CHANUTE PUBLIC SCHOOLS

Unified School District No. 413

Students First!

February 24, 2021

Senate Education Committee % Molly Baumgardner

Dear Senator Baumgardner and Senate Education Committee Members:

My name is Kellen Adams, and I am currently Superintendent of Schools for USD 413 Chanute (Neosho County). Prior to my time in Chanute, I was Assistant Superintendent for Business and Operations in USD 490 El Dorado (Butler County). My doctoral dissertation specifically focused on an historical analysis of the Kansas capital infrastructure aid formula for K-12 schools, analyzing three potential changes to the aid formula and the ramifications of those changes. Both my current and prior school districts have recently engaged their respective communities in positive school bond elections, resulting in new bricks and mortar that were badly needed to provide for the proper education of schoolchildren. Both districts qualified for state aid that has been extremely beneficial to local patrons.

The written testimony below is provided with respect to **Senate Bill 31** as it relates to legislatively proposed changes to capital infrastructure state aid. I am writing this letter in <u>full support of</u> the proposed changes to the current aid structure. It is my belief that both proposed changes to the current formula provide numerous benefits that outweigh the potential costs. To be clear, my current school district would not immediately benefit from these changes as currently proposed, but those revisions could potentially be beneficial if the district decided to pursue another referendum in the future.

The introduction of state aid to local Kansas school districts for capital improvements was predicated on a very important principle that still stands true today - the idea of providing equity across the state's very diverse 286 school districts. The ability to generate ad valorem tax revenue in school districts such as USD 499-Galena (Cherokee County) is far less than the ability to raise tax revenue in USD 244-Burlington (Coffee County). The state aid formula for Kansas seeks to provide equity across the state to allow for similar taxing efforts to produce similar revenue outcomes. When this formula does not act in an equitable manner, students across Kansas are left to the mercy of their zip code.

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Firstly, with regard to the proposal of entirely dropping USD 207-Ft. Leavenworth (Leavenworth County) from the aid formula, my professional belief is that this correction would properly adjust for an aspect of the formula that has negatively affected the vast majority of districts for a number of years. The aid eligibility of this single school district has effectively caused many of the state's remaining school districts to have their equitable match dropped by as much as 25%. In effect, this has caused the local taxing efforts within those districts to be that much higher in order to meet the proper level of debt service.

It is important to recognize the unique characteristics of USD 207 Ft. Leavenworth that may not be widely known by the general public. These characteristics exemplify the reasons why removal of this district from the formula makes objective sense. First, the school district has only a very small amount of assessed valuation, falling well below the second least property-wealthy school district, USD 471-Dexter (Cowley County). This phenomenon is followed by the fact that the Ft. Leavenworth district is primarily made up of federally-owned property, thereby reducing the total amount of taxable valuation. The second very important characteristic is the resulting calculation of property valuation per pupil that is drastically different than any others within the state. Inasmuch as low property wealth valuations in the state generally trend in concert with lower student enrollments, USD 207's enrollment defies that trend at 1424 students (2020-2021 enrollment). The resulting quotient is a valuation/pupil that is truly an anomaly. The spillover effects are such that this single district, operating as an outlier, effectively drives down the state aid ratio of every other district that follows in the descending order of assessed valuation per pupil (AVPP). Finally, USD 207 is unique in the fact that it cannot legally hold bond referendums. This effectively results in a district that is included in a state aid formula which it cannot even legally access.

If USD 207 possessed the same characteristics of all other school districts in Kansas, the argument would be much more firm that it belongs within the state aid formula. However, because of the unique characteristics that embody this district, if left unchecked state aid amounts for all other districts likely will continue to decrease each fiscal year. As the formula stands today, several districts are effectively on a "path to zero" with their state aid declining each year until they have reached the bottom.

Secondly, regarding proposed changes to remove virtual students from the student full-time equivalency (FTE) calculation within the formula, I am also of the professional opinion that this represents a change in a positive direction. As discussed previously, the AVPP is the primary metric that determines where a school district lands on the descending order of

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state aid for school districts. Including virtual students in the total FTE enrollment has a consequent direct effect on that resulting calculation, thereby leading to a lowered AVPP and higher resulting aid award. While this change would be detrimental for some districts (i.e., lowering their aid percentage), it makes a necessary correction to more properly align with the original intentions of equity for the state formula. Of importance to this line of reasoning is that, more often than not, virtual students do not attend bricks and mortar attendance centers due to the nature of the ways that virtual education is now delivered. As a result, these students represent FTE who do not have the same infrastructure needs as their face-to-face peers who attend site-based classes each day. By continuing to include these students in districts' overall FTE, the resulting impact is a larger departure from the intent of the equity component that is so central to the Kansas state aid formula.

My overall professional belief is that SB 31 represents two very important changes to the capital infrastructure school aid formula that are long overdue. Left unchecked, both of these issues may very well continue to further divide school districts in the state of Kansas into groups that have better resources and others that do not. Executing both of the proposed changes provides for a positive change of direction back toward equity that is so central to the aid formula. These changes not only assist local communities, but more importantly, will positively impact the lives of students for many generations to come.



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