



Santa Fe Trail

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February 13, 2017

K-12 Education Budget Committee
House Bill 2270
Proposed School Finance Plan
February 15, 2017, 1:30 p.m.
Room 346-S, State Capitol

Dr. Steve Pegram, Superintendent of Schools
USD 434-Santa Fe Trail

Representative Larry Campbell, Representative Steve Huebert, Representative Ed Trimmer, and other distinguished committee members of the K-12 Education Budget Committee, I want to thank you for this opportunity to address the proposed school finance plan.

I would like to thank the committee that came up with this funding formula. In most cases, I've been able to look at; this plan is very comprehensive, thought out, and addresses the concerns of most school districts.

However, there is one section of the formula that causes me concern. In the area of at-risk weighting is where my concern is located. If I am reading the proposal correctly, the 3rd year of this formula has significant ramifications for the Santa Fe Trail School District, along with a lot of other districts in the state. The at-risk weighting dramatically reduces in the 3rd year.

Using a consistent number of 409 for free lunches and the scaled base state aid, I will attempt to show you what I'm seeing.

Fiscal Year 17-18	Fiscal Year 18-19	Fiscal Year 19-20
$409 \times .456 = 186.5$	$409 \times .456 = 186.5$	$264 \times .456 = 120$
$186.5 \times \$4,253 = \$793,185$	$186.5 \times \$4,467 = \$833,096$	$120 \times \$4,681 = \$558,120$

The reason for the drop in the at-risk weighting is due to changing to the use of the federal census data that reports the district only having 132 students on free lunches. It is my understanding the number is doubled, and that becomes the number used to determine at-risk weighting. The reduction for this change would cost the Santa Fe Trail School District an estimated \$274,976 due to the change in moving from an actual count to an estimated count.

As I mentioned earlier, I am happy with this funding formula. I believe many funding issues currently not dealt with in block funding are addressed in this proposal. I also understand all the processes that go into creating legislation that can be supported and will pass on down the line. However, this issue of at-risk weighting is fairly significant for USD 434.

I would make this suggestion since I don't like people coming to me complaining about something with no solution to the problem. Therefore, I have two alternatives you for you to consider. One uses census data, but in a different way and the other purposes, using student data pulled from the direct certification lists.

The first option to consider uses the average the federal census data and the prior year actual free lunches to develop an at-risk number. With this scenario, the census data is averaged with the previous year's free lunch count. This figure would be less than actual, but more than the estimate. I will attempt to illustrate this.

Federal Census Data $132 \times 2 = 264$
Actual 409
Total 336.5 weighted students
 $336.5 \times 456 = 153 \times \$4,681 = \$716,193$ at-risk weighting

By using a combination of the federal census data and the actual prior year free lunch count, the Santa Fe Trail School District would still lose \$119,903, but this is a lot more palatable than losing \$274,976 as currently proposed in this finance formula.

The second example comes from an SW Kansas Superintendent which uses actual student counts pulled from the lists of students who qualify for free lunches through direct certification (FA, TAF, and Foster). These students come from some of the poorest families in the state. In this proposal, districts would use actual numbers from the direct certification lists. These figures would have a multiplier of 2. Should a district generate more students than the prior year through this method, the previous year count would apply.

Upon looking at the direct certification list for Santa Fe Trail, 266 students were identified being directly certified for the months of July, August, and September in 2016. Using the multiplier of 2 this count changes to 532 which is over the 409 the district had the prior year utilized in the examples. Thus the district uses 409 to determine at-risk weighting. By doing this, the district does not lose \$120,000 - \$250,000 from the prior year, which would cause the Santa Fe Trail to reduce at-risk programming it had put in place the previous two years.

Anytime a school district our size loses \$120,000 - \$250,000 in one year we have to adjust to the situation. Using census data as the only factor to determine at-risk weighting will make, not only Santa Fe Trail, but to many school districts in the state reduce programming they put in place to help students.

As I mentioned at the beginning of this testimony, I believe this is a quality finance plan. It appears to have been created by those wanting to do the right things for students. With some tweaking in the at-risk calculations, I think the situation of possible programming being eliminated in the third year can be addressed. It appears to me the intent of this finance formula is honorable. With a few adjustments, I believe some modification to the at-risk section can and will enhance this proposal to where potential major third-year drop in funding wouldn't occur.

I want to thank you for this opportunity to share my thoughts on the proposed finance plan, especially in the area of at-risk funding. I also want you to know I appreciate your efforts in dealing with school finance and preparing us for the days in which school funding will not be the major issue facing the State of Kansas.