

October 14, 2021

Lakesha McKenzie, Team Leader
U.S. Department of Education
Office of Elementary and Secondary Education
Office of State and Grantee Relations (SGR)
400 Maryland Avenue, SW
Washington, D.C. 20202

Dear Ms. McKenzie:

Thank you for taking the time to speak with us on October 5th, 2021, about Kansas' State Fiscal Year 2022 (SFY 22) higher education Maintenance of Effort (MOE) waiver request. We greatly appreciate the Department's openness to having dialogue on this important topic, and we are grateful for the opportunity to provide more details related to the state's support for higher education, as requested by the Department. We are confident that the supplemental information being provided today will put the Department in a position to grant preliminary approval of the state's MOE waiver request in very short order.

As mentioned on our call, not only has the state's total dollar funding dedicated to higher education increased by over \$111.7 million relative to the baseline reporting period, **the funding per-pupil (FTE) has increased by nearly 30% during this same time frame.** You will see in the charts on Enclosure F that, while enrollment in higher education has declined in recent years, total state support (in dollars) has increased year over year, leading to an **increase in dollar support per FTE of \$1,576 vs. the baseline reporting period.**

The state has significantly increased its support for higher education in SFY 22 relative to the baseline years under every conceivable measure and calculation, with the sole exception of using proportion of the State General fund (SGF) as the measuring stick. While the State understands that CRRSA and ARPA moved to this measurement, as opposed to simply looking at total dollars as the CARES Act did, the Department also provided the ability for states to request a waiver, as this singular measure does not provide a comprehensive or accurate picture of how states can and do maintain support for higher education. By forcing a state to adhere only to this one measure, the law actively ignores and abandons the fundamentals of state budgeting. Budgets are not set by determining a top line total appropriation in a given year, and then allocating across governmental units in the same proportion as previous years. Doing so would provide no

opportunity for states to recognize and react to changing priorities, such as increasing funding to habitually underfunded areas of the government as Kansas has done with K-12 funding over the past several years. Being held strictly to the proportional funding provision also means that any time a state adds funding to any area of need, the cost of that program is higher than necessary, because the state would need to also add a proportional level of incremental funding to higher education, even if that unit has already seen significant increases in its level of funding. The Department recognizes this nuance in its MOE guidance, which is why it is providing states an opportunity for a waiver from this provision, if it can prove that has maintained support for higher education, as has been demonstrated by Kansas.

In its guidance released on April 21, 2021, the Department stated in FAQ #8 that “The Department’s approach to MOE waiver requests will be rooted in the consideration of the impact on students.” The Department further emphasized this point in a July 19th, 2021 letter from the Under Secretary’s Office to the National Associations representing higher education institutions, in which the Under Secretary’s Office referenced this same quote from FAQ #8, when discussing how the Department will be determining which waivers to approve. The Department listed additional questions under FAQ #8, intended to determine if a requesting state has increased support for education. As you will see in Enclosure G, Kansas can answer “yes” to every single question in this subsection of FAQ #8 relating to SFY 22, clearly demonstrating that our increase in support for higher education meets the Department’s desire to ensure that the impact on the student is positive.

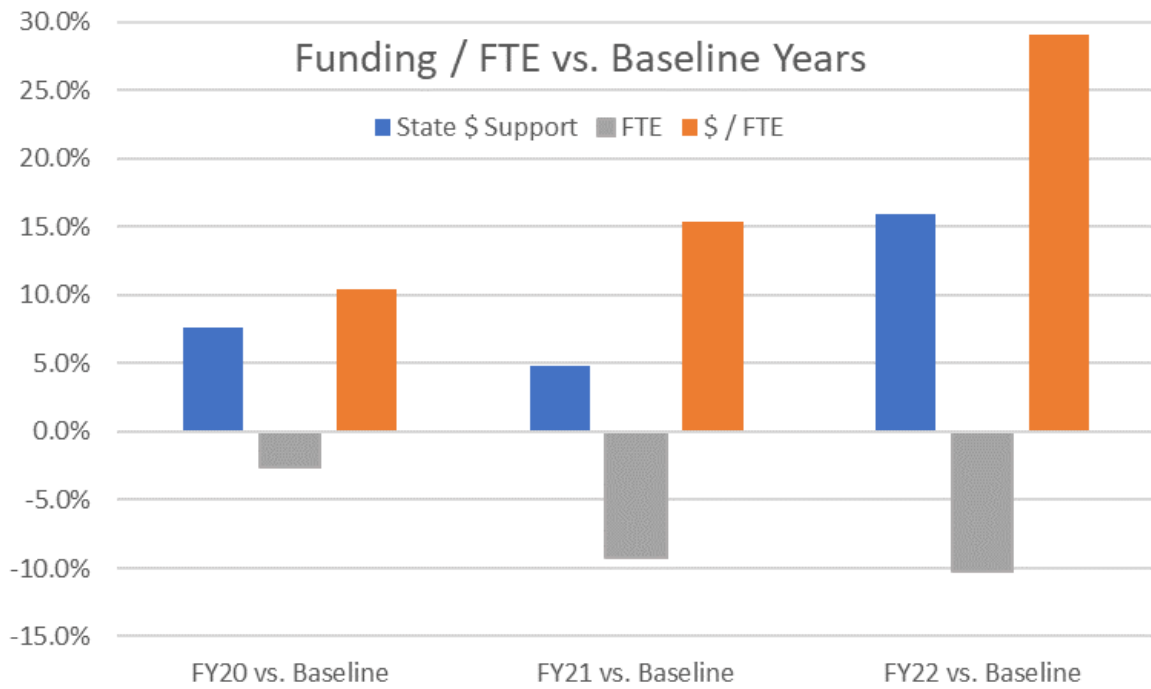
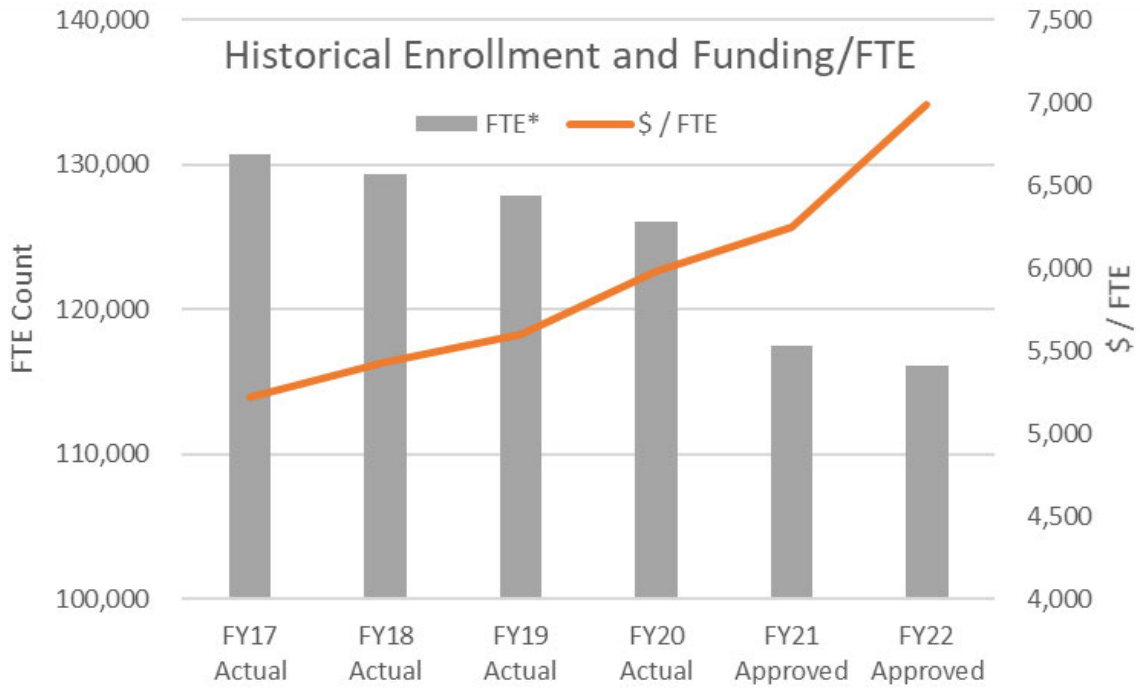
If the Department were to delay approval of the state’s MOE waiver request, then federal dollars aimed at supplementing state support for higher education would be at risk, which would appear to be in stark contrast with the Department’s stated goal of approaching MOE waiver requests in consideration of the impact on the student. Therefore, we respectfully renew our request for a preliminary approval of our MOE waiver request for SFY 22.

Sincerely,

(b) (6)

Adam Proffitt
Director of the Budget

Enclosure F



Enclosure F

	Enrollment		YOY Change #		YOY Change %		
	FTE*	\$/ FTE	State \$ Support	FTE	State \$ Support	FTE	\$/ FTE
FY17 Actual	130,751	5,215					
FY18 Actual	129,346	5,429	20,276,095	(1,405)	3.0%	-1.1%	4.1%
FY19 Actual	127,904	5,602	14,331,696	(1,442)	2.0%	-1.1%	3.2%
FY20 Actual	126,016	5,983	37,407,833	(1,888)	5.2%	-1.5%	6.8%
FY21 Approved	117,469	6,251	(19,682,676)	(8,547)	-2.6%	-6.8%	4.5%
FY22 Approved	116,137	6,991	77,661,622	(1,332)	10.6%	-1.1%	11.8%
FY17 - FY19 Avg	129,334	5,415					
FY20 vs. Baseline	(3,318)	567			7.7%	-2.6%	10.5%
FY21 vs. Baseline	(11,865)	835			4.9%	-9.2%	15.4%
FY22 vs. Baseline	(13,197)	1,576			16.0%	-10.2%	29.1%

* FTE is taken from the Fall Preliminary (20th Day) Enrollment Summary produced by Board of Regents. This is a snapshot in time and does not reflect final enrollment for the academic year.

- State support for higher education continues to increase, even with decline in enrollment
- SFY 22 state support for higher education increased \$111,699,941 vs. baseline years, increase of 16.0%
- SFY 22 enrollment down (13,197) FTEs vs. baseline years, decline of (10.2%)
- SFY 22 Funding/FTE increased \$1,576 per FTE vs. baseline years; increase of 29.1%

Enclosure G

From Page 9 of the Department's Guidance on MOE and Waiver Requests, April 2021

https://oese.ed.gov/files/2021/04/MOE-Chart_with-waiver-FAQs_FINAL_4.21.21Update.pdf

FAQ 8. What Factors might the Secretary consider in deciding whether to grant a State's MOE waiver request?

Has the State increased support for education?

The Department understand that it is possible that a State has maintained or increased overall funding for education and the proportion of the State budget for education has still declined because of increases in other areas of the budget (e.g., public health). In these cases, the Secretary may consider:

- Has total State funding for K-12 education and for higher education (calculated separately) increased from the prior fiscal year?
 - **Yes.** Funding for higher education has increased by \$77,661,622 vs. SFY21; this is a 10.6% increase.
- Has total State funding for K-12 education and for higher education (calculated separately) increased over time (e.g., since baseline years)?
 - **Yes.** Funding for higher education has increased by \$111,699,941 vs. the baseline years; this is a 16.0% increase.
- Has per-pupil State funding for K-12 education and for higher education (calculated separately) increased from the prior fiscal year?
 - **Yes.** Higher education per-pupil funding has increased by \$740 vs. SFY 21; this is an 11.8% increase.
- Has per-pupil State funding for K-12 education and for higher education (calculated separately) increased over time (e.g., since baseline years)?
 - **Yes.** Higher education per-pupil funding has increased by \$1,576 vs. the baseline years; this is a 29.1% increase.
- Has the State appropriated an increase in State funding for K-12 education and for higher education for future fiscal years?
 - The SFY 23 budget has not yet been created. However, as mentioned in Governor Kelly's letter to the Secretary, Kansas recently agreed to a new K-12 funding formula, which will increase appropriations to K-12 by over \$100 million in SFY 23.