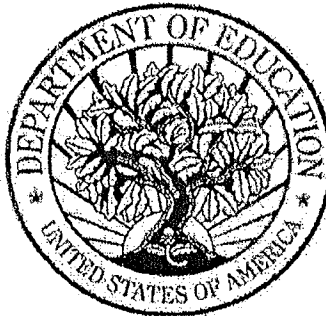


Application for Initial Funding under the State Fiscal Stabilization Fund Program

CFDA Numbers: 84.394 (Education Stabilization Fund) and
84.397 (Government Services Fund)

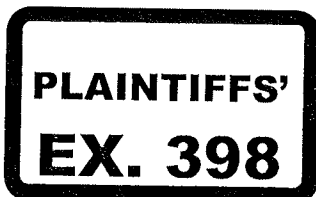


U.S. Department of Education
Washington, D.C. 20202

OMB Number: 1810-0690
Expiration Date: 9/30/2009

Paperwork Burden Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1810-0690. The time required to complete this information collection is estimated to average 17 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, D.C. 20202-4537. If you have comments or concerns regarding the status of your individual submission of this form, write directly to: State Fiscal Stabilization Fund Program, Office of Elementary and Secondary Education, U.S. Department of Education, 400 Maryland Ave., S.W., Room 3E108, Washington, D.C. 20202-3118



KansasARRAapplicationMay2009asapproved



LEG003389

APPLICATION INSTRUCTIONS

GENERAL INSTRUCTIONS

To receive the initial 67 percent of the State's allocation under the State Fiscal Stabilization Fund (Stabilization) program, a Governor must submit to the Department an application that provides the following information:

- A completed application cover sheet. *(Part 1 of the Application)*
- Assurances that the State will commit to advancing education reform in four specific areas:
 - (1) Achieving equity in teacher distribution;
 - (2) Improving collection and use of data;
 - (3) Enhancing the quality of standards and assessments; and
 - (4) Supporting struggling schools. *(Part 2 of the Application)*
- Confirmation that the initial baseline data identified in Appendix B of the application is acceptable for purposes of demonstrating the State's current status in each of the four education reform areas for which the State provides assurances, or submission of alternative initial baseline data. *(Part 3 of the Application)*
- The following maintenance-of-effort (MOE) information:
 - (1) An assurance that the State will comply with the Stabilization program MOE requirements;
 - (2) If applicable, an assurance that the State meets or will meet the eligibility criterion for a waiver of those requirements; and
 - (3) MOE baseline data. *(Part 4 of the Application)*
- A description of how the State intends to use the funds allocated under:
 - (1) The Education Stabilization Fund – CFDA No. 84.394; and
 - (2) The Government Services Fund – CFDA No. 84.397. *(Part 5 of the Application)*
- Accountability, transparency, and reporting assurances. *(Part 6 of the Application)*
- Other assurances and certifications. *(Part 7 of the Application)*

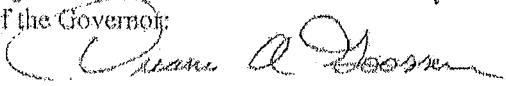
APPENDICES TO THE APPLICATION

- Appendix A – State Allocation Data
- Appendix B – Instructions for Part 3: Initial Baseline Data for Education Reform Assurances
- Appendix C – Instructions for Part 4: Maintenance of Effort
- Appendix D – Instructions for Part 5: State Uses of Funds
- Appendix E – Application Checklist and Submission Information

STATE FISCAL STABILIZATION FUND APPLICATION

PART I: APPLICATION COVER SHEET

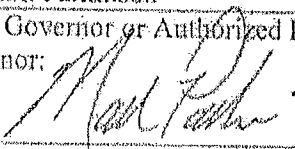
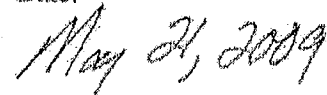
(CFDA Nos. 84.394 and 84.397)

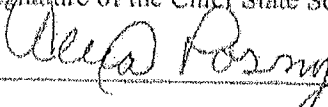
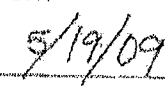
Legal Name of Applicant (Office of the Governor): Governor Mark Parkinson	Applicant's Mailing Address: 300 SW 10 th Avenue, Room 245-North, Statehouse Topeka, Kansas 66612
State Contact for the Education Stabilization Fund (CFDA No. 84.394): Name: Duane Goossen Position and Office: Secretary of Administration and Director of the Budget Contact's Mailing Address: 900 SW Jackson, Suite 504-North Landon State Office Building Topeka, Kansas 66612 Telephone: 785-296-2436 Fax: 785-296-0231 E-mail address: duane.goossen@budget.ks.gov	State Contact for the Government Services Fund (CFDA No. 84.397) <i>(Enter "same" if the same individual will serve as the contact for both the Education Stabilization Fund and the Government Services Fund.)</i> Name: Duane Goossen Position and Office: Secretary of Administration and Director of the Budget Contact's Mailing Address: 900 SW Jackson, Suite 504-North Landon State Office Building Topeka, Kansas 66612 Telephone: 785-296-2436 Fax: 785-296-0231 E-mail address: duane.goossen@budget.ks.gov
To the best of my knowledge and belief, all of the information and data in this application are true and correct.	
Governor or Authorized Representative of the Governor (Printed Name): Duane Goossen, Secretary of Administration	Telephone: 785-296-2436
Signature of Governor or Authorized Representative of the Governor: 	Date: 5-26-09
Recommended Statement of Support from the Chief State School Officer (Optional): The State educational agency will cooperate with the Governor in the implementation of the State Fiscal Stabilization Fund program.	
Chief State School Officer (Printed Name):	Telephone:
Signature of the Chief State School Officer:	Date:

Form Approved OMB Number: 1810-0690; Expiration Date: 9/30/2009

STATE FISCAL STABILIZATION FUND APPLICATION

**PART 1: APPLICATION COVER SHEET
(CFDA Nos. 84.394 and 84.397)**

Legal Name of Applicant (Office of the Governor): Governor Mark Parkinson	Applicant's Mailing Address: 300 SW 10 th Avenue, Room 245-North, Statehouse Topeka, Kansas 66612
State Contact for the Education Stabilization Fund (CFDA No. 84.394) Name: Duane Goossen Position and Office: Secretary of Administration and Director of the Budget Contact's Mailing Address: 900 SW Jackson, Suite 504-North Landon State Office Building Topeka, Kansas 66612 Telephone: 785-296-2436 Fax: 785-296-0231 E-mail address: duane.goossen@budget.ks.gov	State Contact for the Government Services Fund (CFDA No. 84.397) <i>(Enter "same" if the same individual will serve as the contact for both the Education Stabilization Fund and the Government Services Fund.)</i> Name: Duane Goossen Position and Office: Secretary of Administration and Director of the Budget Contact's Mailing Address: 900 SW Jackson, Suite 504-North Landon State Office Building Topeka, Kansas 66612 Telephone: 785-296-2436 Fax: 785-296-0231 E-mail address: duane.goossen@budget.ks.gov
To the best of my knowledge and belief, all of the information and data in this application are true and correct.	
Governor or Authorized Representative of the Governor (Printed Name): Governor Mark Parkinson	Telephone: 785-296-3232
Signature of Governor or Authorized Representative of the Governor: 	Date: 


Recommended Statement of Support from the Chief State School Officer (Optional): The State educational agency will cooperate with the Governor in the implementation of the State Fiscal Stabilization Fund program.	
Chief State School Officer (Printed Name): Dr. Alexa Posny, Kansas Commissioner of Education	Telephone: 785-296-3202
Signature of the Chief State School Officer: 	Date: 

Form Approved OMB Number: 1810-0690; Expiration Date: 9/30/2009

PART 2: EDUCATION REFORM ASSURANCES

The Governor or his/her authorized representative assures the following:

- (1) The State will take actions to improve teacher effectiveness and comply with section 1111(b)(8)(C) of the Elementary and Secondary Education Act of 1965, as amended (ESEA) (20 U.S.C. 6311(b)(8)(C)) in order to address inequities in the distribution of highly qualified teachers between high- and low-poverty schools, and to ensure that low-income and minority children are not taught at higher rates than other children by inexperienced, unqualified, or out-of-field teachers. (*Achieving Equity in Teacher Distribution Assurance*)
- (2) The State will establish a longitudinal data system that includes the elements described in section 6401(v)(2)(D) of the America COMPETES Act (20 U.S.C. 9871(e)(2)(D)). (*Improving Collection and Use of Data Assurance*)
- (3) The State will –
 - (3.1) Enhance the quality of the academic assessments it administers pursuant to section 1111(b)(3) of the ESEA (20 U.S.C. 6311(b)(3)) through activities such as those described in section 6112(a) of the ESEA (20 U.S.C. 7301a(a)); (*Improving Assessments Assurance*)
 - (3.2) Comply with the requirements of paragraphs (3)(C)(ix) and (6) of section 1111(b) of the ESEA (20 U.S.C. 6311(b)) and section 612(a)(16) of the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. 1412(a)(16)) related to the inclusion of children with disabilities and limited English proficient students in State assessments, the development of valid and reliable assessments for those students, and the provision of accommodations that enable their participation in State assessments; (*Inclusion Assurance*) and
 - (3.3) Take steps to improve State academic content standards and student academic achievement standards consistent with section 6401(e)(1)(A)(ii) of the America COMPETES Act. (*Improving Standards Assurance*)
- (4) The State will ensure compliance with the requirements of section 1116(b)(7)(C)(iv) and section 1116(b)(8)(B) of the ESEA with respect to schools identified under these sections. (*Supporting Struggling Schools Assurance*)

Governor or Authorized Representative of the Governor (Printed Name):	
Governor Mark Parkinson	
Signature:	Date:
	May 21, 2009

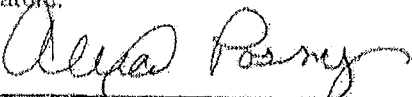
PART 3: INITIAL BASELINE DATA FOR EDUCATION REFORM ASSURANCES

SPECIAL NOTES:

- In completing this portion of the application, please refer to Appendix B – Instructions for Part 3: Initial Baseline Data for Education Reform Assurances.
- The data described in Appendix B for two of the education reform assurances in Part 2 of the application – the Improving Assessments Assurance and the Improving Standards Assurance – are the most current available baseline data for these areas. Thus, the Department is not inviting States to submit additional information with respect to these two assurances.
- The Governor or his/her authorized representative should confirm whether the initial baseline data sources described in Appendix B for the four assurances referenced below – Achieving Equity in Teacher Distribution; Improving Collection and Use of Data; Improving State Academic Content and Student Achievement Standards; and Supporting Struggling Schools – reflect the State's current status with respect to these assurances. A State that confirms the use of these initial baseline data sources does not have to submit additional baseline data with this application. If a State elects not to use the identified data sources for one or more of these four assurances, it must submit other initial baseline data for that assurance.

The Governor or his/her authorized representative confirms that the data sources that are currently available to the Department and described in Appendix B are a reasonable reflection of the current status of the State with respect to the following education reform assurances that he/she provided in Part 2 of the Application (*check only those assurances for which the State accepts the data described in Appendix B*):

- Achieving Equity in Teacher Distribution Assurance.
- Improving Collection and Use of Data Assurance.
- Improving Standards Assurance.
- Supporting Struggling Schools Assurance.

Governor or Authorized Representative of the Governor (Printed Name): Dr. Alexa Posny	
Signature: 	Date: 5/19/09

PART 4, SECTION A: MAINTENANCE-OF-EFFORT (MOE) ASSURANCE

SPECIAL NOTES:

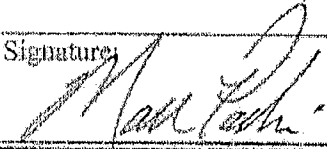
- o In completing Part 4 of the application, please refer to Appendix C – Instructions for Part 4: Maintenance of Effort.
- o The Governor or his/her authorized representative should check only those MOE requirements that he or she anticipates the State will meet. If the Governor or his/her authorized representative anticipates that the State will be unable to meet one or more of the requirements, he or she must sign the additional waiver assurance in Part 4, Section B.
- o For the purpose of determining MOE, State support for public institutions of higher education (IHEs) must not include support for capital projects or for research and development or tuition and fees paid by students.

The Governor or his/her authorized representative assures the following (check appropriate assurances that apply):

- In FY 2009, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.
- In FY 2010, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.
- In FY 2011, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.
- In FY 2009, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.
- In FY 2010, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.
- In FY 2011, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.

---OR---

_____ To the best of his/her knowledge and based on the best available data, the State will be unable to meet any of the above-referenced maintenance-of-effort requirements.

Governor or Authorized Representative of the Governor (Printed Name):	
Governor Mark Parkinson	
Signature:	Date:
	May 21, 2009

PART 4, SECTION C: MAINTENANCE-OF-EFFORT BASELINE DATA

SPECIAL NOTES:

- A State has some flexibility in determining the "levels of State support" for MOE purposes. For example, for the purpose of the elementary and secondary education MOE requirements, a State may use the level of support that the State provides through its primary elementary and secondary funding formulae, or it may use other relevant data. See Appendix C – Instructions for Part 4: Maintenance of Effort.

1. Levels of State support for elementary and secondary education (the amounts may reflect the levels of State support on either an aggregate basis or a per-student basis):

FY 2006	<u>\$ 1,873,334,002 (State General Fund--General State Aid to Schools)</u>
FY 2009*	<u>\$ 2,179,833,000 (State General Fund--General State Aid to Schools)</u>
FY 2010*	<u>\$ 1,951,058,899 (State General Fund--General State Aid to Schools)</u>
FY 2011*	<u>\$ 1,951,058,899 (estimated State General Fund--General State Aid to Schools)</u>

(* Provide data to the extent that data are currently available.)

2. Levels of State support for public institutions of higher education (enter amounts for each year):

FY 2006	<u>\$ 747,064,138 (State General Fund expenditures for Regents System)</u>
FY 2009*	<u>\$ 808,005,633 (State General Fund expenditures for Regents System)</u>
FY 2010*	<u>\$ 764,099,362 (State General Fund expenditures for Regents System)</u>
FY 2011*	<u>\$ 764,099,362 (estimated State General Fund expenditures for Regents System)</u>

(* Provide data to the extent that data are currently available.)

3. Additional Submission Requirements: In an attachment to the application --

- (a) Identify and describe the data sources used in determining the levels of State support for elementary and secondary education; - and -
- (b) Identify and describe the data sources used in determining the levels of State support for public IHEs. [REFERENCE ATTACHMENT]

PART 5, SECTION A: STATE USES OF THE EDUCATION STABILIZATION FUND

SPECIAL NOTES:

- Section A of Part 5 requests data on the Education Stabilization Fund (CEDA No. 84.394). In completing this portion of the application, please refer to Appendix D—Instructions for Part 5: State Uses of Funds.
- At a later date, the Department will collect data on the levels of State support for elementary, secondary, and postsecondary education in FY 2011.
- These data may differ from the data in the levels of support for maintenance-of-effort purposes. See instructions in Appendix D.
- The term “postsecondary education” refers to public IHEs.

1. Levels of State Support for Elementary, Secondary, and Postsecondary Education

Provide the following data on the levels of State support for elementary, secondary, and postsecondary education:

- | | |
|---|-------------------------|
| (a) Level of State support for elementary and secondary education in FY 2008 provided through the State’s primary elementary and secondary education funding formulae | <u>\$ 2,111,713,384</u> |
| (b) Level of State support for public IHEs in FY 2008 | <u>\$ 827,769,213</u> |
| (c) Level of State support for elementary and secondary education in FY 2009 provided through the State’s primary elementary and secondary education funding formulae | <u>\$ 2,202,433,000</u> |
| (d) Level of State support for public IHEs in FY 2009 | <u>\$ 808,005,633</u> |
| (e) Level of State support for elementary and secondary education in FY 2010 provided through the State’s primary elementary and secondary education funding formulae | <u>\$ 1,951,058,899</u> |
| (f) Level of State support for public IHEs in FY 2010 | <u>\$ 764,099,362</u> |

Additional Information: Did the State, prior to October 1, 2008, approve formula increases to support elementary and secondary education in FY 2010 or 2011, or to phase in State equity and adequacy adjustments?*

Yes

No

* See Appendix D Worksheets for further guidance on how such increases affect a State’s “use of funds” calculations.

2. State's Primary Education Funding Formulae

Additional Submission Requirement: In an attachment to the application, identify and describe each of the State's primary elementary and secondary education funding formulae that were used in determining the calculations provided above for the levels of State support for elementary and secondary education. [REFERENCE ATTACHMENT]

3. Data on State Support for Postsecondary Education

Additional Submission Requirement: In an attachment to the application, identify and describe the specific State data sources that were used in determining the calculations provided above for the levels of State support for public IHEs. [REFERENCE ATTACHMENT]

4. Restoration Amounts

Based on the Worksheets included in Appendix D, calculate and provide the amount of Education Stabilization funds that the State will use to restore the levels of State support for elementary, secondary, and postsecondary education in FYs 2009 and 2010. As explained in the Instructions in Appendix D, a State must determine the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2009 before determining the amount of funds available to restore the levels of such support in FY 2010.

SPECIAL NOTES:

- At a later date, the Department will collect data on the amount of funds, if any, that remain available to (1) restore the levels of State support for elementary, secondary, and postsecondary education in FY 2011, and (2) award subgrants to local educational agencies (LEAs) based on their proportionate shares of funding under Part A of Title I of the ESEA.
- The calculations for these data must be based on the State's total Education Stabilization Fund allocation as reflected in Appendix A and not on the State's initial Education Stabilization Fund award.
- Although the State must follow the instructions in Appendix D, in order to determine the amount of funds that LEAs and IHEs will receive under the program (i.e., the "restoration amounts"), the Governor has discretion in determining when to release these funds to LEAs and IHEs.

- (a) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2009 \$ _____
- (b) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2009 \$ 19,763,580

Restoration Amounts (continued)

- | | |
|--|-----------------------|
| (c) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010 | <u>\$ 251,374,101</u> |
| (d) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2010 | <u>\$ 63,669,851</u> |
| (e) Amount of funds, if any, remaining after restoring State support for elementary, secondary, and postsecondary education in FY 2009 and FY 2010 | <u>\$ 32,615,301</u> |

5. Process for Awarding Funds to Public IHEs

Additional Submission Requirement: In an attachment to the application, describe the process that the State will use to determine the amount of funding that individual public IHEs will receive from the funds that the State sets aside to restore the levels of State support for these institutions.

[REFERENCE ATTACHMENT]

**PART 5, SECTION B; STATE USES OF THE
GOVERNMENT SERVICES FUND**

SPECIAL NOTES:

- Section B of Part 5 requests data on the Government Services Fund (CFDA No. 84.397).
- In this section, provide preliminary estimates of the percentage of the Government Services Fund that the State intends to spend under various broad categories (to the extent such estimates are available). The total percentages in the chart should equal 100 percent.
- To the extent such estimates are available, the estimated percentages must be based on the State's total Government Services Fund allocation and not on the State's initial Government Services Fund award.

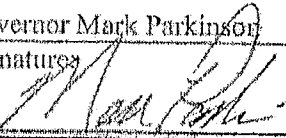
Uses of the Government Services Fund

Category	Estimated Percentage of Funds to Be Used
Public Safety	100%
Elementary and secondary education (excluding modernization, renovation, or repair of public school facilities)	
Public IHEs (excluding modernization, renovation, or repair of IHEs)	
Modernization, renovation, or repair of public school facilities	
Modernization, renovation, or repair of IHEs	
Medicaid	
Public assistance	
Transportation	
Other (please describe)	
Undetermined	
TOTAL	100%

**PART 6: ACCOUNTABILITY, TRANSPARENCY, AND
REPORTING ASSURANCES**

The Governor or his/her authorized representative assures that the State will comply with all of the accountability, transparency, and reporting requirements that apply to the Stabilization program, including the following:

- For each year of the program, the State will submit a report to the Secretary, at such time and in such manner as the Secretary may require, that describes:
 - the uses of funds within the State;
 - how the State distributed the funds it received;
 - the number of jobs that the Governor estimates were saved or created with the funds;
 - tax increases that the Governor estimates were averted because of the funds;
 - the State's progress in reducing inequities in the distribution of highly qualified teachers, implementing a State longitudinal data system, and developing and implementing valid and reliable assessments for limited English proficient students and children with disabilities;
 - the tuition and fee increases for in-State students imposed by public IHEs and a description of any actions taken by the State to limit the increases;
 - the extent to which public IHEs maintained, increased, or decreased enrollment of in-State students, including those students eligible for Pell Grants or other need-based financial aid; and
 - a description of each modernization, renovation or repair project funded, including the amounts awarded and project costs. (ARRA Division A, Section 14008)
- The State will cooperate with any Comptroller General evaluation of the uses of funds and the impact of funding on the progress made toward closing achievement gaps. (ARRA Division A, Section 14009)
- If the State uses funds for any infrastructure investment, the State will certify that the investment received the full review and vetting required by law and that the chief executive accepts responsibility that the investment is an appropriate use of taxpayer funds. This certification will include a description of the investment, the estimated total cost, and the amount of covered funds to be used. The certification will be posted on the State's website and linked to www.Recovery.gov. A State or local agency may not use funds under the ARRA for infrastructure investment funding unless this certification is made and posted. (ARRA Division A, Section 1511)
- The State will submit reports, within 10 days after the end of each calendar quarter, that contain the information required under section 1512(e) of the ARRA in accordance with any guidance issued by Office of Management and Budget or the Department. (ARRA Division A, Section 1512(e))
- The State will cooperate with any Inspector General examination of records under the program. (ARRA Division A, Section 1515)

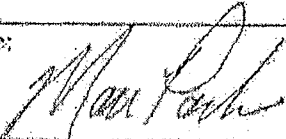
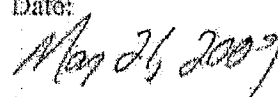
Governor or Authorized Representative of the Governor (Printed Name):	
Governor Mark Parkinson	
Signature	Date
	May 21, 2009

PART 7: OTHER ASSURANCES AND CERTIFICATIONS

The Governor or his/her authorized representative assures or certifies the following:

- The State will comply with all applicable assurances in OMB Standard Forms 424B and D (Assurances for Non-Construction and Construction Programs), including the assurances relating to the legal authority to apply for assistance; access to records; conflict of interest; merit systems; nondiscrimination; Hatch Act provisions; labor standards; flood hazards; historic preservation; protection of human subjects; animal welfare; lead-based paint; Single Audit Act; and the general agreement to comply with all applicable Federal laws, executive orders and regulations.
- With respect to the certification regarding lobbying in Department Form 80-0013, no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making or renewal of Federal grants under this program; the State will complete and submit Standard Form-L.L.L., "Disclosure Form to Report Lobbying," when required (34 C.F.R. Part 82, Appendix B); and the State will require the full certification, as set forth in 34 C.F.R. Part 82, Appendix A, in the award documents for all subawards at all tiers.
- The State will comply with all of the operational and administrative provisions in Title XV and XIV of the ARRA, including Buy American Requirements (ARRA Division A, Section 1605), Wage Rate Requirements (ARRA Division A, Section 1606), and any applicable environmental impact requirements of the National Environmental Policy Act of 1970 (NEPA), as amended, (42 U.S.C. 4371 et seq.) (ARRA Division A, Section 1609). In using ARRA funds for infrastructure investment recipients will comply with the requirement regarding Preferences for Quick Start Activities (ARRA Division A, Section 1602).
- Any LEA receiving funding under this program will have on file with the State a set of assurances that meets the requirements of section 442 of the General Education Provisions Act (GEPA) (20 U.S.C. 1232e).
- To the extent applicable, an LEA will include in its local application a description of how the LEA will comply with the requirements of section 427 of GEPA (20 U.S.C. 1228a). The description must include information on the steps the LEA proposes to take to permit students, teachers, and other program beneficiaries to overcome barriers (including barriers based on gender, race, color, national origin, disability, and age) that impede access to, or participation in, the program.

- The State and other entities will comply with the following provisions of Education Department General Administrative Regulations (EDGAR), as applicable: 34 CFR Part 74 -- Administration of Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations; 34 CFR Part 76 -- State-Administered Programs, including the construction requirements in section 75.600 through 75.617 that are incorporated by reference in section 76.600; 34 CFR Part 77 -- Definitions that Apply to Department Regulations; 34 CFR Part 80 -- Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, including the procurement provisions; 34 CFR Part 81 -- General Education Provisions Act--Enforcement; 34 CFR Part 82 -- New Restrictions on Lobbying; 34 CFR Part 85 -- Governmentwide Debarment and Suspension (Nonprocurement).

Governor or Authorized Representative of the Governor (Printed Name):	
Governor Mark Parkinson	
Signature:	Date:
	

ATTACHMENT

PART 4, SECTION C: MAINTENANCE-OF-EFFORT BASELINE DATA

3 (a) Identify and describe the data sources used in determining the levels of State support for elementary and secondary education

The level of state support for elementary and secondary education for the purpose of this application was computed based on the amount of state funding appropriated by the Kansas Legislature for general state aid. General state aid is distributed to the state's 295 local school districts under the school district finance formula (found in Kansas Statutes Annotated 72-6407) and serves as the primary revenue source for the payment of school district operational and instructional expenditures. General state aid is computed by multiplying the legally authorized base state aid per pupil amount by the school district's adjusted enrollment and then subtracting the school district's local effort.

The legally authorized base state aid per pupil amount is \$4,433; however, due to a significant decline in state revenues, the Legislature approved funding for public schools based on a per pupil amount of \$4,400 for FY 2009 and had to decrease it to \$4,280 for FY 2010. To demonstrate how much additional state funding has been provided in recent years, the table below is provided, using expenditure data from *The Governor's Budget Report*, published annually by the Division of the Budget.

Year	State General Fund Expenditures for General State Aid
FY 2003	\$ 1,604,097,267
FY 2004	1,616,833,853
FY 2005	1,748,127,381
FY 2006	1,861,824,945
FY 2007	1,966,915,170
FY 2008	2,088,626,758
FY 2009	2,179,733,000
FY 2010	1,951,058,899

A school district's adjusted enrollment under the formula is based on the school district's full-time equivalent enrollment plus enrollment adjustments to reflect additional costs incurred to serve certain student populations (those identified as at-risk, needing bilingual instruction, or students in vocational education, etc.), transporting pupils, operating smaller and larger enrollments and adding new school facilities. Local effort is defined in the formula as the sum of locally generated resources, such as the proceeds from a mandatory statewide 20-mill property tax which is assessed to fund school district operations. Kansas' school finance formula is regarded as one of the nation's most fair and equitable funding formulas and was recently held to be constitutional by the Kansas Supreme Court.

Data identified for maintenance of effort include only appropriations from the State General Fund for General State Aid. However, for state support included in "Part 5, Section A." data include both General State Aid appropriations, as well as Capital Outlay State Aid. Explanations of these two programs can be found in the narrative for Part 5, Section A, #2 on the next page.

3 (b) Identify and describe the data sources used in determining the levels of State support for public IHEs.

For the maintenance of effort requirement in the Recovery Act, amounts appropriated from the State General Fund were identified for FY 2006, as well as FY 2009 and FY 2010, for the Board of Regents and the state's six universities, as well as the statewide coordinating board for the 32 public higher education institutions. Estimates for FY 2011 data assume no growth for postsecondary education budgets.

PART 5, SECTION A: STATE USES OF THE EDUCATION STABILIZATION FUND

2. State's Primary Education Funding Formulae

The primary funding formulae used to determine the state support for elementary and secondary education was based on State General Fund expenditures for general state aid and capital outlay state aid. Together, these two programs account for two-thirds of the state aid distributed to 295 local school districts. As explained previously, general state aid is computed by multiplying the base state aid per pupil amount by the school district's adjusted enrollment and then subtracting local revenues collected by school districts earmarked to fund the district's general operations.

Under state law, the local board of education of any school district may make an annual tax levy, subject to the passage of a resolution and election, if protested, not to exceed 8 mills for the payment of capital outlay expenditures. The levy may not exceed a period of five years and is based on the assessed taxable tangible property located within such school district's boundaries. Capital outlay state aid is equalized using the school district's assessed valuation per pupil and comparing it to the assessed valuation of the district at the median assessed valuation per pupil. Districts with lower assessed property valuation receive a higher percentage of state aid. Expenditures that may be paid from capital outlay include the acquisition, construction, reconstruction, repair, remodeling and furnishing of buildings necessary for school district purposes, the maintenance of asbestos control projects and the acquisition of school buses and other equipment.

For FY 2006, actual State General Fund expenditures were identified. For FY 2009 and FY 2010, the amounts approved by the 2009 Legislature were used. FY 2011 data assume no growth for elementary and secondary education budgets. The money made available to Kansas for primary and secondary education through the Fiscal Stabilization Fund Program will be used in support of the districts' instructional programs, following the same methodology that is found in the state's school finance formula.

3. Data on State Support for Postsecondary Education

Data on state support for postsecondary education were taken from amounts appropriated from the State General Fund for FY 2009 and FY 2010 for the Board of Regents and the state's six universities, as well as the statewide coordinating board for the 32 public higher education institutions. Estimates for FY 2011 data assume no growth for postsecondary education budgets.

5. Process for Awarding Funds to Public IHEs

The nine-member Kansas Board of Regents is the governing board of the state's six universities and serves as the statewide coordinating board for the state's 32 public higher education institutions (six state universities, a municipal university, nineteen community colleges, and six technical colleges.)

In its plan for these funds, the Board has communicated its intent to the Governor, Legislature, and higher education community to allocate to the higher education sectors based on the sector's current share of state funds. Further, as it contemplated its plan for the use of this funding, the Board sought to adhere and be cognizant of the following principles:

- The Board should be responsible for distribution of the State Fiscal Stabilization Fund/Education Stabilization Fund dollars for IHEs.
- The Board recognizes that this federal funding is one-time and that the distribution and use of the money must be handled in a manner that avoids creation of a budget "cliff" in FY 2012.
- The Board must be mindful that the federal funding will be subject to additional and significantly more rigorous reporting and accounting requirements than typical federal grant funding.
- In light of the traumatic economic climate, the Board should not pass any additional budget burden on to students and families if possible.

For FY 2009, the State General Fund for IHEs was reduced by 4.24% or \$34.4 million compared to the original appropriation. The FY 2010 appropriation from the State General Fund is 9.9% less than the FY 2009 original appropriation.

For FY 2009, the Board will allocate 100% of the State Fiscal Stabilization Funds to be used to address deferred maintenance building projects at the IHEs. Funds will be allocated to the sectors based on their share of state funds. Within the coordinated sectors, distributions to individual institutions will be based on an institution's pro rata share of the FY 2009 original appropriation of total state funds. For the state universities, distributions to individual institutions will be based on a statutory adjusted gross square footage formula used for deferred maintenance projects.

Staff of the Board of Regents will recommend that the Board distribute funds in FY 2010 to individual public IHEs based on their pro rata share of the FY 2009 original appropriations of state funds. The Board will take official action on this staff recommendation in June 2009.