▶ Add another \$200 million, plus KPERS and caseloads.
- ▶ Creates \$499.4 million deficit in FY 2014..
- ▶ Preserving sales tax: \$400 million (for one cent) still leaves \$99.4 million deficit; \$255.8 million deficit in 2015 with 3.5% revenue growth.
- ▶ Does not include other spending or tax cuts.

Political Environment

- **Significant increase in K-12 funding virtually impossible without major economic recovery or tax increase or shift.**
- **Governor can veto tax policy if he opposes.**
- **Position of House conservative majority.**
- **Conservative challenge to Senate moderates.**
- **Re-apportionment: shift seats from western and southeast Kansas to Johnson County, Wichita area, Junction City/Manhattan.**

Governor's Plan

- Handout on Governor's Plan, KASB policies, questions and concerns.
- Concerns: if we shift to local funding, our patrons won't/can't pay more in taxes ? if so, who will?
- Concerns: new plan is uncertain ? how certain is the current plan?
- How to we build support for a plan that does work for all districts?

Governor's Concepts Review

- Offers opportunity for increased local funding with some equalization features when state funding may be limited for years.
- Alternative may be NO increased state funding AND more local authority with NO equalization aid.
- May provide increase in both state and local funding.
- May provide more stable and flexible use of some funds.
- Supporting some aspects of plan could result in positive movement, not deadlock or worse. Career/tech, innovation, performance incentives.

Governor's Concepts Review (continued)

- ▶ **Specific numbers unavailable.**
- ▶ **Breaks link between increased local effort and equalization; could be much harder for low wealth districts to maintain quality programs, outcomes.**
- ▶ **Breaks link between base and weightings.**
- ▶ **Increased reliance on local funding sources makes equalization much more difficult because of disparity on local resources.**
- ▶ **Current system produced significant improvement and high national ranking ? should we risk change?**

NCLB and Kansas Accreditation

- **Obama administration to allow waiver of No Child Left Behind if states develop alternative systems.**
- **Must adopt Common Core standards, college and career-ready achievement, focus on lowest performing schools, teacher evaluation linked to performance.**
- **Allows broader curriculum focus, less rigid measurement.**
- **Congress could override similar plan in Senate.**

Kansas Accreditation Issues

- State Board to seek waiver in February.
- Revisions to Quality Performance Accreditation.
- Proposed 21st Century model: based on results plus other areas of best practice.
- Key issue: state evaluation model (KEEP), must be negotiated under current law.
- Accreditation model vs. other reform initiatives: grading schools, social promotion, school choice, alternative accreditation.

KPERS Issues

- **Study commission focus on defined contribution plan or 401(k) model.**
- **Could apply to new employees only, or current.**
- **Commission proposal must be voted on to allow increased state contributions to go into effect.**
- **Governor, House support moving to 401(k) plan.**
- **Regardless of new direction, \$8 billion liability remains; requires funding and/or benefit changes.**

Other Issues

- **KAN-ED** ? House voted to abolish; Senate agreed to 40% funding cut and study; no decision on future and funding from KUSF or other sources.
- **Post Audit studies:** eliminate funding for non-Kansas students; require state and school employees to live in state.
- **School Choice:** ?Why Not Kansas?? campaign.
- **Tenure, bargaining, licensure issues.**
- **Bullying, screening, other new mandates.**

State Tax Policy

- Reduce or eliminate income tax?
- 50% of state general fund; state aid 60% of total K-12 funding = 30% from income tax.
- Cutting 30% = \$3,500 per pupil in 2009 = 47th in U.S. in total revenue; 48th in state aid; 49th in current spending (almost all state aid).
- Phase-in still means dropping to the bottom or raising other taxes: sales or income (which have been growing compared to income).

State Spending Options

FHSU Docking Institute Poll:

✓ 52% say state spending should be decreased, 32% remain the same, 16% increase.

✓ 58% say funding for K-12 education should increase, 33% remain the same, 9% decrease.

✓ 52% say funding for social services should increase, 42% remain the same, 6% decrease.

✓ 86% say higher education funding should stay the same (48%) or increase (38%).

Leaves only about 15% of SGF budget to cut, mostly public safety ? highways outside of SGF.

State Spending Options

To cut spending, voters must be convinced it's OK to cut education. How?

- Balances going up, too high.
- Spending is really inflated, cuts are a lie.
- Performance is poor, so students need other options: charters, vouchers, tax credits.
- Schools are mismanaged; inefficient.

All are really attacks on local boards, voters.

Possible Responses

- **Balances manage cash flow, uncertainly, one-time funding, increased to spend down.**
- **Operating budgets down, KPERS up but can't be spent, local revenues approved by voters.**
- **Private, charter schools have same results.**
- **Boards managing in crisis, finding efficiency.**
- **People want to keep their schools, programs, purchasing in communities if possible.**
- **Voters trust locals more than state.**

KASB Proposals



Goal: *First in Education, the Kansas Way*

- ▶ **Improving Education** New accountability system, broader college/career goals, individual student focus, strengthen evaluation, public engagement.
- ▶ **Suitable Finance** State funding for all requirements and outcomes, equity in local funding, maintain at-risk aid; tax policy to support high quality education and other needs.
- ▶ **Local Leadership** Decisions at local level, review mandates; keep independent State Board; no public funding for private schools without local oversight.

Your Next Steps

- Use this information to tell district's story.
- Create a district Legislative program.
- Meet your local, area Legislators.
- Build a local advocacy team [?] staff, site councils, parents, business, community.
- Stay active all session.
- Get active in the 2012 election: voter registration/education; personal involvement.