



Spring Hill

SCHOOL DISTRICT

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Testimony for the Senate Education Committee hearing for SB 382

Thank you for allowing us to share our thoughts on the proposed amendment to K.S.A. 2019 Supp. 72-5462 regarding state aid for future bond issues. We are a small, rapidly growing district with a student population of a little over 3,300 students. We are located in southern Johnson and northern Miami Counties.

For many years, the state aid calculation for bond issues was equalized by the state at the median assessed valuation per pupil (AVPP). For the 2019-2020 budget year, 189 school districts qualified for state aid and 97 did not. With any formula, it is unlikely you will make everyone happy, but we believe this formula did a fairly good job of helping those districts with the greatest need.

A new formula with an effective date of 7/1/15 resulted in a significant drop in not only in the number of districts qualifying for state aid, but also the percentage of state aid. This formula starts with the district with the lowest AVPP (Fort Leavenworth) receiving 75% and then the percentage of state aid decreases 1% as AVPP increases by \$1,000. The net effect for budget year 2019-2020 was a difference of 31% for bonds approved before and after 7/1/15. Under this formula, only 127 districts now qualify for state aid and 159 do not, a difference of 62 districts from the prior formula.

A rapidly growing district such as Spring Hill, which has passed four bond issues in the last 17 years (2003, 2011, 2016, and 2018) is receiving 50% state aid for bonds approved prior to 7/1/15, but only 19% for those approved after 7/1/15. As of 7/1/19 our district had approximately \$69 million in outstanding principal prior to 7/1/15, but \$154.4 million after 7/1/15. The lower percentage of state aid puts tremendous pressure on the district to increase the mill levy in order to make our bond and interest payments.

We appreciate removing Fort Leavenworth out of the formula with HB 2526 given they would never be in a position to issue bonds. Because Fort Leavenworth operates within a federal military institution, they have almost no assessed valuation on which to levy taxes. This artificially deflates the starting point for the state aid calculation. When

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looking at the AVPP for the 2019-2020 school year, Oswego would become the new lowest district. This change would allow 178 districts to qualify for state aid, but still slightly less than the 189 that qualified under the pre-7/1/15 formula. For Spring Hill, our state aid on future debt would increase from 19% to 43%.

As old debt is retired and new debt approved, we believe the net cost to the state would be little to no additional funding.

Respectfully submitted,

Dr. Wayne Burke
Superintendent
USD 230 Spring Hill

Best regards

Dr. Wayne Burke