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memo

To: Senator Molly Baumgardner and the Senate Committee on Education
From: John Hess, Director of Fiscal Services and Operations, KSDE
Date: February 7, 2022
Re: Follow-Up Information Regarding Driver's Education

During the January 31, 2022, meeting of the Senate Committee on Education, the committee requested the Kansas State Department of Education (KSDE) provide information on the following topics related to driver's education in Kansas:

- Enrollment in driver's education courses conducted by school districts and accredited nonpublic schools, including whether the courses were offered during the school year or during the summer;
- Background information on the State Safety Fund, including the source of revenues, expenditures, and ending balances;
- How school districts fund driver's education;
- How school districts spend the state aid received from the State Safety Fund; and
- The drop in the number of school districts offering driver's education.

Driver's Education Enrollment

To provide the information on enrollment in driver's education courses, KSDE has prepared three spreadsheets. Attachment A shows total K-12 enrollment in driver's education and state aid expenditures since FY 2000. Attachment B shows total K-12 enrollment in driver's education courses from school year 2014-2015 through school year 2020-2021, but is broken down by those students who enrolled in a summer program or those who took driver's education during the school year. Attachment C shows the number of school districts and accredited nonpublic schools offering driver's education courses from school year 2014-2015 through school year 2020-2021 and is broken down by courses offered during the summer and courses offered during the school year.

These attachments only show enrollment in driver's education courses operated by public school districts and accredited nonpublic schools. Additionally, state aid is based on the prior year's enrollment. Therefore, state aid in FY 2016 was based on the enrollment in school year 2014-2015.

Driver's education enrollment for school year 2019-2020 (state aid for FY 2021) decreased significantly due to COVID-19. Enrollment in school year 2020-2021 returned to normal levels and KSDE anticipates enrollment will remain at that level in the immediate future.

State Safety Fund

Attachment D provides background on the State Safety Fund, including revenue, the annual transfer to the State General Fund, and the type of expenditures from the State Safety Fund by KSDE. Additionally, it shows the cashflow of the State Safety Fund since FY 2012.

How School Districts Fund Driver's Education and How School Districts Spend State Aid

As a general rule, school districts largely fund their driver's education programs through a combination of state aid and student fees. As shown in Attachment A, state aid over the last 20 years has been as low as \$38 per student, but has averaged approximately \$125 per student over the last five years. Outside of state aid, driver's education programs are largely funded by student fees. Some school districts do not charge a fee for driver's education, but most charge some kind of fee for driver's education. According to a survey of school districts, this fee can range up to \$325 for in-district students and \$400 for out-of-district students. However, the average fee is closer to \$175 per student. School districts with lower student fees may also provide funding for their driver's education programs through their general fund or supplemental general fund.

School districts are not required to report the details of their expenditures for driver's education to KSDE, so KSDE cannot provide a detailed breakdown of school district expenditures for driver's education. However, surveys of school districts have identified several categories of expenditures common among school districts. First, school districts pay the salaries of the driver's education instructors. The salary structure varies from district to district, but comprises one of the major expenses for driver's education programs. Second, school districts use state aid and fee revenue to pay for the cars used in driver's education courses. This may be either a lease or a purchase of a car for driver's education. Finally, school districts must pay to insure the cars used in these courses. Some school districts may bring in slightly more revenue than expenditures for a few years; however, that cash balance is typically used to purchase a new car or to make another major expenditure related to the driver's education program.

Decrease in School District's Offering Driver's Education

The number of school districts offering driver's education has dropped from 247 during school year 2016-2017 to 236 in school year 2020-2021. According to school district surveys, the biggest challenge to operating a driver's education program is finding qualified instructors. Commercial driving schools sometimes offer better pay than school districts. Additionally, as older instructors have retired there have not been as many qualified instructors to take their place. The current regulations for driver's education require nine credit hours and an endorsement to teach driver's education in a school district or at an accredited nonpublic school. For several years, however, no university in Kansas offered the necessary endorsement program. Therefore, as driver's education instructors retired, there were few new instructors available to take their place. However, Fort Hays State University has recently restarted its endorsement program, which should help expand the pool of driver's education instructors.

For more information, contact:

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Attachment A

State Safety Fund Expenditures, FY 2000-FY 2023

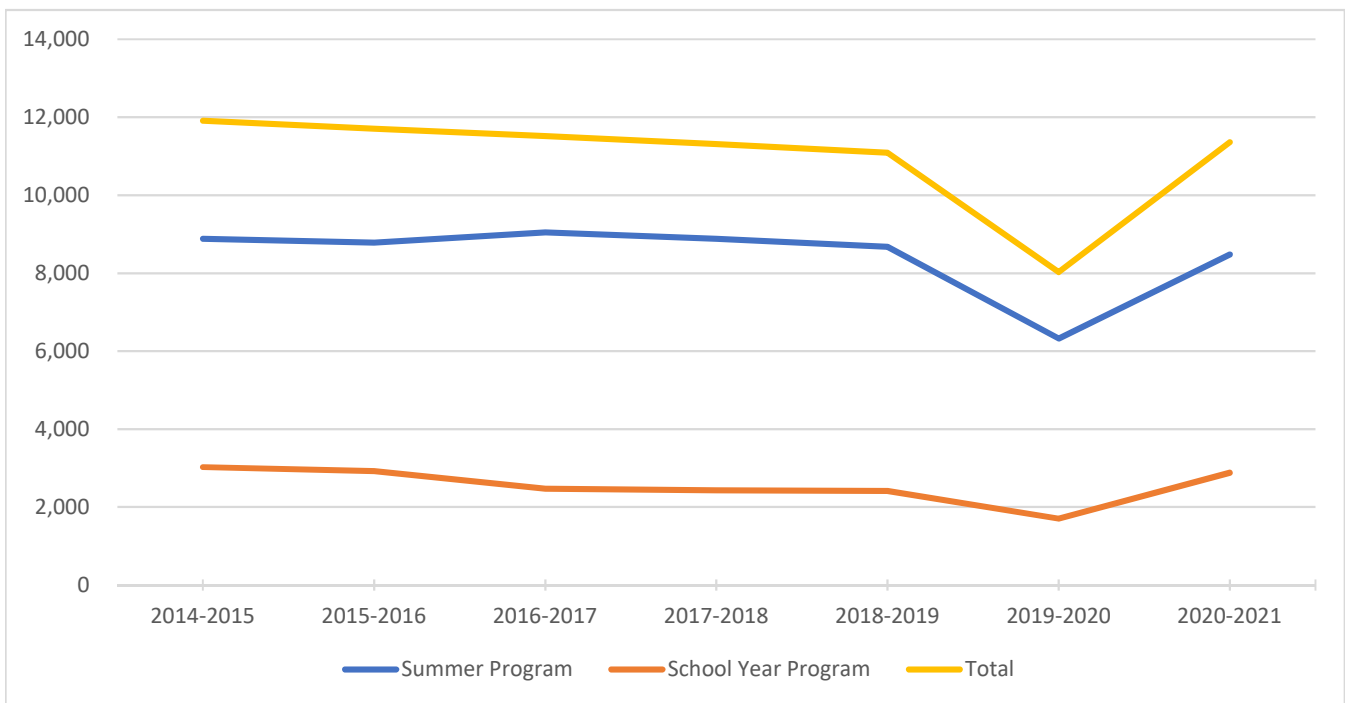
<u>Fiscal Year</u>	<u>State Aid</u>	<u>K-12 Students</u>	<u>Amount Per Student</u>
2000	\$ 1,532,980	23,774	\$ 64
2001	\$ 1,526,060	22,929	\$ 67
2002	\$ 1,533,917	22,155	\$ 69
2003	\$ 1,528,539	19,921	\$ 77
2004	\$ 1,539,975	19,410	\$ 79
2005	\$ 1,520,973	18,381	\$ 83
2006	\$ 1,597,939	17,647	\$ 91
2007	\$ 1,594,257	17,486	\$ 91
2008	\$ 1,789,076	16,278	\$ 110
2009	\$ 603,056	15,992	\$ 38
2010	\$ 722,854	14,470	\$ 50
2011	\$ 1,025,162	13,862	\$ 74
2012	\$ 1,108,668	11,794	\$ 94
2013	\$ 1,100,541	11,834	\$ 93
2014	\$ 1,011,566	11,900	\$ 85
2015	\$ 1,098,294	11,848	\$ 93
2016	\$ 814,778	11,910	\$ 68
2017	\$ 1,499,072	11,710	\$ 128
2018	\$ 1,471,232	11,515	\$ 128
2019	\$ 1,659,574	11,314	\$ 147
2020	\$ 1,436,104	11,090	\$ 129
2021	\$ 816,358	8,027	\$ 102
2022 Est.	\$ 1,400,000	11,366	\$ 123
2023 Est.	\$ 1,600,000	11,850	\$ 135

**Driver's Education Enrollment
by Program Type
(School Year 2014-2015 through 2020-2021)**

<u>School Year</u>	<u>Summer Program</u>	<u>School Year Program</u>	<u>Total</u>
2014-2015	8,885	3,025	11,910
2015-2016	8,783	2,927	11,710
2016-2017	9,046	2,469	11,515
2017-2018	8,884	2,430	11,314
2018-2019	8,675	2,415	11,090
2019-2020	6,324	1,703	8,027
2020-2021	8,485	2,881	11,366

Notes

- Only includes programs at public schools and accredited nonpublic schools.
- State aid is based on the prior year's enrollment. Therefore, state aid in FY 2016 was based on the SY 2014-2015 enrollment.



Attachment C

Driver's Education Program Types
(School Year 2014-2015 through 2020-2021)

School Districts				
<u>School Year</u>	<u>Summer</u>	<u>School Year</u>	<u>Both</u>	<u>Total</u>
2014-2015	212	33	5	250
2015-2016	214	31	5	250
2016-2017	212	31	4	247
2017-2018	208	33	4	245
2018-2019	204	28	2	234
2019-2020	167	31	1	199
2020-2021	203	30	3	236

Accredited Nonpublic Schools				
<u>School Year</u>	<u>Summer</u>	<u>School Year</u>	<u>Both</u>	<u>Total</u>
2014-2015	2	1	0	3
2015-2016	2	1	0	3
2016-2017	1	1	0	2
2017-2018	1	0	1	2
2018-2019	1	0	1	2
2019-2020	1	1	0	2
2020-2021	1	1	0	2

Combined				
<u>School Year</u>	<u>Summer</u>	<u>School Year</u>	<u>Both</u>	<u>Total</u>
2014-2015	214	34	5	253
2015-2016	216	32	5	253
2016-2017	213	32	4	249
2017-2018	209	33	5	247
2018-2019	205	28	3	236
2019-2020	168	32	1	201
2020-2021	204	31	3	238

Attachment D

State Safety Fund

Background

KSA 8-267 provides that 37.5 percent of all moneys received from class C drivers licenses, 20 percent of all moneys received from class M driver's licenses, 20 percent of all moneys received from class A or B driver's licenses, and 20 percent of all moneys received from commercial driver license classes (after a \$2 credit is provided) shall be credited to the State Safety Fund. Moneys in the State Safety Fund shall be used to provide funds for driver's education courses, as outlined in KSA 8-272(a), and for administrative costs.

Due to growing balances caused by increases in individual driver's license fees, the Legislature authorized transfers from the State Safety Fund to the State General Fund "to reimburse the State General Fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental service that are performed on behalf" of KSDE. This transfer is in addition to the charges KSDE pays to support the State's accounting system each year.

Beyond the transfer to the State General Fund, expenditures from the State Safety Fund are primarily state aid to support driver's education courses and salaries and wages to support the the KSDE employee responsible for overseeing the driver's education programs at school districts, accredited nonpublic schools, and commercial driving schools. State aid is provided to school districts with an approved driver's education program and to any student attending an accredited nonpublic school conducting an approved driver's education program.

Cashflow

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
Cash Forward	\$ 137,865	\$ 66,162	\$ 1,053,458	\$ 566,509	\$ 220,971	\$ 601,222
License Motor Vehicle Operator	\$ 2,987,533	\$ 2,990,999	\$ 2,525,154	\$ 1,997,977	\$ 2,442,875	\$ 3,046,550
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to SGF	\$ (1,800,000)	\$ (750,000)	\$ (1,850,000)	\$ (1,100,000)	\$ (1,100,000)	\$ (1,600,000)
<i>Total Available</i>	<i>\$ 1,325,398</i>	<i>\$ 2,307,162</i>	<i>\$ 1,728,612</i>	<i>\$ 1,464,486</i>	<i>\$ 1,563,846</i>	<i>\$ 2,047,772</i>
Expenditures	\$ 1,259,236	\$ 1,253,704	\$ 1,162,103	\$ 1,243,515	\$ 962,624	\$ 1,665,673
Balance Forward	\$ 66,162	\$ 1,053,458	\$ 566,509	\$ 220,971	\$ 601,222	\$ 382,099
	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022 Est.</u>	<u>FY 2023 Est.</u>
Cash Forward	\$ 382,099	\$ 499,004	\$ 521,021	\$ 98,915	\$ 567,553	\$ 435,653
License Motor Vehicle Operator	\$ 2,874,524	\$ 2,893,806	\$ 2,240,061	\$ 2,483,907	\$ 2,490,000	\$ 2,904,000
Other Revenue	\$ -	\$ -	\$ -	\$ 15,834	\$ -	\$ -
Transfer to SGF	\$ (1,100,000)	\$ (1,100,000)	\$ (1,100,000)	\$ (1,100,000)	\$ (1,100,000)	\$ (1,100,000)
<i>Total Available</i>	<i>\$ 2,156,623</i>	<i>\$ 2,292,810</i>	<i>\$ 1,661,082</i>	<i>\$ 1,498,656</i>	<i>\$ 1,957,553</i>	<i>\$ 2,239,653</i>
Expenditures	\$ 1,657,619	\$ 1,771,789	\$ 1,562,167	\$ 931,103	\$ 1,521,900	\$ 1,721,636
Balance Forward	\$ 499,004	\$ 521,021	\$ 98,915	\$ 567,553	\$ 435,653	\$ 518,017