

**KANSAS  
ASSOCIATION**



**OF  
SCHOOL  
BOARDS**

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Testimony before the  
**Senate Committee on Education**

on

Testimony on **SB 257** – Calculation of the Local Option Budget

by

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**January 19, 2011**

Madam Chairman, Members of the Committee,

Thank you for the opportunity to present testimony on **SB 257**. This bill concerns the policy issue of allowing school boards to continue to maintain the same amount of Local Option Budget funding as they received prior to state funding reductions which began in 2008-09.

LOB authority is based on the school district's general fund, which is composed of two main factors: the base budget per pupil multiplied by the district's weighted enrollment, plus the district's special education state aid. Because both the base and special education aid were reduced during the economic recession of the past several years, school districts at or near the maximum LOB level would have had to reduce their LOB as well, compounding the impact of funding cuts. The Legislature has responded by allowing districts to continue to calculate their LOB at the highest level at the 2008-09 budgeted amount per pupil, and last year extended that authority through the 2013-14 school year. KASB strongly supports that effort.

As we understand **SB 257**, it deals with the issue that overall state aid for special education may be restored to the 2009 level, but under the special education formula, some individual districts may still receive less in special education aid than they did in 2008-09. This would result in a reduction in their LOB authority. This outcome seems inconsistent with the policy goal of allowing districts to maintain LOB funding at 2008-09 levels. KASB supports **SB 257** to correct this inconsistency.

Here are some additional facts we believe the committee should consider:

- State special education aid in the Governor's budget is estimated at 90% of excess cost in the current year and 88.1% next year, well below the 92% level in state law.
- Base state aid per pupil is \$530, or 12%, below the 2009 level of \$4,400.
- School district general fund budgets are \$278 million, or 8.6% below 2009. The consumer price index has increased 7% since 2009.

*Sen. Ed  
1-19-12  
Attach. 1-1*

- Local option budgets have increased over \$75 million since 2009 as districts have attempted to replace reductions in state funding. However, many districts have been capped at the maximum LOB authority over that period of time.
- Because state aid for the local option budget has not been increased during this period, all of the LOB increase on a statewide basis has been from local property taxes. This also means that as LOB use has increased, state LOB aid has been prorated and many districts have had to raise their property tax rate just to maintain the same level of LOB revenue.

We encourage the committee to consider these facts as the discussion of school finance proposals advances during the Legislative Session.

Thank you for your consideration.