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Education

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# Education Summary

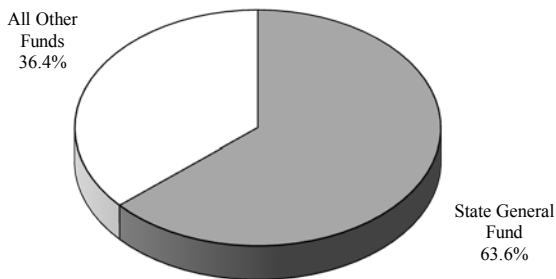
The Education function includes expenditures for state support of primary, secondary, and higher education. Agencies in this function are the Department of Education, including the Schools for the Deaf and Blind; Board of Regents and the institutions under its jurisdiction; the State Historical Society; and the State Library. In the past the Arts Commission was included in this group; however in FY 2012 the Governor recommends that it become the Kansas Arts Council, a non-profit private organization. For the Education function of government, the Governor recommends \$6.3 billion, including \$3.8 billion from the State General Fund, in FY 2011. The recommendation for FY 2012 is \$6.0 billion, including \$3.8 billion from the State General Fund.

a one-to-one basis. The Department of Commerce will receive the appropriation and oversee the grants. The recipients will be the University of Kansas Medical Center for cancer research, Wichita State University for aviation research and Kansas State University for animal health research. Over the three years, this will bring \$90.0 million for research in three industries important to the economy of the state.

The Governor's recommendation includes funding for capital improvements and debt service at the Board office and the universities. In FY 2011 the recommendation is for \$149.7 million and \$75.3 million in FY 2012. The current fiscal year includes carry forward dollars, \$13.0 million for wind turbines at Fort Hays State University, \$160.2 million for the construction on the University of Kansas' Edward Campus and \$48.9 in federal Recovery Act projects. FY 2011 is the last year for distribution of the federal ARRA dollars.

The Governor's recommendation for the State Library in FY 2012 will continue to support grants to public libraries, specialized services to children, including summer reading programs in every library in Kansas and the Talking Books Program.

How It Is Financed

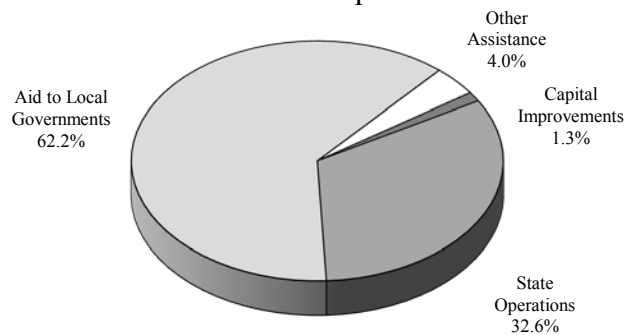


FY 2012

For K-12 education in FY 2011, the Governor recommends total expenditures of \$3.9 billion, including \$3.0 billion from the State General Fund. For FY 2012, the Governor recommends total expenditures of \$3.6 billion, including \$3.0 billion from the State General Fund. Base state aid per pupil is estimated at \$3,780 in FY 2012.

For postsecondary education, the Governor recommends \$2.4 billion, including \$756.7 million in State General Fund and \$596.2 million in tuition funds, in FY 2011 and \$2.3 billion, including \$751.7 million from the State General Fund and \$557.7 in tuition in FY 2012. The Governor has proposed the three research universities receive \$5.0 million in grants each from the State General Fund for three years with the condition that the funding is matched on

How It Is Spent



FY 2012

The Governor's recommendation for the Historical Society maintains the properties for which the agency is responsible, as well as providing pass through grants to the Kansas Humanities Council, the Heritage Center, and the Governor's recommended Kansas Arts Council (currently the Kansas Arts Commission.)

## Elementary & Secondary Education

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The ten-member State Board of Education is given responsibility by the *Kansas Constitution* for general supervision of public schools and educational institutions, except those delegated to the State Board of Regents. Under the guidance of the State Board of Education and the Board's appointed Commissioner of Education, the Department of Education provides funding and program guidance in carrying out federal and state law for 295 unified school districts.

### State Aid to School Districts

The state's largest category of expenditure, state aid to school districts, is circulated through various aid programs, including general state aid, through which monies are distributed to school districts on a per pupil basis; supplemental general state aid which is the state's share of the cost for local option budgets; special education; and the employer's cost for teacher retirement benefits through KPERS. The Governor's recommendations in these areas are enumerated in this section. The cost of educating students enrolled in public schools is divided between local, state, and federal resources. On page 129, a full-page table shows the budgeted amounts by major aid program that includes state, federal, and local sources.

Kansas follows a foundation formula, which provides for a base funding amount that is multiplied by a weight for each student. The weight factor varies depending on the attributes defined in the formula. For example, varying funding levels are provided to students enrolled in vocational programs or bilingual education programs, and to students enrolled in smaller school districts.

When the 2010 Legislature adjourned, \$3,625.4 million in state aid expenditures was budgeted for local school districts in FY 2011, including \$2,961.9 million from the State General Fund. In his revised budget, the Governor recommends \$3,798.0 million from all funding sources, including \$3,008.0 million from the State General Fund. For FY 2012, the Governor recommends \$3,543.0 million from all funding sources, including \$2,999.8 million from the State General Fund.

### Governor's Recommendations

Although General State Aid and Supplemental State Aid expenditures have traditionally been primarily considered in how much state support is given to local school districts, there are other considerable items of expenditures that benefit local school districts financed by the state. For example, the state makes the entire employer contribution for all KPERS School employees, which is estimated to total \$319.9 million in FY 2012. As districts elect to increase teacher or other employee salaries, the state must increase its payments into KPERS accordingly.

The table on page 128 gives a school district perspective of the level of contributions to elementary and secondary education that comes from the State General Fund. From FY 2006 through the Governor's recommendation for FY 2012, contributions from the State General Fund to local school districts have increased \$465.4 million. Of this total, \$158.3 million is attributed to KPERS School employer contributions, \$136.1 million for special education, \$120.4 million is for supplemental state aid, \$42.5 million is for capital improvement state aid, and \$27.4 million is for general state aid. The only aid category that would not be funded at the same level as FY 2006 (\$19.3 million) is capital outlay state aid, which was eliminated by the Legislature in FY 2010.

**General State Aid.** For FY 2011, the Governor recommends total expenditures of \$2,101.2 million from all funding sources, including \$1,908.1 from the State General Fund and \$52.8 million from the federal State Fiscal Stabilization Fund for K-12 authorized in the Recovery Act, \$92.4 million from the federal Education Jobs Fund, and \$48.0 million from the School District Finance Fund.

Local school districts were given their share of federal Education Jobs Funds in the December 2010 general state aid payment totaling \$92.4 million. In compliance with maintenance of effort requirements with the U.S. Department of Education, the Governor recommends reducing general state aid expenditures from the State General Fund in the amount of \$85.9 million in FY 2011. As a result, the Governor's

recommendation would result in a BSAPP of \$3,937 for FY 2011.

It should be noted there are general state aid expenditures from the State General Fund totaling \$32.7 million in FY 2011, which from the state's perspective is a shift of expenditures from FY 2010. Because the state did not have sufficient cash to make \$32.7 million in general state aid payments to local school districts in FY 2010, this expenditure authority shifted into FY 2011. The payment was made in early July. However, school districts recorded these dollars as FY 2010 income, in accordance with state law.

For FY 2012, the Governor recommends expenditures totaling \$1,950.8 million from all funding sources for general state aid payments, including \$1,902.8 million from the State General Fund, and \$48.0 million from the School District Finance Fund. FY 2012 will be the first year without any federal support since FY 2009. This recommendation will finance the BSAPP at \$3,780.

**Local Option Budgets (LOB).** The state's share of local option budgets is paid through supplemental general state aid. As local school boards or district voters allow for the increase in the size of their local option budgets, the state's expenses grow. Districts are allowed to adopt local option budgets up to 31.0 percent of the general fund budget in FY 2011 and FY 2012. Those districts with lower property valuations receive more state aid, according to an equalization formula in the state law.

The Governor's FY 2011 recommendation includes \$385.3 million from all funding sources to fund the state's share of LOBs, all from the State General Fund. This includes approximately \$46.1 million in expenditure authority that shifted from FY 2010 into FY 2011. Just as was the case for general state aid, the state did not have sufficient cash to make \$46.1 million in LOB payments at the end of FY 2010. As a result, the expenditure authority shifted into FY 2011, and the payment was made early in the fiscal year. However, school districts recorded this as FY 2010 income at the local level. School districts will receive supplemental state aid totaling \$339.2 million that will be recorded as FY 2011 aid.

For FY 2012, the Governor recommends expenditures of \$339.2 million from the State General Fund.

Excluding the shift of expenditures into FY 2010, this recommendation will keep state expenditures for LOB payments in FY 2012 the same as in FY 2011.

**Special Education Services Aid.** For special education services, the Governor recommends expenditures of \$525.3 million from all funding sources, including \$367.7 million from the State General Fund and \$52.7 million from the ARRA Special Education Fund in FY 2011. This recommendation will cover 87.1 percent of excess costs for special education. For FY 2012, the Governor recommends \$532.5 million from all funding sources, including \$427.7 million from the State General Fund. This recommendation will cover approximately 88.3 percent of excess costs for special education and meets maintenance of effort requirements imposed by the federal government.

**KPERS School Employer Contributions.** Although employees of unified school districts are not state employees, the employer's cost of providing their retirement benefits have been paid by the state. An annual State General Fund appropriation is made to the Department of Education to cover quarterly payments to KPERS for this cost. These funds are disbursed to the school districts, which then route the funds back to KPERS.

The Governor's recommendation includes \$336.6 million in FY 2011 for the KPERS School employer contribution. However, the state shifted \$53.0 million of expenditures from FY 2010 into FY 2011, just as was done with general state aid and supplemental state aid. Absent this shift, expenditures for FY 2011 would have been \$283.5 million.

For FY 2011, the Governor recommends \$319.9 million for KPERS School employer contributions, which is an increase of \$36.4 million over FY 2010. This increase is the result of covering the statutory KPERS School employer contribution rate increase, as well as accounting for a statewide average of a 1.0 percent teacher salary increase.

**Bond & Interest State Aid.** A revenue transfer from the State General Fund of \$94.6 million is included in FY 2011 to aid school districts with bond and interest payments. For FY 2012, the transfer is estimated at \$100.0 million. State law establishes a formula upon which state aid is determined. This amount is

**Major Categories of State Aid for Education  
From the School District Perspective**

*(Dollars in Thousands)*

	FY 2006* Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 GOV Rec.	FY 2012 GOV Rec.
<b>General State Aid (GSA)</b>						
SGF Approp./Actuals	\$1,875,391	\$2,088,627	\$2,149,057	\$1,873,398	\$1,994,007	\$1,902,776
Lapse	--	--	--	--	(85,949)	--
Shift of Expenditures	--	--	30,674	1,993	(32,667)	--
Total GSA--SGF	\$1,875,391	\$2,088,627	\$2,179,731	\$1,875,391	\$1,875,391	\$1,902,776
Education Jobs Fund	--	--	--	--	92,378	--
ARRA--SFSF	--	--	--	138,694	52,757	--
Total SGF & Fed.	\$1,875,391	\$2,088,627	\$2,179,731	\$2,014,085	\$2,020,526	\$1,902,776
<i>Percent Change</i>	--	--	4.4%	-7.6%	0.3%	-5.8%
<b>Supplemental State Aid (LOB)</b>						
SGF Approp./Actuals	\$ 218,849	\$ 307,861	\$ 280,819	\$ 250,492	\$ 385,310	\$ 339,212
Shift of Expenditures	--	--	43,327	2,771	(46,098)	--
Total LOB--SGF	\$ 218,849	\$ 307,861	\$ 324,146	\$ 253,263	\$ 339,212	\$ 339,212
ARRA--SFSF	--	--	--	85,949	--	--
Total SGF & Fed.	\$ 218,849	\$ 307,861	\$ 324,146	\$ 339,212	\$ 339,212	\$ 339,212
<i>Percent Change</i>	--	--	5.3%	4.6%	0.0%	0.0%
<b>Special Education</b>						
SGF Approp./Actuals	\$ 291,581	\$ 403,274	\$ 427,718	\$ 367,427	\$ 367,541	\$ 427,718
ARRA--Special Ed.	--	--	--	54,146	52,681	--
Total SGF & Fed.	\$ 291,581	\$ 403,274	\$ 427,718	\$ 421,573	\$ 420,222	\$ 427,718
<i>Percent Change</i>	--	--	6.1%	-1.4%	-0.3%	1.8%
<b>KPERS--School</b>						
SGF Approp./Actuals	\$ 161,531	\$ 220,813	\$ 242,277	\$ 196,808	\$ 336,550	\$ 319,862
Shift of Expenditures	--	--	--	53,048	(53,048)	--
Total KPERS--School	\$ 161,531	\$ 220,813	\$ 242,277	\$ 249,856	\$ 283,502	\$ 319,862
<i>Percent Change</i>	--	--	9.7%	3.1%	13.5%	12.8%
<b>Capital Outlay Aid</b>						
Demand/Revenue Xfer	19,294	23,087	22,339	--	--	--
<b>Capital Improvement Aid</b>						
Demand/Revenue Xfer	57,488	69,128	75,591	87,662	94,647	100,000
<b>Total SGF Contributions</b>	\$2,624,134	\$3,112,790	\$3,271,802	\$2,833,599	\$2,960,293	\$3,089,568

\*FY 2006 is referenced as a benchmark for maintenance of effort purposes with the US Department of Education

**State, Local & Federal Support of Elementary & Secondary Education in Kansas**  
(Dollars in Thousands)

	FY 2010 Actual		FY 2011 Gov. Est.		FY 2012 Gov. Rec.	
	<u>SGF</u>	<u>All Funds</u>	<u>SGF</u>	<u>All Funds</u>	<u>SGF</u>	<u>All Funds</u>
<b>State Aid:</b>						
General State Aid	\$ 1,873,398	\$ 2,049,131	\$ 1,908,058	\$ 2,101,193	\$ 1,902,776	\$ 1,950,776
Supplemental General State Aid	250,492	336,441	385,310	385,310	339,212	339,212
Bond & Interest Aid	--	87,662	--	94,647	--	100,000
Special Education Aid	367,427	527,248	367,689	525,336	427,718	532,531
Deaf-Blind Program Aid	110	110	110	110	110	110
KPERS Employer Contribution	196,808	196,808	336,550	336,550	319,862	319,862
Teacher Mentoring	1,358	1,358	1,450	1,450	1,450	1,450
Teacher Excellence Grants	--	--	56	56	21	21
Pre-K Program	--	2,334	--	2,214	--	2,334
Juvenile Detention Grants	6,092	6,092	6,012	6,012	6,012	6,012
Optometric Vision Study and Services	--	--	--	--	--	--
Parent Education Grants	--	7,527	--	7,359	--	7,540
Driver Education Program Aid	--	719	--	1,007	--	1,009
Alcohol & Drug Abuse	--	1,606	--	925	--	--
Other State-Funded Grants	339	339	375	375	375	375
<b>No Child Left Behind &amp; Other Federal Aid:</b>						
Elem. & Secondary Education Prog.	--	138,019	--	173,855	--	119,363
Improving Teacher Quality	--	19,535	--	20,000	--	20,000
21st Century Community Learning	--	1,191	--	7,500	--	7,500
Rural & Low Income Schools	--	222	--	220	--	155
Language Acquisition State Grants	--	3,251	--	3,400	--	3,350
Ed. Research and Innovative Prog.	--	3,367	--	3,101	--	1,076
Vocational Education	--	5,033	--	5,200	--	5,200
School Food Assistance	2,301	119,413	2,301	121,961	2,301	125,166
<b>Subtotal State &amp; Federal Funding</b>	<b>\$ 2,698,326</b>	<b>\$ 3,509,391</b>	<b>\$ 3,007,912</b>	<b>\$ 3,797,957</b>	<b>\$ 2,999,837</b>	<b>\$ 3,543,041</b>
<i>Amount Change from Prior Year</i>	<i>(436,732)</i>	<i>(97,798)</i>	<i>309,587</i>	<i>288,565</i>	<i>(8,076)</i>	<i>(254,916)</i>
<i>Percent Change from Prior Year</i>	<i>(13.9%)</i>	<i>(2.7%)</i>	<i>11.5%</i>	<i>8.2%</i>	<i>(0.3%)</i>	<i>(6.7%)</i>
Local General Fund Budgets	--	924,664	--	917,932	--	1,008,705
Districts' Share of Local Option Budget	--	550,254	--	589,196	--	601,476
<b>Subtotal Local Funding</b>	<b>\$ --</b>	<b>\$ 1,474,918</b>	<b>\$ --</b>	<b>\$ 1,507,128</b>	<b>\$ --</b>	<b>\$ 1,610,181</b>
<i>Amount Change from Prior Year</i>	<i>--</i>	<i>(22,113)</i>	<i>--</i>	<i>32,210</i>	<i>--</i>	<i>103,053</i>
<i>Percent Change from Prior Year</i>	<i>--</i>	<i>(8.0%)</i>	<i>--</i>	<i>2.2%</i>	<i>--</i>	<i>6.8%</i>
<b>Total State, Local &amp; Federal Funding</b>	<b>\$ 2,698,326</b>	<b>\$ 4,984,309</b>	<b>\$ 3,007,912</b>	<b>\$ 5,305,085</b>	<b>\$ 2,999,837</b>	<b>\$ 5,153,222</b>
<i>Amount Change from Prior Year</i>	<i>(436,732)</i>	<i>(226,487)</i>	<i>309,587</i>	<i>320,775</i>	<i>(8,076)</i>	<i>(151,863)</i>
<i>Percent Change from Prior Year</i>	<i>(13.9%)</i>	<i>(4.3%)</i>	<i>11.5%</i>	<i>6.4%</i>	<i>(0.3%)</i>	<i>(2.9%)</i>

transferred from the State General Fund to a special revenue account in the Department for expenditures for affected districts and is not considered a direct State General Fund expenditure.

## Department of Education

The budget of the Department of Education is the single largest budget in all of state government. For FY 2011, the Governor recommends expenditures totaling \$3,879.2 million from all funding sources, including \$3,019.3 million from the State General Fund. For FY 2012, \$3,622.9 million is recommended from all funding sources, including \$3,010.9 million from the State General Fund. The table on page 129 outlines state, local, and federal support of elementary and secondary education across the state. It does not include the operating costs of the Department of Education.

**Operating Expenditures.** The Governor recommends an operating reduction of \$554,933 from the agency's FY 2012 request. This recommendation is consistent with other state agency operating reductions of 5.0 percent in FY 2012 applied to State General Fund appropriations. Total Department of Education operating expenditures from the State General Fund in FY 2012 are budgeted at \$10,543,729.

**Mentor Teacher Program.** The Department of Education has a program to assist teachers in their first year of serving in the classroom. Assistance at this time helps new teachers be successful, keeping them in the classroom. Bonuses in the amount of \$1,000 are paid to those senior teachers who serve as mentors to new teachers and \$500 for the second year. The Governor recommends expenditures of \$1,450,000 from the State General Fund for this program in FY 2011 and FY 2012.

**Parent Education.** The Parent Education Program provides expectant parents and parents of infants and toddlers with advice and resource materials related to parenting skills, positive approaches to discipline, and development of self-esteem. The Governor recommends continued funding for the state's program to assist parents of younger children. However, because of a funding shortfall in the Children's Initiatives Fund in FY 2011, the Governor recommends reducing expenditures by \$180,370 for

the Parent Education Program. Revised expenditures for this program total \$7,359,130 in FY 2011.

For FY 2012, the Governor recommends total expenditures of \$7,539,500 from the Children's Initiatives Fund for parent education. In light of the state's budget challenges, the Governor also recommends changing the program to target low income Kansans, and allow those who can afford it, to pay for the service if they choose to access it.

**Pre-K Program.** This program prepares four-year-olds for success in school. All classrooms in the program are required to meet teacher qualification requirements, implement a research-based curriculum, maintain low teacher to child ratios, complete at least 15 hours of teacher training annually, and provide referrals to additional community services for families that need them.

Because of a funding shortfall in the Children's Initiatives Fund in FY 2011, the Governor recommends reducing expenditures by \$119,630. This results in total expenditures of \$2,214,370 in FY 2011. For FY 2012, the Governor recommends total expenditures of \$2,334,000, all from the Children's Initiatives Fund, imposing no reduction in the next year.

**Driver's Education Program.** For FY 2011 and FY 2012, the Governor recommends \$1.0 million from the State Safety Fund and the Motorcycle Safety Fund for driver's education program grants to local education agencies. In addition, the Governor recommends transferring \$1,800,000 from the State Safety Fund to the State General Fund. The driver's license fee generates more income than is needed to fund the program at current levels and such transfers have been frequently made in recent years.

**Juvenile Detention Facilities.** The state provides special support to meet the educational needs of students housed in juvenile detention facilities and a variety of other alternative juvenile placements, such as the Flint Hills Job Corps Center. School districts receive aid based on twice the base state aid per pupil or the actual expenses of providing the educational services, whichever is less. In FY 2011 and FY 2012, the Governor recommends \$6.0 million in support of juvenile detention facilities, all from the State General Fund.

## **School for the Blind**

The School for the Blind provides educational, residential, outreach and health care services for children with visual or other impairments until the age of 21. The School's curriculum includes all academic subjects necessary for accreditation by the Department of Education. An Individual Education Plan is developed to measure each student's progress and plan for future educational goals. Many students also receive intensive instruction in specific learning skills, such as cane use, assistive technology, daily living, and Braille. In addition to extra hours of academic work, students residing in the dormitory receive instruction in life skills to foster independent living in adulthood. The School expects to have 85.0 percent of graduates enroll in a post-secondary or vocational-technical education program. Enrollment at the Kansas City campus during the regular school year and summer term is estimated to be 135 students. The School expects to serve an additional 70 students through its statewide outreach program and provide approximately 985 students with books, instructional material, and specialized technology.

For the current year, the Governor recommends total expenditures of \$6,677,206 from all funding sources including \$5,560,732 from the State General Fund. For FY 2012, the Governor recommends \$6,276,455 from all funding sources, including \$5,359,923 from the State General Fund, for the School's operating expenses and capital improvement projects. The recommendation includes State General Fund reductions totaling \$279,779, which will require the School to vacate 1.00 part-time Dietary FTE position, reduce extracurricular activities, reduce the summer term, and utilize special revenue balances for operations. Included in the FY 2012 all funds amount is \$113,096 in enhanced funding from the State Institutions Building Fund for ongoing campus maintenance projects and upgrading the security system. It is also recommended that 11.00 vacant FTE positions be eliminated, which will reduce the School's number of authorized positions from 93.50 to 82.50.

State law requires that teachers at the School for the Blind be paid a level of compensation that is equal to teachers' salaries of USD 233, Olathe. Because the Olathe school district has instituted a salary freeze, a significant sum is not required to meet the

requirements of the law. To account for teachers who have earned additional credentials and are now eligible for added compensation equal to Olathe teachers, the Governor recommends that \$8,531 from the State General Fund be used. However, it is recommended that the increases be financed from existing resources. Enhanced funding is not recommended and is not included in the School for the Blind budget for this item.

## **School for the Deaf**

The School for the Deaf provides services that include educational, residential, outreach, and health care for children with hearing and other impairments until the age of 21. Included in the School's curriculum are all academic subjects necessary for accreditation by the Department of Education. Each student's progress and achievement is measured through their Individual Education Plan. Students also receive intensive instruction in learning skills that are specific to their disability with a special emphasis on speech and communication skills at the elementary level. Students residing in the dormitory receive additional hours of instruction related to academics and special needs to help encourage independent living. The School expects to have over 85.0 percent of its students scoring proficient or higher in math and reading. It is estimated that the School for the Deaf will serve a total of 385 students through classroom, residential, and outreach services in FY 2012.

For FY 2011, the Governor recommends total expenditures of \$10,224,370 from all funding sources including \$8,896,953 from the State General Fund. Included in the FY 2011 budget is \$36,070 in supplemental funding from the State Institutions Building Fund to make emergency repairs to the Emery Elementary Center roof. For FY 2012, the Governor recommends \$9,561,025 from all funding sources including \$8,658,861 from the State General Fund. This level of funding will require the School to vacate 2.00 Support Service FTE positions, 1.00 Dietary FTE position, and 2.00 Administrative Support FTE positions (250,273); combine post-secondary student counseling and transition positions (69,033); reduce extracurricular activities (102,199); and reduce the summer term (29,315). Included in the FY 2012 all funds amount is \$95,000 in enhanced funding from the State Institutions Building Fund for

ongoing maintenance projects and repairing damage caused by leaking roofs. It is also recommended that 23.00 vacant FTE positions be eliminated, which will reduce the School's number of authorized positions from 173.50 to 150.50.

Like the School for the Blind, state law also requires that teachers at the School for the Deaf be paid a level

of compensation that is equal to teachers' salaries of USD 233, Olathe. For the same reasons cited above, the Governor recommends that \$13,200 from the State General Fund be used. However, it is recommended that the increases be financed from existing resources. Enhanced funding is not recommended and is not included in the School for the Deaf budget for this item.