



**Dear Colleagues:**

I have thought long and hard about presenting you the facts, as I see them, regarding school finance in Kansas, as well as the financial condition of our district. If you recall, I asked Dale Dennis, Deputy Commissioner of the Kansas State Department of Education (KSDE), to visit with you to begin the school year. I wanted you to see that we were going to face some difficult challenges. My hesitancy in writing this memorandum is that I do not want to change your primary focus which is to come to work every day with a positive professional attitude, an undying work ethic, an openness to new learning, and a heart as big as Kansas ready to step up to the challenges of teaching our kids. The bottom line is I have a professional and ethical responsibility to let you know the facts as I see them, so here they are:

In the 2008-2009 school year, Kansas school districts received \$4,433 Base State Aid Per Pupil (BSAPP). By law, districts were expecting in this year's budget (2009-2010), an increase of between \$59 and \$164 BSAPP. That did not materialize and instead, districts received the following cuts to their budgets:

02/12/09	SB23	Rescission Bill	-\$33.00 BSAPP	\$4,433 to \$4,400 BSAPP
03/31/09	HB2354	Mega Bill	-\$33.00 BSAPP	\$4,400 to \$4,367 BSAPP
05/07/09	HB2373	Omnibus Bill	-\$87.00 BSAPP	\$4,367 to \$4,280 BSAPP
07/02/09	Governor	Allotment	-\$62.00 BSAPP	\$4,280 to \$4,218 BSAPP
11/23/09	Governor	Allotment	-\$206.00 BSAPP	\$4,218 to \$4,012 BSAPP

—This is a \$421.00 or 9.5% cut from the \$4,433 BSAPP budgeted in 2008-2009.

**The education funding increases, as a result of the Montoy case (2005), were mandated to comply with the Kansas Constitution.** The inadequate school funding case was proved at trial and affirmed by the Kansas Supreme Court on appeal. It was not optional for the Legislature to increase school funding; it was mandated by the Kansas Constitution and the Supreme Court.

**The state is not living up to its constitutional duty to fund schools.** Each legislator takes an oath to uphold the state constitution. In 2006, when the Legislature passed SB549, the three year funding plan that ended the *Montoy* lawsuit, it did not fund schools to the levels that its own cost studies showed were necessary. Schools are still at least \$386 million short of adequacy. The Legislature's own cost studies show this.

**Education costs have not gone down because of the recession.** To the contrary, the costs have increased.

**The budget cuts to schools have been huge.** The Base State Aid Per Pupil (BSAPP) has been cut \$421 per pupil thus far. This is a 9.5% cut. The formula "pupil weightings" increases the effect of this cut by a "multiplier effect." Statewide, this multiplier effect averages 1.65. This means that for every \$1 the BSAPP is cut, an average district will lose \$1.65.

**The state budget deficits look to be really deep for FY11 and FY12.** The budget deficit for FY11 is \$358.7 million. If the Legislature takes half of the \$400 million deficit from schools for next year, it could drive the BSAPP down an additional \$286 per pupil. The budget deficit for FY12 is \$855.5 million. If the Legislature takes half of the \$855.5 million deficit from schools for the 2011-12 school year, it could drive the BSAPP down an additional \$642 per pupil. These cuts cannot be made without hurting our kids and giving them less than they are entitled to under the Kansas Constitution.

**The recession is not the sole reason for the problem.** In 2006, when the Legislature passed the funding increases for schools, there was a report prepared for the entire Legislature by the Legislative Post Audit Division that projected a \$423 million budget deficit in 2009. It was known that there would be at least a \$423 million budget deficit by 2009. The Legislature took **no** steps to raise the revenue needed to cover their known expenses nor did they develop any financial plan for the future.

**The Legislature has intentionally cut its revenue streams while knowing that they had Constitutional obligations they could not meet.** Since 1995, the Legislature has passed annual tax cuts. The total *annual* loss to state revenues because of these tax cuts is in excess of \$1.2 billion dollars per year. The tax cuts are being allowed to continue although legislators know that the state cannot meet its financial obligations to schools.

**The last four (4) times that the Legislature has violated its duty to fund the schools, it has taken court intervention to make the Legislature do its duty.** *Caldwell (1972), Knowles (1976), Mock (1991) and Montoy (2005).*

**Schools filing suit against the state is the lesser of two evils.** Schools are faced with massive unconstitutional cuts to funding or turning to the courts. Neither alternative is desirable. Turning to the courts for redress is less harmful to our kids than shorting them their education.

Garden City Public Schools has joined Schools For Fair Funding (SFFF), a coalition of 74 Kansas school districts representing 168,018 school children. On Monday, January 11, 2010, SFFF filed a Kansas Supreme Court Motion to re-open the Montoy School Finance Case. The motion asks that the case be re-opened and remanded back to the trial court to determine two issues: (1) Was the unconstitutional school finance system remedied by the Kansas Legislature's funding increases in 2005 and 2006, and (2) Are the current funding cuts constitutional?

**Governor Mark Parkinson is asking the State Legislature to raise taxes in his 2010 State of the State**

**Address:** On Monday, January 11, 2010, Governor Parkinson delivered a compelling State of the State Address to both chambers of the Kansas Legislature. Calling on 150 years of Kansas history and commitment to building a strong quality of life for future generations, he implored the Legislature and, indeed, all Kansans to maintain a commitment to quality education, healthcare, public safety, and economic development that have made Kansas such a great place for families and industry over the years.

To this end, the Governor said he finds it "unacceptable" to make further budget cuts that particularly impact Kansas' most vulnerable citizens and proposed a revenue package to fill the \$400 million shortfall in 2010 that includes:

- \$132.1 million in current state fund transfers (from highway funds, lottery revenues, etc.)
- \$69.5 million by increasing the excise tax to the national average on cigarettes, from \$.79 to \$1.34 per pack, and
- \$308.2 million by temporarily increasing (3 years) sales tax one-percent, from 5.3% to 6.3%.

This revenue package, according to the Governor's plan, would allow the state to provide a modest BSAPP restoration of \$50 per pupil.

\*\*\*\* **Note:** I have included the complete text of Governor Mark Parkinson's State of the State Address, 'Protecting What We Have, Building for the Future' in an attachment that you will see when you close this document.

**What if the Governor's proposal or a similar revenue package is not passed?** The cuts outlined in the 2010 State Budget Report as "unacceptable" to the Governor include a further cut of \$187.5 million in General State Aid to schools and eliminate the Mentor Teacher Program as well as the Parent Education Program. This will reduce our BSAPP \$286 from \$4,012 to \$3,726. This will be an additional \$2 million cut to Garden City Public Schools.

### **How has Garden City Public Schools been affected by the State Legislature's cuts at this point?**

Currently, we have lost approximately \$4.2 million or 9.5% in reoccurring revenue to our district budget. Note: The \$4.2 million cut does not include the additional \$2 million cut that may be coming our way if the Governor's proposal or a similar revenue package is not passed, nor does it include an additional \$2 million in federal stimulus money that will be lost by the district after the 2010-2011 school year. We may or may not lose more; it is a guess at this point.

To address the current losses of revenue, we have placed a moratorium on summer school and out of district travel, eliminated (through program budgeting) programs, administrative positions, teaching positions, paraprofessional positions, and other classified positions. A total of 16 staff positions were cut for the 2009-10 school year. We also have increased revenue to the district by increasing the Local Option Budget (LOB) by 2% for the 2010-11 school year. The district plans to continue to decrease expenses by 2% through program budgeting and to raise revenue by 2% through the LOB. This will unfortunately result in more programs cut and approximately an additional 24 jobs cut. These cuts would be much worse, had the enrollment not increased this year by over 200 students. This increase in enrollment and increase in English Language Learners (ELL), as well as an increase in students that qualify for free meals, generated approximately \$2 million to the district.

The district has made a concerted effort to try to keep these cuts, to this point, as far away from the classroom as possible. I regret to inform you that if the Governor's proposal or a similar revenue package is not passed by the Legislature, thus reducing BSAPP by \$286, our district will be forced to cut an additional \$2 million. This will result in an additional 48 staff positions (minimum) cut. These cuts will have a direct effect on class sizes, support to teachers and services to our students. If the Legislature continues down its current road of cutting expenses and the economy does not improve, it is projected in 2011-2012 (2 years) that Garden City Public Schools will lose in excess of \$10 million in reoccurring revenue. This will take us back to **\$500 below the BSAPP in 1992-93**. If this were to materialize, it would be devastating to Garden City Public Schools as well as all districts in the State of Kansas. Our kids would be the true losers. They already are, with \$4.2 million in cuts.

**What can you do?** First and foremost, continue to dedicate yourselves to your work and our kids. They need us more now than ever before. However, if you would like to do more, you may choose to do the following:

- Write personal letters or personal e-mails to legislators and share your concerns of how these cuts will impact classrooms and student services. A phone call to them will work as well. **Do not write e-mails from district computers.** Do not develop form letters or petitions, as they are ineffective.
- For your convenience, I have provided you two links with contact information for the rosters of the Kansas House of Representatives and Senate. The links take you to the current roster. Click on the link. The legislators are in alphabetical order. Click on the name of the legislator and the contact information will come up along with committee assignments.

Kansas House Roster

<http://www.ksLegislature.org/legsrv-house/searchHouse.do>

Kansas Senate Roster

<http://www.ksLegislature.org/legsrv-senate/searchSenate.do>

- Contact your PTO, booster clubs, parents, family and friends and let them know the state of affairs for our district and urge them to contact their legislators. Please feel free to share all of this information that has been provided to you in this message.
- Attend and participate in the three legislative forums that will be held in Garden City:
  - February 13, 2010, 10 a.m. at the Wheat Lands Convention Center
  - March 6, 2010, 10 a.m. at Garden City Community College
  - April 17, 2010, 10 a.m. at the Wheat Lands Convention Center
- Participate in the program budgeting process.

## **Closing Remarks:**

Folks, as you can see from the information provided, we are facing some challenging financial times in Garden City Public Schools. These times have been created in part by the economy as well as our legislators not developing a long-range financial plan that would meet the needs of the state. Even if our legislators had planned ahead, I am convinced, due to the severe dip in the economy, the state and our school district would still have some financial challenges; however, in my opinion, these challenges would have been more manageable. So far, the strategy implemented by our leaders in Topeka has been to “cut expenses”, “cut expenses”, and “cut expenses”. Enough is Enough!!!!!!! It is now time for them to take a hard look at increasing revenue to balance the state budget. It matters not, whether it is the Governor’s plan to increase revenue or a creative revenue plan is developed by the Legislature. We cannot continue to give a quality education to our students here in Garden City if these cuts continue.

Enough of the “doom and gloom”! We have a great staff. Our teachers and paraprofessionals perform miracles everyday with our kids. Teaching and learning happens everyday at “The Garden”! Our buildings are clean, attractive and well maintained. Our kids are delivered to their schools safely everyday with two good meals available to them. Our schools are welcoming to all kids and every kid has the opportunity to walk out the doors of Garden City High School with a quality education.

Finally, I challenge you to continue to keep your focus on our kids and giving your very best each hour of each day that you work. Our kids need you!

Please do not hesitate to share this information with anyone you desire. If you have questions, do not hesitate to contact me.

Thank you for all that you do! You are the best!

Kindest regards,

A handwritten signature in cursive script that reads "Rick Atha".

Dr. Rick Atha