

**Goddard USD No. 265
Board of Education Special Meeting
School Finance Workshop
Administration Center
Board of Education Room
201 S. Main Street
Goddard, Kansas 67052
November 14, 2011
6:00 p.m.**

MINUTES

The Board of Education of Unified School District No. 265, Sedgwick County, Goddard, Kansas, met at 6:00 p.m., on Monday, November 14, 2011, in special session for a school finance workshop in the Board of Education Room of the USD 265 Administration Center. Board members present: Mr. Jeff Blubaugh, Mrs. Lisa Farris, Mr. Doug Griswold, Mrs. Gail Jamison, Miss Sara McDonald, Mr. Kevin McWhorter, and Mr. Bob Merritt. Also present: Dr. Justin Henry, superintendent; Dr. Teresa San Martin and Mr. George Tignor, assistant superintendents; Mr. Doug Maxwell, director of finance; and Annette Singletary, clerk of the board.

1. Call to Order

BOE President Doug Griswold called the meeting to order at 6:00 p.m.

2. School Finance Work Session

Board Attorney John Robb reviewed with the board his notes from the October 12, 2011, presentation of the Governor's new school finance plan that was delivered in Topeka. Mr. Robb explained there were 5 layers to the new funding formula: base funding, local funding, block grants (i.e., operating cost, at risk, technical education, innovation, transportation), hold harmless, and local option sales tax.

Mr. Robb said if income tax were eliminated (as proposed by some legislators and the Governor), the revenue from income tax would need to be made up from sales tax or property tax in order to stay revenue neutral. He noted that if all of the revenue came from sales tax, the new sales tax would be 15.3% -- 9% additional over the current state sales tax. If the income tax revenue were replaced by property tax, 100 mills would have to be added.

The new school funding formula presentation was made by Mr. Landon Fulmer for the Governor. Mr. Fulmer stated they believe the school funding formula needs to be changed because school funding formulas have a lifespan and the current one has reached the end of its life. However, Mr. Fulmer said special education funding (which has been in place several years longer than the Kansas school funding formula) is working well and there is no need to change it. Mr. Robb told the board that under the new funding formula bond and interest aid for school construction projects would only continue for those projects already on the books. Future bonds would not have state aid match, according to the new funding formula plan.

Mr. Robb discussed the Petrella lawsuit filed by Shawnee Mission School District in Johnson County that would suspend the LOB cap. He said if the court grants their wish, it would immediately shut down the

formula since the “poison pill” of the Montoy lawsuit settlement requires that finding any part of the formula unconstitutional would cause the entire formula to collapse. The court was set to hear this case on November 16, 2011.

The Schools for Fair Funding lawsuit is in the discovery stage. Mr. Robb declared expert witnesses on November 14. One of the experts is John Myers, who co-authored the Augenblick & Myers report a few years ago. Mr. Myers has updated that report. Other expert witnesses include Mark Tallman and Jim Hays from KASB, and Dr. Bruce Baker from Rutgers University. The trial date is set for June 4, 2012, unless the new school finance funding plan changes everything. Mr. Robb said the Governor thinks if they can delay the lawsuit for one year, they will save \$3 billion. Mr. Robb also said that contrary to remarks from the Governor’s office that “many” legislators had seen the new education funding plan, most legislators report they are still waiting to see the plan. Dale Dennis, chief financial officer for the Kansas State Department of Education, has not seen the plan, therefore, has been unable to run reports to project how school districts might be affected by the proposed new formula. Mr. Robb noted that the Governor’s office seems to have worked on the plan internally, and is unaware of the unintended consequences of the plan.

Mr. Robb noted that \$450 million has been cut from school funding. Corporate income tax cuts, if implemented, would cost \$225 million. Revenue projections are up approximately \$225 million. Half of the lost school funding could be restored, or corporate income tax cuts could be granted with that revenue.

Mr. Robb said there has been no discussion to date about adopting local standards, only passing school costs on to local funding.

3. Adjournment

The meeting adjourned at 6:56 p.m.

Respectfully submitted by

Annette Singletary, Clerk of the Board

APPROVED:

Douglas A Griswold, President of the Board