

## MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Ty Masterson at 9:00am on Tuesday, March 10, 2015, 582-N of the Capitol.

All members were present

Committee staff present:

Jill Wolters, Office of Revisor of Statutes  
Daniel Yoza, Office of Revisor of Statutes  
David Wiese, Office of Revisor of Statutes  
J G Scott, Legislative Research  
Bobbi Mariani, Legislative Research  
Justin Carroll, Legislative Research  
Ben Wilhelm, Legislative Research  
Debbie Luper, Chief of Staff  
Dee Heideman, Committee Assistant

Conferees appearing before the Committee:

Jody Siebenmorgan, Program Director, Humboldt Virtual Education Program  
Nicole Hodges, Director, Basehor-Linwood Virtual School  
Cheryl Semmel, Executive Director, United School Administrators of Kansas  
Joani Purdy, Program Director, Encore SC Kansas Education Center  
Susan Lindstrom, Coordinator, New Directions Learning Academy  
Kevin McWhorter, Board of Education Member, Goddard Public Schools, USD265  
Dr George Griffith, Superintendent, WaKeeney, Kansas, USD208  
Mark Tallman, Assistant Executive Director, Kansas Association of School Boards  
Jim Freeman, Chief Financial Officer, Wichita, Public Schools  
Mark Desetti, Director, Legislative and Political Advocacy, KNEA  
Gary Menke, General Director, Fiscal Services and Board Treasurer  
Lisa Wilson, Licensed Specialist Clinical Social Worker, Insight of Kansas  
Mike O'Neal, President and CEO, Kansas Chamber of Commerce  
Dave Trabert, President, Kansas Policy Institute  
Chris Brown, Real Estate Developer, Wichita, KS  
Craig Gabel, Wichita, KS

Others in attendance:

[See Attached List](#)

### **Bill introductions**

*Senator Masterson made a motion concerning the State's participation in daylight saving time. The motion was seconded by Senator Fitzgerald and the motion was adopted on a voice vote.*

### **Hearing on: SB273 — 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,**

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### **2017, for the department of education.**

Chairperson Masterson opened the hearing on **SB273**.

Jason Long, Senior Assistant Revisor, explained **SB273**, which is the block grant bill. He said it would create the classroom learning assuring student success act. Mr Long explained the important components of the bill and how each would work. He said it repeals the current school finance bill ([Attachment 1](#)).

Senator Francisco said she was interested in the definition of equivalent for full time virtual school students. Mr Long said the segment pertaining to virtual schools in **SB273** needs to be clarified.

Senator Francisco asked about the LOB formula in the block grant bill and if it would reduce what some schools receive this year by that percentage. Mr Long said yes it could cause some reductions for equalization. Senator Francisco wanted to know if those schools had the ability to make up the difference by raising their tax levy. Mr Long said he was unsure if those school districts could raise their tax levies for the SY2014/2015 year.

### **OPPONENTS:**

Jody Siebenmorgan, Program Director, said she opposed the bill because it eliminated the aid to the Humboldt Virtual Education Program. She shared information showing the difference the Humboldt virtual education program has made for offering adult education in Southeast, Kansas ([Attachment 2](#)).

Nicole Hodges, Director, Basehor-Linwood Virtual School District, opposes the elimination of virtual school funding for adult students (19 and older) and also the reduction for part-time students ([Attachment 3](#)).

Senator Francisco referenced **SB273** and said she noticed a large difference between virtual school state aid, \$4045, for part time students for SY2015/2016, and in SY2016/2017 reduced to \$1700.

Cheryl Semmel, Executive Director, United School Administrators of Kansas, opposes the bill because she said with the state's current fiscal projections, administrators are concerned that no matter what ends up being the funding formula, neither will be funded at proposed or current funding levels ([Attachment 4](#)).

Senator O'Donnell referred to the new facility weighting that Ms Semmel referred to in her testimony, and said his district in Wichita and 5 other districts have plans to build new schools in the next couple of years. He said the House added an amendment that authorized those six school districts that had their bond issues passed before July, 2013, the authority to continue with construction on their new facilities into 2017.

Joani Purdy, Program Director, Encore High School Diploma Completion Service Center, is an opponent to **SB273** because she said it eliminates the virtual school funding for anyone over 18 years

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of age ([Attachment 5](#)).

Senator Francisco said there has been an ongoing conversation concerning virtual school funding since it serves adults 18 years of age or older. She questioned whether the funding should be included in K-12 or postsecondary education. She asked Ms Purdy if their curriculum was geared more for K-12 students or postsecondary students. Ms Purdy said their curriculum accommodates students learning at grade levels 5 through 12.

Susan Lindstrom, Program Coordinator, New Directions Learning Academy, opposes the cuts to virtual school funding and provided testimony from students and teachers involved in the New Directions school program ([Attachment 6](#)).

Kevin McWhorter, Board of Education Member, USD 265, stated opposition for **SB273**, and said the funding formula is not broken, but the resources needed to provide opportunities for all students are not being allocated ([Attachment 7](#)).

Senator Masterson reminded Mr McWhorter that in his testimony, he outlined the reductions in the increase in LOB and Capital Outlay, but he failed to mention that the Governor's allotment was restored to his district **SB273**.

Dr George Griffith, Superintendent, USD 208, WaKeeney, Kansas, stated several reasons he opposed **SB273**. He said the issue with the current formula is the lack of adequate funding. He believes the change to a block grant is just as confusing as the current formula and is only beneficial as an attempt to delay a court ruling on school finance ([Attachment 8](#)).

Senator Masterson asked Dr Griffith if their funding was cut under the old formula. Dr Griffith said from 2009 to this year base state aid had been cut. Senator Masterson inquired how could he could then think the old formula worked well given that fact.

Senator Francisco noted that WaKeeney didn't get supplemental state aid due to the old formula. She feels we can't look at one single way of achieving equalization.

Mark Tallman, Associate Executive Director/Advocacy, Kansas Association of School Boards, stated his reasons for opposing this bill. He doesn't feel the current formula should be repealed, now, but a study conducted, and then a new formula developed ([Attachment 9](#)).

Senator Tyson asked Mr Tallman if he preferred the Governor's allotment over **SB71**. She said she has spoken to superintendents in her district and they have the opposite view. Mr Tallman said some districts prefer the allotments, but others do not.

Jim Freeman, Chief Financial Officer, Wichita Public Schools, USD 259 said he opposes the bill

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because of the fast track it is on to be approved. Mr Freeman indicated that the increased flexibility might, in fact, be too much flexibility ([Attachment 10](#)).

Senator Kelly said she could understand Mr Freeman's concern over the flexibility in the bill which would allow dipping into the text book funds and insurance reserves.

Mark Desetti, Director, Legislative and Political Advocacy, KNEA, stated opposition to the bill because he believes the current formula is not complicated, is not unconstitutional, but is underfunded ([Attachment 11](#)).

Gary Menke, General Director of Fiscal Services and Board Treasurer, USD501, an opponent, said **SB273** is a \$1.6 million cut to Topeka Public Schools ([Attachment 12](#)).

Senator Kelly asked how USD 501 would deal with the \$1.6 million reduction for this fiscal year. He said they determined not to move forward with new text book purchases.

Senator Melcher said he logged onto the Topeka Public School's website and he said it didn't work properly. He said "Modified Copy Budget at a Glance" did work. While on the website, he said at that site he looked at the teacher to student ratio showing 21 students to 1 teacher for elementary and 24 to 1 student/teacher ratio for secondary He indicated that the actual data is 15.8 students to classroom teacher. Senator Melcher asked for an explanation on how that number was derived and Mr Menke said he did not know.

### **NEUTRAL:**

Lisa Wilson, Licensed Specialist Clinical Social Worker, Insight of Kansas, said she was neutral on **SB273**, but hoped funding for virtual students over the age of 18 would not be eliminated ([Attachment 13](#)).

### **PROPOSERS:**

Mike O'Neal, CEO, Kansas Chamber of Commerce, a proponent said the current school formula which was instituted more than 20 years ago, has become so complicated and unwieldy that it has resulted in many unintended consequences. Mr O'Neal said the press stated there were just a couple of proponents for **SB273**. He informed the committee that the Chamber of Commerce is a statewide business association that represents hundreds of businesses and industries across the State of Kansas and he said the Chamber is the spokesperson for those organizations ([Attachment 14](#)).

Senator Francisco said in this bill, money would be calculated based on what they received in the past. She asked Mr O'Neal how that would be an improvement over what is in place now. Mr O'Neal said the current formula was standing in the way, whether it was by choice or by operation of the statute itself. He said there is just not enough money going into the classroom under the structure of the current formula.

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Senator Kelly asked if the Chamber polled all their members on the block grant bill. Mr O'Neal said they did not because their survey was completed before the Governor came out with the idea of eliminating the current formula.

Dave Trabert, President, Kansas Policy Institute, said he is a very strong proponent and supports sun setting the current school funding formula because he believes there are fewer than 5 people in Kansas who truly understand the current formula, but this is only one of many reasons the school formula should be replaced ([Attachment 15](#)).

Senator Francisco asked Mr Trabert how this block grant bill would improve changing the general state aid to districts in Johnson County. Mr Trabert said he was speaking about the supplemental state aid, called equalization money. He said that one mill raises \$50 million in Blue Valley, and in Johnson County, one mill levy raises raises \$2.3 Million.

Chris Brown, Real Estate Developer, Wichita, Kansas, said he is a proponent for **SB273** because the bill makes no usage of "base state aid," the language that school districts and their lawyers have used to sue the State for additional money ([Attachment 16](#)).

Craig Gabel, Wichita, Kansas, said he supports this bill, if for no other reason, than it will be very hard for the courts to rule that school districts are underfunded because base state aid is too low ([Attachment 17](#)).

### **OPPONENTS WRITTEN ONLY:**

Tammy Bartels, President, Kansas PTA ([Attachment 18](#));

Judith Deedy, Executive Director, Game On for Kansas Schools ([Attachment 19](#));

Brandi Fisher, Director, MainStream Coalition ([Attachment 20](#));

Dr Shelly Kiblinger, Superintendent, USD 308, Hutchinson ([Attachment 21](#));

Dr Cynthia Lane, Superintendent, Kansas City, Kansas, Public Schools ([Attachment 22](#));

Devin Wilson, Parent, Shawnee Mission ([Attachment 23](#));

David Patterson, Principal, Hutchinson Middle School, USD 308 ([Attachment 24](#));

Lew Faust, Director Business Services, Manhattan Ogden USD 383 ([Attachment 25](#));

Monty Ratley, Student, Encore SC Kansas Education Center ([Attachment 26](#));

Shadonna Reedy, Student, Encore SC Kansas Education Center ([Attachment 27](#));

Cathy Martinez, Student, Encore SC Kansas Education Center ([Attachment 28](#));

Melissa Wright, Student, Encore SC Kansas Education Center ([Attachment 29](#));

Veronica Lee, Student, Encore SC Kansas Education Center ([Attachment 30](#));

Fred Box, Past District 1 VFW Commander ([Attachment 31](#))

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**Possible action on bills previously heard**

There was no action taken on any other bills previously heard.

The next Ways and Means Committee meeting is scheduled for Wednesday, March 11, 2015, at 10:30 am, in Room 548-S at the Capitol.

Chairperson Masterson adjourned the meeting at 1:31pm.