

Dr. Brian D. Smith, Superintendent  
Unified School District #499 Galena

**Senate Standing Committee on Education**

**March 7, 2012**

**SB 450 - School Finance**

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Chairwoman Schodorf and members of the Committee, thank you for the opportunity to present testimony today on SB 450, which would increase the base state per pupil for the 2012-13 and 2013-14 school years.

I am testifying today in support of the bill with a suggestion for improvement. Although, a boost in the per pupil base state aid is needed and this bill would provide that boost. I believe the increase in Local Option Budget (LOB) authority would be detrimental for low wealth school districts, and could actually offset the increase in base state aid per pupil for some districts. As schools that receive equalization raise their LOB percentage, the state aid equalization percentage decreases. This impacts the poorest districts the most because they have a higher percentage of equalization.

Over the last several years, the equalization for the LOB has gone from 100 percent during the 2008-09 school year to an estimated 85.7 percent for the 2011-12 school year. This decrease has flown under the radar because it has had a small impact on many districts. For districts like Galena, it has been devastating. This year, we reduced our LOB \$312,532 from the 2010-11 school year. This was a 17 percent reduction in our LOB. This reduction occurred despite the fact we raised our mill levy 3.39 mills. A mill in the Galena School District raises approximately \$14,359. As a district, we decided to implement further cuts rather than raise our mill levy even more which would only serve to increase the tax burden on citizens that are struggling to pay their bills.

My concern is that by increasing the LOB authority to 35 percent, this bill will place a burden on our district that we may not be able to overcome. For every 1 percent decrease in proration equalization, we must raise our mill levy approximately .86 mills to offset the decrease in funding. Therefore, the Galena School District would need to increase our mill levy by 12.36 mills to make up for the difference between 100 and 85.7 percent equalization which is the estimate for the 2011-12 school year.

Although I am concerned this Bill as it is currently written could be detrimental to the students of my district, I cannot oppose it because I believe it is good for the majority of students in Kansas. As an educator, I am concerned about the well being of every student regardless of where he or she may reside. Therefore, I am here today to ask you to include in the appropriation the funding necessary to improve the current rate of proration of 85.7 percent so all students can reap the benefits. Thank you for taking the time to listen to my concerns.