Testimony before the

House K-12 Budget Committee

on

HB 2395

by

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Testimony provided on behalf of the United School Administrators of Kansas, Kansas School Superintendents Association, and the Kansas Association of School Boards

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Madam Chair:

Thank you for this opportunity to share with the committee.

My organizations stands opposed to House Bill 2395.

Within this bill my organizations have already testified in opposition to the mandating graduation requirements through legislative policy, we shared with the Education Committee and K-12 Education Budget Committee that bullying is a bigger challenge than a legislative policy can fix and thus belongs with the Department of Education and not the legislature. We strongly oppose providing public tax dollars to private schools regardless of the reason. Especially when the private school doesn’t have to abide by the same policies and expectations of a public school.

We believe there are valid positions on the State Bond Cap and Bond and Interest Aid that we would like to have further discussions with the committee. We believe many school districts are already providing transportation to students who live closer than 2.5 miles when there is not a safe pedestrian route to school or knowing that most parents are not comfortable with their child walking 4 plus miles to and from school every day. Even as adults we park as close to the building as possible. Another issue we would be happy to discuss outside this Mega Bill.

Cash Reserves:

1. Current Statutes already contain significant budgetary constraints which limit the ability to carry forward fund balance. Any legislation that further constraints fund balances, such as limiting contingency reserve, will generally be viewed as a credit negative by bond rating agencies.
Examples:

A. A tornado hits a town requiring a District to dip into fund balances for significant emergency repairs while waiting patiently for FEMA reimbursement.
B. That same event causes significant property tax delinquencies.
C. A major taxpayer appeals its assessment, the appeal drags on for several years, the taxpayer wins and demands retroactive reimbursement.
D. A legal judgment against a District for any reason.
E. A recession hits and the State does not have the funds to make a full appropriation.

The point is that extraordinary events will happen, we just don’t know what they will be nor when they will occur.

2. Bills, payroll and needs don’t always match the cash flow of a school district, much like a personal savings account, you have money readily available so you can pay the bills when they are due not when your paycheck hits the bank. Schools are in the same situation they keep reserves so they can pay bills when they are due. They also put money aside for upcoming purchases, placing a hard cap on reserves for 286 school districts will put some of our small districts in a bind. For at least the last 8 years the June payroll for some school districts has been made from reserves because the state of Kansas has not been able to make their payment to schools until July 1.

Funding

We are also opposed to allocating new educational dollars toward specialized programs or competitive grants which don’t benefit all districts. We believe this was a problem with the former funding plan and it’s not a path we can support. When new educational dollars are not placed on the base or into special education funding where all school districts benefit, it potentially increases the inequity of the formula. It ultimately removes the ability of a locally elected board to decide what the best use of those funds should be allocated. Additionally, we are not in support of removing years three, four, and the CPI as introduced, supported and signed as in Sub for SB61. As a whole, we don’t feel this bill meets the needs of all schools in Kansas.