



Oral Testimony as Proponent before the
Senate Select Committee on Education Finance

on

SB 44 – Appropriations for the department of education for FY 2019, 2020 and 2021; increasing BASE aid for certain school years; continuing 20 mill statewide levy for schools and exempting certain portion of property used for residential purposes from such levy

by

Mark Tallman, Associate Director for Advocacy

Kansas Association of School Boards

February 6, 2019

Madam Chairwoman, Members of the Committee:

The Kansas Association of School Boards supports **SB 44** because we believe it offers a real chance to finally resolve the current school finance litigation and to restore Kansas school funding to levels necessary for more students be successful in K-12, in postsecondary education and the workforce, and help Kansas compete with other states. We believe addressing this final step should be the top priority of the 2019 Legislature.

1. Helps settle the *Gannon* school finance case by restoring funding to constitutional levels.

The Kansas Supreme Court accepted the plan passed by the 2018 Legislature as constitutionally suitable funding – using the Legislature’s own methodology – but said it needed to be adjusted for inflation during the phase-in period.

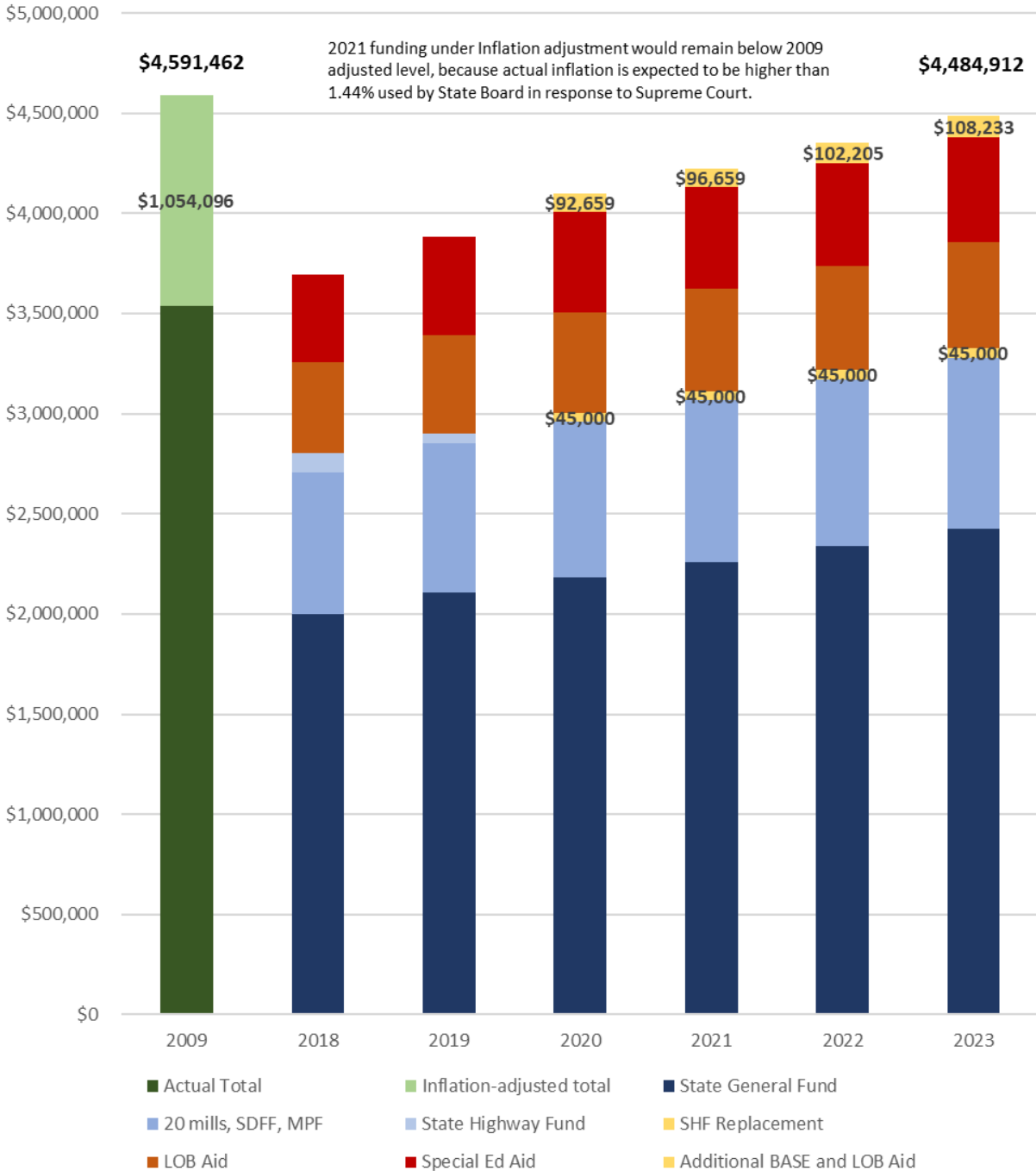
SB 44 includes an inflation adjustment proposed by the Kansas State Board of Education and conditionally endorsed by the plaintiffs, with an on-going, annual cost of approximately \$100 million per year. Compared to total K-12 state aid of over \$5 billion already approved for 2021, this final step amounts to about 2 percent to hopefully settle the *Gannon* lawsuit and restore school funding to constitutional levels.

The Legislature has already approved hundreds of millions of dollars of increased school funding last year, this year and for the next four years. *But by many measures, these funds really attempt to restore school funding to previous levels.*

As the following chart shows, funding for major state aid programs – foundation aid, special education aid and local option budget state aid – would need to be an estimated \$1 billion dollars higher in 2023 than in 2009 to have the same purchasing power when adjusted for inflation. (The Consumer Price Index is expected to increase nearly 30 percent between 2009 and 2023, which means \$3.5 billion in 2009 equals about \$4.5 billion in 2023.) Under **SB 44**, as recommended by the Governor, these aid programs get close to that amount.

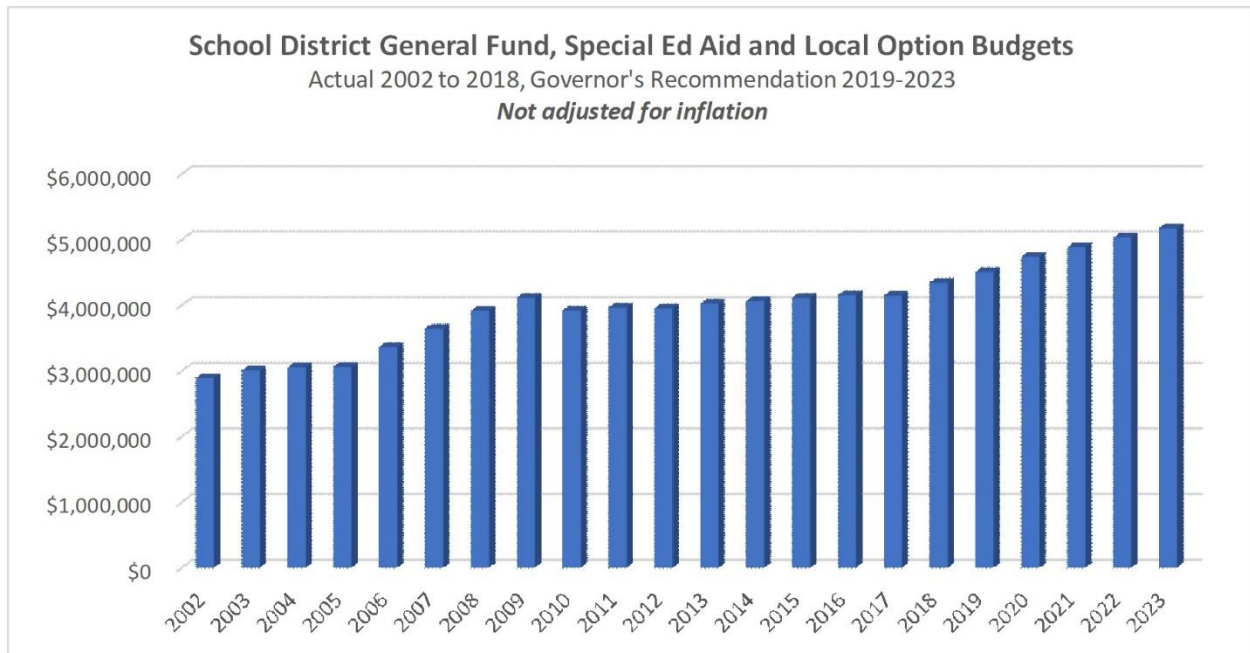
Major School Finance Programs

Current Law and Governor's Proposed Inflation Adjustment
 (2009 total adjusted by actual consumer price index 2009 to 2018, Consensus Revenue Estimate for 2019 to 2021 and 2.0% for 2022 and 2023)
 (Dollars in Thousands)

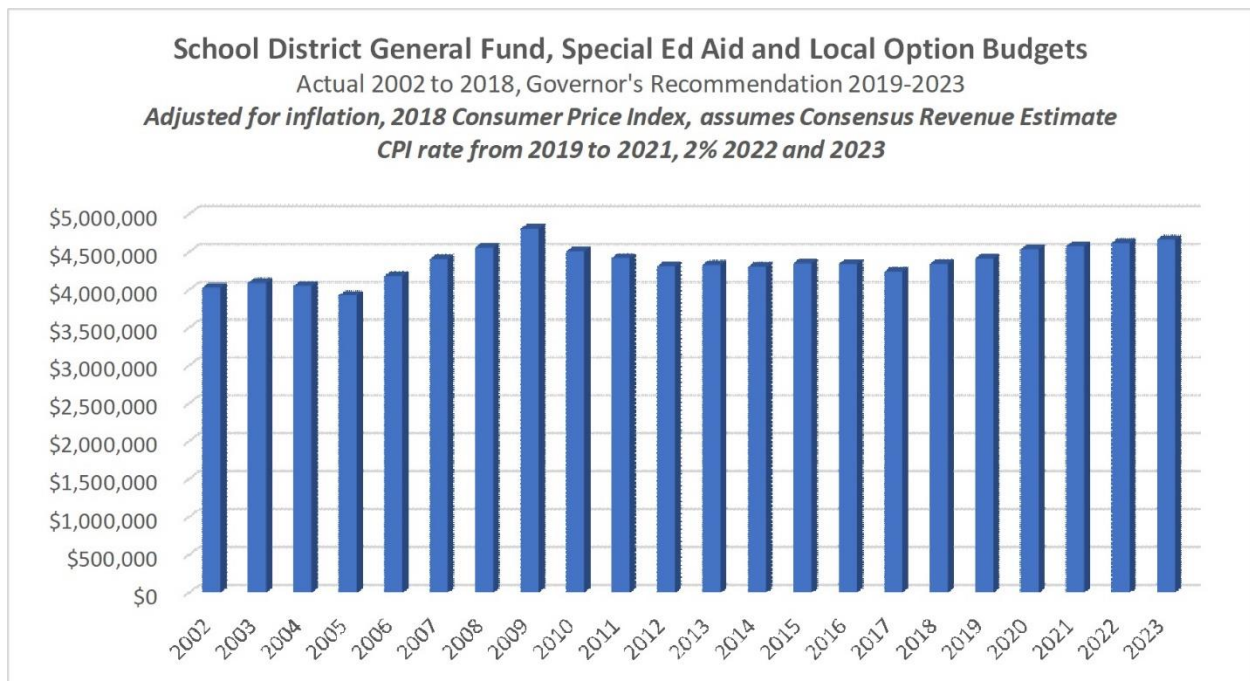


This chart looks at major school finance **STATE AID** programs only. Another way to look at funding compared to inflation is to compare state foundation aid (school district general fund), special education state aid and Local Option BUDGETS, not just state aid.

The following chart shows these three elements of school funding, not adjusted for inflation.



This is a substantial increase in school funding. But the next chart adjusts that funding for inflation.



Once again, it is clear that increased funding beginning in 2018, which will add an estimated \$1 billion in spending through 2023, will still only be approaching the constitutionally approved, inflation-adjusted 2009 level. (Note these are total dollars. They do not take into account increased enrollment and the growing number of high-needs, more expensive students, such as low income and students with disabilities.)

That is why we believe **SB 44** is an appropriate, but modest and minimal, plan to restore funding to 2009 levels, which the state, the plaintiffs and the court have agreed to be a constitutional benchmark.

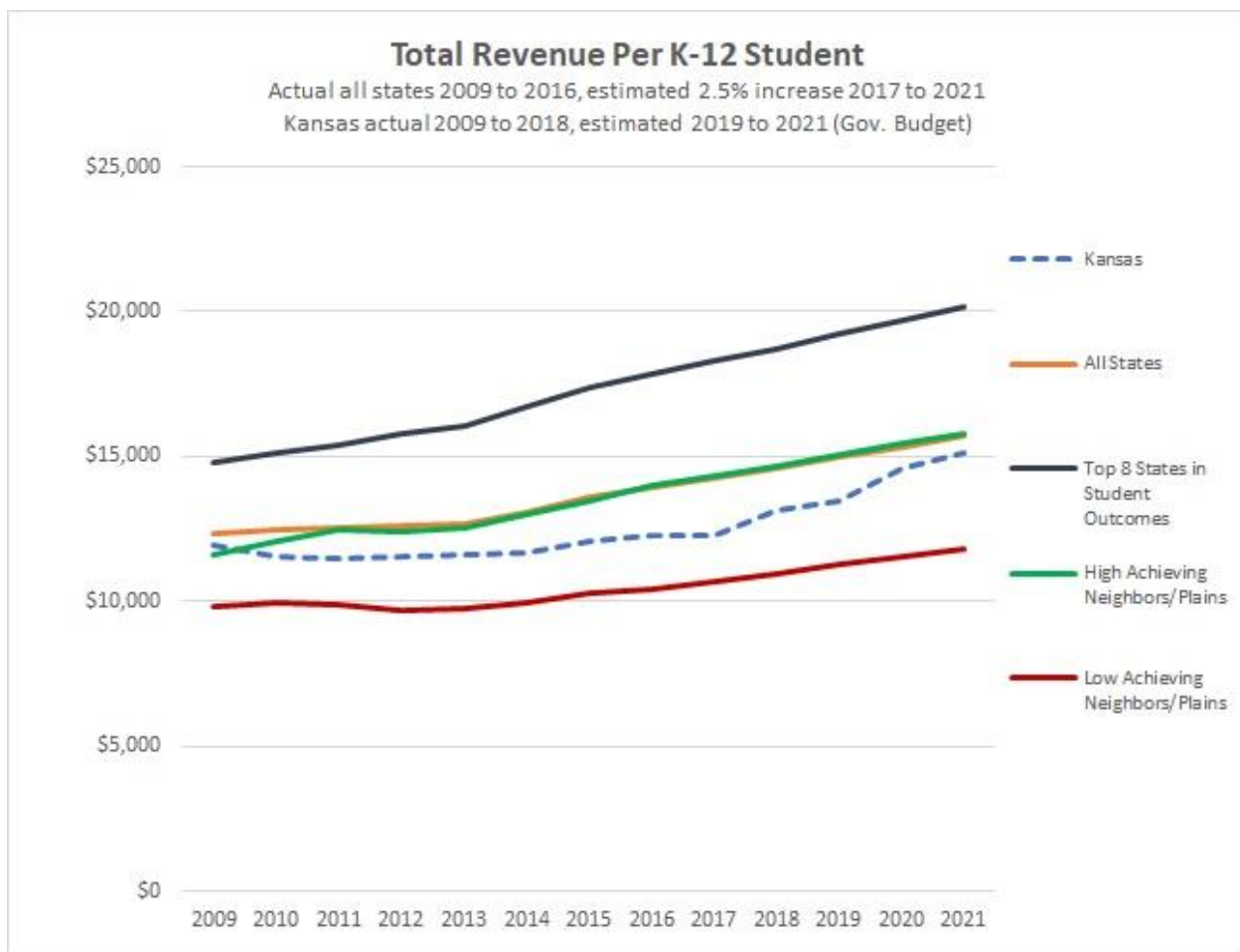
2. Helps restore Kansas school funding compared to other states.

As the chart below shows, from 2009 to 2016, Kansas total funding per pupil dropped compared to the average of all states, the states with the most successful student outcomes, and the highest achieving states bordering Kansas or in the Plains region (North Dakota, Minnesota, Nebraska, Iowa and Missouri). It was dropping toward the lowest achieving states (South Dakota, Colorado and Oklahoma).

Since 2008, the beginning of the Great Recession, Kansas has slipped from 24th in total per pupil funding from all sources to 30th in 2016.

To be clear – the highest performing states in the nation provide more total funding than Kansas, the higher performing states in the region spend *more* than Kansas, and the lowest performing states in the region spend *less* than Kansas.

Assuming all states will increase funding by 2.5 percent from 2016 to 2021 (slightly more than projected inflation) and using KASB estimates of *total* school funding in Kansas under the Governor’s plan – including KPERS, bond and interest and capital outlay costs, and federal and other local aid – Kansas would move back about to the 2009 average for all states and high-performing regional states, but still be slightly lower.

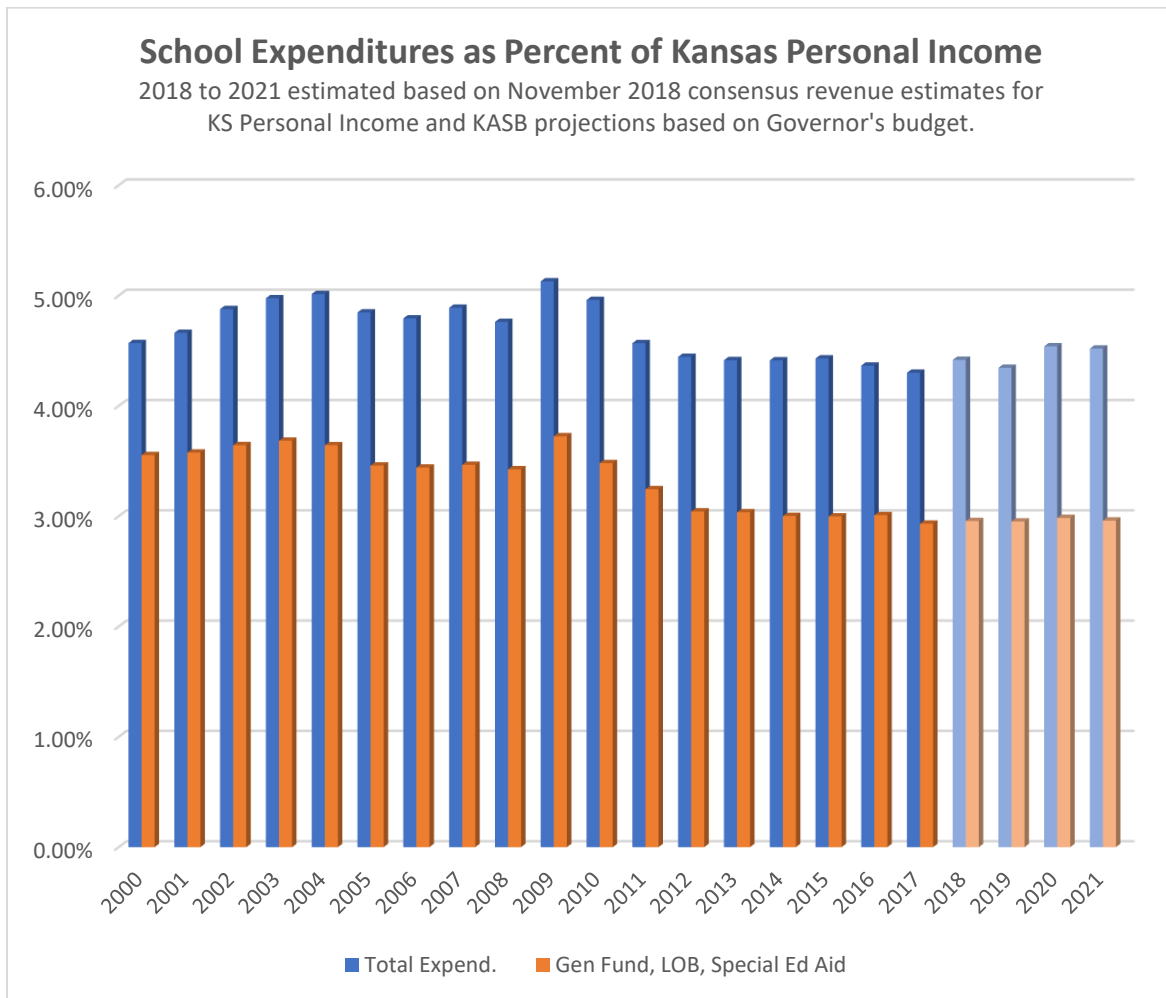


Comparing Kansas to other states is important because Kansas competes in terms of teacher salaries and programs offered to help students be successful. The seventh “Rose Capacity” adopted by the Kansas Supreme Court as a test of suitable funding and the Legislature as an education goal concerns preparing Kansas students to compete with other states academically and in the job market.

3. School funding would remain low compared to total state personal income.

As the chart below shows, using the Consensus Revenue Estimate projections for Kansas personal income growth from 2019 to 2021, both total school district expenditures and school district general fund, special education state aid and local option budgets will still be a lower share of Kansas personal income than any year from 2002 to 2011.

This means Kansans are investing a lower share of their income on K-12 funding as educational needs continue to rise.



4. School districts will use additional funding increase student success.

As we saw last year when school districts received the first significant increase in state aid in almost a decade, funding the current school finance plan and inflation will allow the following:

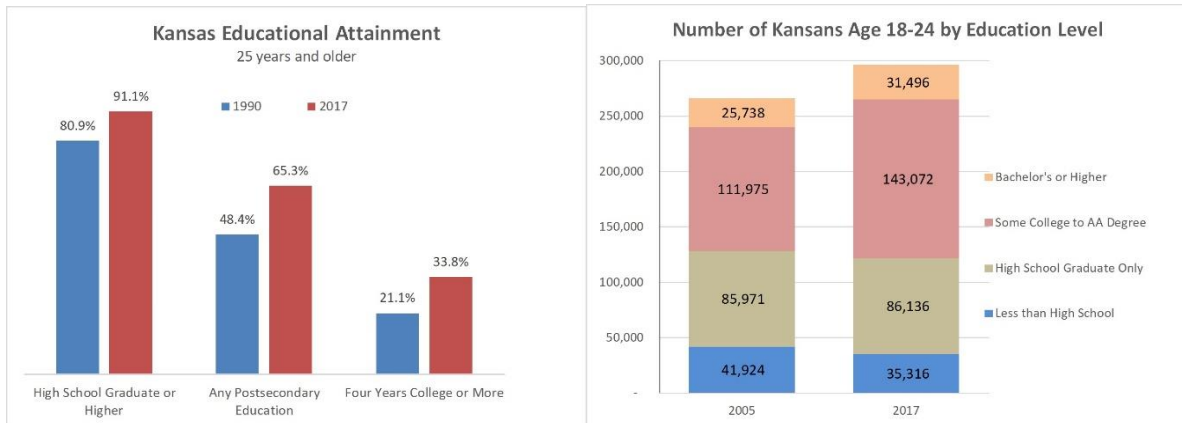
- Improving salaries to be more competitive, after falling behind other state and other employers.
- Improving programs for students with special challenges due to poverty disability and other factors, such as early childhood, special education and at-risk programs.
- Strengthening student health and safety.
- Increase student readiness for postsecondary education and the workplace.

5. We know increased funding improves education, and we know why.

We know increased funding improves student outcomes from five sources.

- State and U.S. history: most years schools received “real” increases (more than inflation) and education levels have risen to an all-time high.

Educational attainment has been rising steadily at least since U.S. Census records began in the 1940s, and Kansas funding data available since the 1970s shows that until 2009, on average school funding increased 1-2 percent more than inflation annually. Far from “spending more and getting the same results,” Kansas has been spending more and getting more people completing higher levels of education than ever, as the following charts show:



- Much additional funding has been targeted at higher achievement: special education, early childhood, at-risk, alternative schools; or social concerns like safety, nutrition and technology.

A significant amount of additional funding was used for specific purposes to raise outcomes. For example, special education requirement began in the 1970s. Districts went from no requirements for kindergarten to universal half-day kindergarten to all day programs and added preschool. To reduce the number of students failing to complete high school, districts added summer school, at-risk programs, alternative schools and drop-out recovery. The Legislature mandated breakfast programs in the 1990s, doubling meals served, and the federal government increased food service requirements. In the computer age, schools moved from chalkboard to whiteboard to one-to-one computers for students. Responding to tornados and mass shootings increased building costs.

- Three Kansas Legislative cost studies based on higher outcomes, as well as national studies.

Since 2000, the Legislature commissioned three independent educational cost studies and a peer review. Each of those studies reported it would cost more to achieve significantly higher academic results as measured by tests scores and graduation rates. National studies have shown the same results. Rutgers University professor and school finance expert Bruce Baker has published a [paper](#) last year through the Learning Policy Network entitled “How Money Matters for Schools.” His conclusion: “Recent studies have invariably found a positive, statistically significant relationship between student achievement gains and financial inputs.”

- Comparison with other states.

The highest achieving states in student outcomes tend to spend more than the lowest achieving states. All states that exceed Kansas based on an average of 15 indicators spend more than Kansas. The same is true regionally. The highest achieving states in the Plains region or

bordering Kansas (Nebraska, Iowa, North Dakota and Minnesota) provide more funding per pupil than Kansas. The lowest achieving states (Colorado, Oklahoma and South Dakota) spent less. Missouri has slightly lower results and spent slightly less than Kansas.

- Cost of proven programs that could be expanded.

Finally, there is Kansas-specific data available about certain programs that boost student achievement, such as Jobs for America's Graduates-Kansas (JAG-K) and the Reading Roadmap. These programs have a proven record of higher success rates but are limited in funding. Expanding to more students who need extra assistance would cost additional funding.

Why does increased funding matter?

- Society expects more: higher graduation rates, more students successful in college and the workforce, more services, solving social issues.
- Achievement isn't random: students with issues OUTSIDE the school's control (such as poverty, disability and mental illness) have lower achievement.
- Overcoming those challenges usually takes more resources to make up for resources those students lack, or at minimum re-training staff.
- The biggest part of school budgets, employment costs (75 percent of spending) and construction costs (about 13 percent of spending), usually rise faster than inflation.

SB 44 could be the final step in resolving the current school finance lawsuit by restoring constitutionally suitable funding and help students achieve the Rose capacities, specifically the final two:

- Sufficient training or preparation for advanced training in either academic or vocational fields so as to enable each child to choose and pursue life work intelligently; and
- Sufficient levels of academic or vocational skills to enable public school students to compete favorably with their counterparts in surrounding states, in academics or in the job market."

Thank you.

State student performance outcomes, total funding and peer states.

	Rank of Average Ranks (Weighted)	18-24-Year-Olds Education			Adjusted Cohort Graduation Rate, 2015			National Assessment of Education % at Basic					ACT & SAT Adjusted		Funding		Kansas Peer States				
		High School Graduate and Higher	Bachelor's Degree or Higher Some College or Higher	Economically Disadvantaged Students	Limited English Proficiency Students	Students with Disabilities	All Students	NSLP Eligible (Low Income)	NSLP Ineligible (Not Low Income)	All Students	NSLP Eligible (Low Income)	NSLP Ineligible (Not Low Income)	ACT Pct Meeting All Benchmarks	SAT Mean Score-Combined	Total Revenue Per Pupil	Total Revenue Per Pupil Rank	Overall	Student	Adult	Distribution	
Kansas	9	87.5	58.8	10.3	85.7	77.5	77.4	77.5	76.4	64.1	86.7	38.2	22.9	51.3	22	6	\$ 12,245	30			
All States	25.5	87.0	55.2	10.3	84.0	76.6	64.5	64.8	73.1	61.4	85.0	36.0	22.2	49.9	25.4	25.5	\$ 13,894	25.5			
Top 9 States	4.5	90.0	60.5	13.7	88.6	78.9	68.9	71.1	78.2	64.3	87.3	40.7	24.5	53.5	12.1	10.6	\$ 17,826	11.1			
Adjacent to Kansas	22.0	86.9	55.3	9.6	84.7	77.0	60.6	69.8	74.1	62.9	86.2	36.7	22.3	50.5	16.0	20.8	\$ 11,577	34.5			
Overall Peers	23.8	87.1	56.7	10.1	82.9	73.6	64.7	64.4	73.7	61.3	85.8	36.3	22.5	50.8	23.1	18.3	\$ 13,083	26.3			
Student Peers	20.1	87.6	56.9	11.7	84.2	75.7	64.3	67.0	73.5	60.9	85.7	35.5	22.3	51.4	18.9	19.1	\$ 15,227	19.2			
Adult Peers	24.2	87.1	56.5	10.7	84.0	74.8	65.1	64.3	73.8	60.8	85.4	36.5	22.1	50.8	21.9	21.9	\$ 13,837	23.5			
Distribution Peers	25.7	86.9	56.1	9.7	82.9	73.0	66.0	65.7	73.8	62.0	85.3	36.2	22.4	48.9	24.4	21.0	\$ 12,200	31.1			
Massachusetts	1	89.1	62	17.6	87.5	78.4	64.1	71.8	80.5	69.0	89.1	43.5	27.9	60.2	1	5	\$ 18,826	8		X	
New Jersey	2	88.6	60	16.3	90.1	82.7	74.7	78.8	81.1	65.4	89.6	47.3	25.4	59.6	14	31	\$ 21,189	4			
New Hampshire	3	89.6	57.9	15.5	88.2	76.4	72.0	73.0	78.1	65.6	87.4	36.6	25.3	53.1	4	7	\$ 16,976	10			
Iowa	4	88.8	61.5	10.8	91.3	83.9	81.0	70.0	77.5	61.6	86.9	40.3	22.5	50.3	23	3	\$ 13,080	24	X		X
Connecticut	5	90.6	61	15.5	87.4	76.7	67.0	65.2	76.3	59.1	86.7	40.7	20.9	52.5	3	8	\$ 22,364	2		X	
Vermont	6	90.6	59	11.6	87.7	80	68.0	72.0	77.4	65.2	85.7	40.6	25.8	52.4	20	12	\$ 20,342	5			
Nebraska	7	89.6	60.9	10.1	89.3	82.2	55.0	70.0	78.0	65.4	88.5	39.9	25.4	54.7	15	10	\$ 13,690	22	X	X	X
North Dakota	8	93.0	61.7	12.2	87.5	71	69.0	68.0	76.6	63.0	84.5	36.9	22.7	45.4	17	9	\$ 16,140	14			X
Kansas	9	87.5	58.8	10.3	85.7	77.5	77.4	77.5	76.4	64.1	86.7	38.2	22.9	51.3	22	6	\$ 12,245	30			
Wisconsin	10	89.3	57.6	11.5	88.2	77.4	66.0	68.5	72.8	58.6	85.6	32.1	20.8	49.9	8	2	\$ 13,204	23	X	X	X
Minnesota	11	88.1	60.9	13.4	82.2	68.2	63.2	60.8	78.5	62.2	89.0	39.3	23.8	56.4	2	1	\$ 14,838	17	X	X	X
Missouri	12	86.6	55.8	9.8	89	82.1	68.0	77.5	71.2	62.1	85.5	30.8	21.7	49.5	12	4	\$ 12,121	33	X	X	X
Virginia	13	89.3	58.7	12.9	86.7	78.1	45.4	53.9	79.9	64.6	87.4	44.3	22.9	55.0	18	13	\$ 12,448	28			
Maine	14	88.4	56.3	10.9	87	78	78.0	72.0	71.8	62.8	84.2	30.1	24.3	48.7	35	20	\$ 15,392	16			
Tennessee	15	88.4	52.8	9.9	88.5	85.5	76.0	71.8	72.2	60.1	80.6	35.7	19.9	44.4	27	16	\$ 9,566	45			
Illinois	16	88.0	59.1	13.8	85.5	76.7	71.9	70.5	72.8	59.0	84.5	37.0	20.3	50.6	5	48	\$ 15,841	15		X	X
Rhode Island	17	88.9	59	13.6	82.8	74.8	74.0	59.0	73.1	57.4	85.7	38.9	19.7	51.7	25	22	\$ 17,760	9			X
Kentucky	18	86.6	53	8.7	88.6	85.6	68.0	71.9	73.2	62.7	85.5	37.4	24.1	50.0	21	11	\$ 11,283	37			X
Pennsylvania	19	87.9	54.3	12.2	86.1	78	62.7	74.1	75.1	62.8	87.7	38.4	24.0	56.0	26	26	\$ 18,851	6	X		X
Maryland	20	88.3	58.9	14.2	87.6	79.2	48.0	66.9	73.0	56.6	84.2	39.4	19.5	53.1	24	29	\$ 16,385	13			
Montana	21	88.9	53.4	8.4	85.6	76.4	59.0	78.0	76.4	67.1	85.6	36.2	26.3	48.1	16	24	\$ 12,243	31			
Indiana	22	84.1	53.4	9.8	86.8	85	71.0	72.0	77.6	68.7	88.0	39.3	27.9	54.7	34	27	\$ 12,477	27			
Utah	23	87.8	57.2	6.6	85.2	75.6	66.0	70.2	75.0	63.1	85.6	36.9	25.6	50.3	12	15	\$ 8,525	49			X
New York	24	88.3	62.1	16.3	80.4	72.8	37.8	52.6	69.4	60.3	82.7	29.0	22.7	47.3	9	36	\$ 25,730	1			
Colorado	25	87.3	55.2	11.6	78.9	67.8	61.4	57.2	76.0	61.3	86.8	40.3	21.5	53.9	7	19	\$ 11,427	36			
West Virginia	26	87.5	52.6	8.1	89.8	85.5	93.0	77.0	71.0	65.4	81.7	37.5	26.2	44.6	46	49	\$ 12,204	32			
California	27	88.3	58.4	10	83	79	72.0	66.0	66.7	55.3	83.2	30.9	17.5	51.1	37	44	\$ 13,923	19			
Michigan	28	86.6	57.4	9.8	79.7	67.1	72.1	55.4	72.7	55.3	83.2	41.6	18.1	45.9	11	18	\$ 13,818	20	X		X
South Dakota	29	85.8	56.8	9.8	83.9	67	57.0	60.0	74.6	62.9	86.0	33.8	23.1	48.0	6	21	\$ 10,835	40	X		X
North Carolina	30	86.0	54.2	10.3	85.9	80.6	57.0	68.9	72.8	61.4	83.8	37.1	22.7	50.6	28	37	\$ 9,198	46			
Arkansas	31	84.4	51.3	7.6	87	83.8	86.0	84.3	67.8	59.2	82.9	29.5	20.9	45.0	30	28	\$ 11,236	38		X	
Texas	32	84.9	52.6	8.9	89.1	86	73.7	77.9	71.3	61.6	84.0	32.7	20.9	49.5	49	47	\$ 11,498	35			
Ohio	33	86.3	52.5	10.1	83.5	72	50.0	69.6	75.9	60.9	89.1	38.0	22.1	55.8	10	41	\$ 14,348	18			
Hawaii	34	92.7	51.5	9.8	82.7	77.9	69.0	59.0	70.9	58.8	79.7	34.2	20.3	42.1	38	32	\$ 16,652	11			
Wyoming	35	84.1	51.7	6.7	80	69.1	70.0	65.0	80.4	70.5	87.3	42.7	28.8	50.8	19	17	\$ 21,606	3			
Washington	36	84.8	54.4	12	79.7	70.2	57.8	58.7	75.0	62.4	86.1	39.7	23.4	54.4	41	25	\$ 13,703	21	X	X	X
South Carolina	37	86.4	53.5	9	82.6	87.7	76.0	52.1	67.8	56.5	82.7	32.2	18.6	46.2	36	42	\$ 12,309	29			X
Delaware	38	83.2	48.5	9.5	85.5	76	73.0	67.0	70.6	59.8	77.0	33.2	20.5	41.1	29	23	\$ 16,502	12			X
Idaho	39	88.0	51.9	6.1	79.7	71.9	73.0	60.0	74.2	65.9	85.4	34.0	25.8	48.6	39	30	\$ 8,244	50	X		X
Alabama	40	86.3	54.2	7.1	87.1	80.9	64.0	54.1	64.6	54.2	83.5	27.8	18.2	45.3	30	40	\$ 10,205	41			
Mississippi	41	84.8	54.3	5.4	82.3	78.8	65.0	34.7	68.8	58.8	87.3	36.1	18.3	51.1	42	14	\$ 9,756	44			
Florida	42	84.5	54	9	80.7	74.4	62.0	61.6	71.0	68.9	87.5	32.3	27.2	54.0	43	35	\$ 10,126	43			
Oregon	43	87.3	56.5	10	74.8	68.1	53.0	55.5	69.9	61.0	86.0	29.7	23.3	52.0	44	34	\$ 12,838	25	X	X	X
Oklahoma	44	84.0	49.2	6.7	81.6	75.9	58.0	74.4	71.1	62.7	84.0	35.9	20.7	43.8	30	50	\$ 9,070	47			X
Georgia	45	83.8	51	9.2	79.4	75.3	56.5	56.6	72.1	61.1	88.0	33.7	21.1	55.0	40	38	\$ 11,233	39			X
Arizona	46	84.5	51.5	7.7	79.5	76.7	32.0	69.0	69.8	59.1	84.3	32.1	19.9	47.5	48	39	\$ 8,985	48			
Louisiana	47	82.5	47.1	7.4	78.6	72.9	43.0	46.6	64.0	53.9	82.1	29.1	16.6	42.7	30	33	\$ 12,696	26			
New Mexico	48	82.9	52.9	6.2	71	66.9	67.4	61.9	65.5	55.6	80.1	35.6	17.9	43.6	50	46	\$ 11,771	34	X		X
Alaska	49	86.0	46.8	7.4	76.1	68.4	55.0	54.0	65.7	51.9	78.5	28.8	16.9	40.0	47	45	\$ 18,831	7		X	X
Nevada	5																				