

## MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairperson Steve Abrams at 12:00pm on Tuesday, March 24, 2015, 582-N of the Capitol.

All members were present except:

Senator Caryn Tyson – Excused

Committee staff present:

Mark Savoy, Legislative Research Department

Lauren Douglass, Legislative Research Department

Erna Fabert, Kansas Legislative Committee Assistant

Jason Long, Office of Revisor of Statutes

Sharon Wenger, Legislative Research Department

Nick Myers, Office of Revisor of Statutes

Eddie Penner, Legislative Research Department

Conferees appearing before the Committee:

Bill Mullins, Superintendent, USD 364, Marysville

Bev Mortimer, Superintendent, USD 333, Concordia

Mike Crawford, Superintendent, USD 210, Hugoton

Dave Trabert, Kansas Policy Institute

Dr. Walt Chappell, President, Educational Management Consultants

Chris Ruder, Associate Superintendent, McPherson School District

Randy Watson, Chairman, Coalition of Innovative School Districts

Others in attendance:

[See Attached List](#)

### **Hearing on: SB294 — Creating the education finance act of 2015; making and concerning appropriations for fiscal year ending June 30, 2016, for the department of education.**

Chairperson Abrams began the meeting by thanking KASB, KNEA and USA/Kansas for providing lunches for committee and staff members so the hearing could be held over the lunch hour. He then opened the hearing on **SB294**.

Jason Long, staff revisor, reviewed the bill stating that it includes four forms of state aid: enrollment state aid; sparsity state aid; poverty state aid; and success state aid and explained the formulas for determining numerical amounts and discussed forms of tax levies. He noted that special education funding and KPERS funding would remain the same in this bill, that audits would be conducted, that initially this would be a pilot program involving schools in the Coalition of Innovative School Districts, there would be a creation of a School District Bond Project Review Board, and spoke to the issues of accounting procedures and dates when the Act would go into effect. ([Attachment 1](#))

A question followed about determining pupil counts, especially in the area of special education students.

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Chairperson Abrams informed conferees that due to time constraints there will be a five minute time limit imposed and it would be appreciated if all conferees would follow that guideline to give everyone an opportunity to speak.

He then introduced Bill Mullins who spoke in support, stating that he endorses the foundation and premise of the bill while recognizing that some changes will need to be made before other districts are included. Some concerns expressed involved the use of GAAP requirements as their accountants would prefer to stay on a cash basis accounting system and also he would like to see an opt out clause if the district decided they did not want to participate in the finance formula but would like to still remain as a member of the Coalition of Innovative School Districts (CISD). ([Attachment 2](#))

Bev Mortimer then spoke in support, stating she would also like to see some sort of safety net, opt-out clause if the district would still like to participate in the CISD but not the finance formula. She reported that their district is excited about conversations centered around student success as that aligns with Concordia's goal for student achievement and she emphasized that student success must remain at the center of any new formula. Superintendent Mortimer is in agreement that a pilot group is the best way to launch the finance formula and she thanked the Committee for letting educators be at the table and help develop new ideas in education. ([Attachment 3](#))

Mike Crawford spoke in support stating that this bill would be a radical change for education in general and the basic concepts and big ideas embedded in this bill are monumental for the state of Kansas. The CISD, which would be the pilot group for this bill, is already headed in the direction of focusing on student success, not achievement scores, as they explore what is best for kids and how to accurately measure student success. Since this bill incentivizes student success, it is a natural progression to evaluation of what a school finance formula should look like and how it will affect success and although **SB155**, the bill that created the CISD, has been very important the six indicators included in **SB294** are valid. ([Attachment 4](#))

Dave Trabert spoke in opposition stating that while there are some worthwhile elements in the bill there are also many troubling aspects to **SB294**, such as no apparent relationship between funding and adequacy, that part time students can be counted the same as full time, there is no limit on equalization, there is no accountability and there is no mention of inefficiency. He further emphasized that the Courts are continually requesting research on figures for funding, and while focusing on success is good, when one-third of the students have to take remedial courses, it doesn't make sense to wait until students are 20 years old to see if they are successful. Any incentive provided should be based on easily obtained, independently-verifiable information and most importantly, it should be measured throughout each student's time in school so that any shortcomings can be addressed. ([Attachment 5](#))

Dr. Walt Chappell spoke in opposition to the bill stating that as an educator he is concerned that the end of the session is not the time to push through a finance bill. He pointed out that even though the success part of the bill is worthwhile, the weaknesses include that not much is known about students beyond

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the time of graduation; the bill does not address certain costs; and basing anything on a census that is done only every ten years doesn't make sense as educators need to know how many students in their buildings need help currently. Some other areas of concern were the poverty equations and not addressing the issue of money going into the classrooms. He would like to see a finance formula that is not based on enrollment, as costs don't increase that dramatically with each new student added to the classroom, but one that addresses how much money it costs to teach the students at the local level and then go from there and although this bill does try to move the conversation forward it does seem to overburden the innovative districts to be utilized as a pilot to test this finance formula. ([Attachment 6](#))

Chris Ruder gave neutral testimony, stating that his school board has met and reviewed this issue and they agree with the following aspects of the bill: the fact that it counts state base aid per pupil; it does account for the size of each district; it rewards student success; it is modeled after **SB155**; the equalization part seems fair; they like the local control with local boards being responsible and the fact that it would be a pilot program. Concerns expressed were that it decreases funding for their district, GAAP accounting would add extra cost, the way the future bond issues would be handled and possible differences in the definition of instructional. ([Attachment 7](#))

Randy Watson gave neutral testimony on behalf of the CISD, noting that three of the Coalition districts are proponents of the bill and three are neutral. The Coalition districts like the success factors built in and the overall outcome of, "What should successful young Kansans look like?" From the Coalition's perspective this is a pilot which will change the conversations being had about education. Coalition members, however, would like to see an opt out program whereby they can remain as innovative school districts, even though they don't participate in this pilot and they wanted to thank Chairperson Abrams for the opportunity to work with him and many others in changing the discussion and focus on education in Kansas. ([Attachment 8](#))

Questions were asked about whether other school districts might be able to opt into the pilot program, or whether it would only be limited to the six innovative school districts; why GAAP accounting is included in the finance formula when 90% of the schools receive waivers to opt out of this accounting procedure; and how the District Bond Project Review Board would function.

Senator Pyle commended Senator Abrams for coming forward with this new school finance formula and thanked him for the time and effort involved. The meeting was adjourned at 1:05 pm.

The next meeting of the Senate Education Committee will be Wednesday, March 25, 2015 at 12:00 pm in Room 582-N of the Capitol.