

## Senate Select Committee on Education Finance:

I know it has been a long and arduous session, but it is imperative that some school finance legislation makes it way to the floor of both houses of the Legislature. I also know that tax legislation needs to be passed to fund school finance and to put the state budget as a whole back on the track to fiscal solidity. Those things being said, as a 26-year veteran school finance manager, there are certain things that I think must be taken into consideration and reiterated as school financing nears the finish line.

- 1) HB 2410 is definitely a step in the right direction in that it returns in large part to the prior school finance mechanism prior to Block Grants. But, the amounts being talked about to date do NOT get to adequacy. And while we certainly support the structure contained in HB 2410, I cannot support the amount and timing of the funding. Overall, Kansas school funding has fallen behind inflation since 2009, and state and local operating funding has fallen even further behind. **The difference between HB 2410 and the State Board's recommendation is \$467.1M after five years. This means that HB 2410 is almost half a billion dollars short of adequacy after it is fully phased in. HB 2410 does not fund enough to meet the constitutional standards of adequacy as found by the State Board of Education. HB 2410 fails the adequacy test.**
- 2) Among the provisions that are contained in HB 2410 that I support are:
  - a) The increase in at-risk weighting from .456 to .484.
  - b) All day kindergarten will be funded and counted in the enrollment
  - c) CTE (vocational education) will continue to based upon .5 weighting as in the old law, but will be studied prior to next Legislative session.
  - d) Expansion of early childhood funding by increasing state aid for 4-year-old at-risk programs.
  - e) Returning to funding of the mentoring program and professional development as provided by law.

Many of these provisions are a return to the prior school finance formula. There are other provisions that are a return to the prior formula as well. I support some of those as well, but will not list them individually.

- 3) There is definitely a perception problem as we look at this bill. We have been so starved the last several years that even the amount contained in HB 2410 appears to be a lot of money. But, in reality it falls far short of adequacy. There are many things districts have had to cut to stay above water when the cuts started. A number of districts have had to use their reserves to even meet the reduced funding. Therefore, districts like Buhler USD 313 have virtually no reserves left (*see attachments*). That presents not only a lack of funding, but a cash flow problem. From July 1 to January 20, districts receive virtually no tax dollars. Yes, we

receive General State Aid monthly and a portion of the LOB State Aid, but those amounts are not enough to cover expenses if you have no reserves. Buhler USD 313 barely got by in December and will hopefully barely get by in May and June. Is that because of fiscal irresponsibility? Not on our part. We have cut staff at all levels, we have cut expenses where possible, we have not given raises the last two years for staff and three years for administrators. And yet, our health insurance continues to rise, our utilities continue to rise, we continue to defer maintenance in some cases. However, I am not a fan of deferred maintenance and will do what can be done to avoid that.

- 4) Some seem to believe that “this is as good a plan as we can get.” It is like I said before, when you have been starved for the last number of years, any morsel of food will appear to be a step forward. But, if we settle for the morsels, we are never going to be able to restock the cabinet (reserves) and it will continue to be a hand to mouth existence with cash flow dogging districts all the way. Districts are not going to blow increased funding on raises and additional personnel unless needed. Do our employees need raises? The answer is yes, as our employees have had no raise in base pay or movement on the schedule for the past 3 years. Taking into account the increase in personal family costs like insurance and utilities, our employees have actually had decreased net pay over the last several years.
- 5) One of the most illogical things that occurred under the Block Grants was to not take into consideration increases/decreases in enrollment. All districts were frozen. Oh, yes, there was the extraordinary needs fund that all districts contributed to the past two years, and the amount contributed was not even totally distributed by the powers that be. It went to help the State General Fund, not schools. But, back to the illogical. As a district, Buhler USD 313 has grown by over 100 students the past two years, and we have not received a single dollar more, except for a net \$16,000 from the extraordinary needs fund last school year. Other districts have lost significant amounts of students, and yet they did not lose a single dollar. Logical? I think not. And associated with that, there should be no “hold harmless” provisions. If those who lost enrollment the last two years did not lose money and those that gained did not gain money, then the new formula should start where we are unless the State wants to pay the growing districts what they did not get with enrollment growth the last two years. Those that lost enrollment have had two years to prepare for a new formula without having lost any funding. Reason and logic need to be considered in the new formula relative to any “hold harmless” provisions.
- 6) The Legislature needs to get it right when it comes to the Supreme Court ruling! Why play around with, “should it be this, or should it be that?” Let’s get rid of the tit for tat mentality that has existed between the Legislature and the Courts the last number of years. **FUND K-12 EDUCATION AS IT SHOULD BE FUNDED AND IN A TIMELINE THAT WILL SATISFY THE SUPREME COURT AND KSDE. Then, fund the**

**budget with the tax structure that needs to be in place to fully fund next year and the future. Get rid of a number of exemptions. Increase the 20-mill levy if necessary. Quit trying to just get by. That's where we have been for the last 6 years or more.** We now have a different legislature philosophically than the last few years. Both houses of the Legislature need to form voting blocs that are veto proof as they prepare final products on school finance and taxes.

- 7) Again, thank you for your consideration and your hard work, and I implore you to do what is right for the children of this State. They are our future — not you, not me, not Gov. Brownback, not the Legislature. The children of this State are our Future!!!

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"If we did the things we are capable of, we would astound ourselves."

~ Thomas A. Edison