

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 9:00 am on Monday, March 09, 2015, 112-N of the Capitol.

All members were present

Committee staff present:

Andy Chiamopoulos, Legislative Research Department
J.G. Scott, Legislative Research Department
Dylan Dear, Legislative Research Department
Nobuko Folmsbee, Office of Revisor of Statutes
Kathy Holscher, Kansas Legislative Committee Assistant
Jill Wolters, Office of Revisor of Statutes
Melinda Gaul, Administrative Assistant

Conferees appearing before the Committee:

No conferees present

Others in attendance:

[See Attached List](#)

Opening Remarks

Chairman Ryckman called the meeting to order and reviewed the agenda for the committee meeting.

Hearing on: HB2403 — Creating the classroom learning assuring student success act; making and concerning appropriations for fiscal years ending June 30, 2015, June 30, 2016, and June 30, 2017, for the department of education.

Jason Long, Office of the Revisor of Statutes, presented an overview of **HB 2403 ([Attachment 1](#))**. The bill creates a new finance act, provides appropriation for education K- 12 funding for FY 2015, FY 2016 and FY 2017, and repeals the current finance formula that has been in effect since 1992. The differences from the Governor's recommendation in FY 2015 include additional money appropriated from state general fund (SGF) to the general state aid account, decreased money from the SGF to supplemental general state aid, an additional \$4 million transfer from SGF to the new school district extraordinary need fund, and capital outlay state aid funding from SGF using an amended formula not to exceed \$2,002,500. For FY 2016, the differences from the Governor's recommendation include additional money from the SGF to block grants to school districts' accounts, decreased money from SGF for Kansas Public Employee Retirement System (KPERs) employer contributions, transfer from SGF to the school district extraordinary need fund with an expenditure limitation of \$12,292,000, and SGF appropriation of \$500,000 for information technology education opportunities. For FY 2017, the differences from the Governor's recommendation include additional money from SGF to block grants to school districts, decreased SGF to KPERs for employer contributions, transfer from SGF for the school district extraordinary need fund with an expenditure limitation of \$17,521,425, and SGF appropriation of \$500,000 for information technology education opportunities account. An explanation of the components and calculations for the block grant, referred to as general state aid", followed for

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supplemental general state aid, Capital Outlay State Aid, Capital Improvement State Aid, Virtual School State Aid, and KPERS. He stated that all of the school weightings would go away under the new formula, replaced by a fixed amount of money. A review of the extraordinary need fund and fund flexibility fund followed. The local option budget (LOB) equalization aid has been amended. If passed, the bill would be effective July 1, 2015, he stated.

Jason Long responded to questions from committee members. He stated that new facility weightings must have the building project completed in the block grant in FY 16/17. There is no sunset for the bill. The Finance Council's responsibilities regarding the extraordinary need fund include approval of the school districts' project application and distribution of state aid funds. It was noted that there is no date certain to adopt the rules and regulations by the State Board of Education. There is a provision in the bill that is an amount attributable to weighting that will be used in FY 14/15 for a deduction in the block grant amount. KPERS payments will come through the block grant as a separate line item appropriation, which is paid immediately to the the state for the retirement contributions and the state continues to pay the match portion. He added, that a chart has been included in the material that compares the finance formula and the impact of the bill.

*Representative Schwartz made a motion to open the hearing on **HB 2403**. Representative Kleeb seconded the motion. Motion carried.*

Proponents

Mike O'Neal, CEO, Kansas Chamber, presented testimony as a proponent of the bill ([Attachment 2](#)) .

James Franko, Kansas Policy Institute, provided written testimony as a proponent of the bill ([Attachment 3](#)) .

Mr. O'Neal responded to questions from committee members. He reviewed the U.S. Census Bureau Public Education finances, which tracks administrative spending back to 2003. It was noted that Kansas is 15 percent above the national average for administrative spending. Emphasis was placed on putting more money in to the classroom.

Opponents

Chuck Schmidt, Superintendent, Independence USD 446 School District and Deb Fox, Director of Business, presented testimony as an opponent of the bill ([Attachment 4](#)) .

Mark Tallman, Associate Executive Director/Advocacy, Kansas Association of School Boards, presented testimony as an opponent of the bill ([Attachment 5](#)) .

Dr. Cynthia Lane, Superintendent, Kansas City Kansas Public Schools, presented testimony as an

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opponent of the bill ([Attachment 6](#)) .

Cheryl Shemmel, Executive Director, USA/Kansas, presented testimony as an opponent of the bill ([Attachment 7](#)) .

Jim Freeman, Chief Financial Officer, Wichita Public Schools, presented testimony as an opponent of the bill ([Attachment 8](#)) .

Mary Sinclair, Kansas PTA Advocacy Team Member, presented testimony as an opponent of the bill ([Attachment 9](#)) .

Dr. George Griffith, Superintendent USD #208 Wakeeney School District, presented testimony as an opponent of the bill ([Attachment 10](#)) .

Jody Siebenmorgen, Virtual Director, Humboldt Virtual Education Program, presented testimony as an opponent of the bill ([Attachment 11](#)) .

Mark Desetti, Kansas National Education Association, presented testimony as an opponent of the bill ([Attachment 12](#)) .

Committee meeting in recess at: 10:49 a.m.

Meeting reconvened at 11:47 a.m.

Joani Purdy, Program Director, South Central Education Service Center, presented testimony as an opponent of the bill ([Attachment 13](#)) .

Shelly Kiblinger, Superintendent, Hutchinson Public Schools, presented testimony as an opponent of the bill ([Attachment 14](#)) .

David Patterson, Principal, Hutchinson USD 308, presented testimony as an opponent of the bill ([Attachment 15](#)) .

Lori Blakesley, Director of Fiscal Management, Hutchinson Public Schools, presented testimony as an opponent of the bill ([Attachment 16](#)) .

Gary Menke, General Director of Fiscal Services and Board Treasurer, Topeka Public Schools, presented testimony as an opponent of the bill ([Attachment 17](#)) .

Nicole Hodges, Director, Basehor-Linwood Virtual School USD 458, presented testimony as an opponent of the bill ([Attachment 18](#)) .

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J.G. Scott, Legislative Research Department, reviewed the information, requested by committee members, regarding the impact of the Proposed School Finance Plan - FY 2014-15 School Year ([Attachment 19](#)) , FY 2015-16 School Year ([Attachment 20](#)) and FY 2016-17 ([Attachment 21](#)) . Capital Outlay and Local Option Budget, by county and school district, was reviewed ([Attachment 22](#)) .

Chairman Ryckman stated that verbal testimony will be provided on the Legislative website later today. He asked if there were any conferees that would like to provide testimony on the bill.

Chris Brown, Kansans for Liberty, presented testimony as a proponent of the bill ([Attachment 23](#)) .

Mark Tallman responded to questions from committee members regarding budget authority. He noted that there has been a slight increase in students, low income students, minority students, and students with special needs. Services have been expanded for students. These factors have been the direct cause of increased weighted enrollment. He noted support of the flexibility the bill provides. Proposals, prior to the block grant, would not have fully funded special education in accordance with state law. He responded that the state is in compliance with federal maintenance of effort requirements. Discussion followed regarding accountability, reporting expenditures and results. He understood that the intent of the bill is to give the districts the same amount of money, with modifications such as virtual schools, the 4 percent for the extraordinary need fund, and LOB having an impact on the districts. There would not be any impact on the funding for special education or gifted students, as he interprets the bill.

Mark Desetti responded to questions from committee members. He stated that the hope would be for districts to look at the same funding when identifying needs of the students, if the separate funding streams (silos) are removed. He noted that bonds specifically identify what the funds will be used for.

Mr. Freeman responded to questions from committee members regarding extraordinary need funds. Concern was expressed regarding the timing from when the state finance council response from applications submitted. A review of cash balances and ending balances, and budgeting efforts for projected and actual student enrollment, and the staffing structure followed.

Closing Remarks

Chairman Ryckman stated that discussion on the bill will continue at tomorrow's committee meeting.

Written testimony an a proponent of the bill was submitted by Craig Gabel, Kansans for Liberty ([Attachment 25](#)) .

Written testimony as an opponent of the bill was submitted by the following: Kelsey Sawyer ([Attachment 24](#)) , Devin Wilson ([Attachment 26](#)) , Brandi Fisher ([Attachment 27](#)) , Susan Lindstrom ([Attachment 28](#)) , Brenda McLaughlin ([Attachment 29](#)) , Leslie Johnson ([Attachment 30](#)) , Heaven Lokay ([Attachment 31](#)) , Judith Deedy ([Attachment 32](#)) , Kelly Long ([Attachment 33](#)) , Doctor. Pepper

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

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[\(Attachment 34\)](#) , Tiffany Bloomer [\(Attachment 35\)](#) , Lisa Wolf [\(Attachment 36\)](#) , Jennifer Walker [\(Attachment 37\)](#) , Marion Dawson [\(Attachment 38\)](#) , Kate Scarbrough [\(Attachment 39\)](#) , Lori Caldwell [\(Attachment 40\)](#) , Jamie Roger [\(Attachment 41\)](#) , A. Smith [\(Attachment 42\)](#) , Danielle Smith [\(Attachment 43\)](#) , Rebecca Grader [\(Attachment 44\)](#) , Jennifer [\(Attachment 45\)](#) , April Schmidt [\(Attachment 46\)](#) , Mindy Wentling [\(Attachment 47\)](#) , Tiffany Friedhofen [\(Attachment 48\)](#) , Kristal Schmidt [\(Attachment 49\)](#) , Stephen Quoshena [\(Attachment 50\)](#) , Deysi Ramirez [\(Attachment 51\)](#) , April Gritten [\(Attachment 52\)](#) , Jerri Lee [\(Attachment 53\)](#) , Kevin McWhorter [\(Attachment 54\)](#) , Porchia Adams [\(Attachment 55\)](#) , Alisha Wurtz [\(Attachment 56\)](#) , Arly Salamanca [\(Attachment 57\)](#) , Doctor Johnson [\(Attachment 58\)](#) , Jack and Deborah Wright [\(Attachment 59\)](#) , Lew Faust [\(Attachment 60\)](#) , and Sabrina Slowik [\(Attachment 61\)](#) .

Meeting adjourned: 1:11 p.m.