

1 .

2 .

3 .

4 FINAL ACTION ON:

5 .

6 SB515 - AMENDMENTS TO THE CLASS ACT

7 REGARDING SUPPLEMENTAL

8 GENERAL STATE AID AND

9 CAPITAL OUTLAY STATE AID

10 .

11 .

12 .

13 .

14 TRANSCRIPT

15 OF

16 PROCEEDINGS,

17 beginning at 1:10 p.m. on the 23rd day of March,

18 2016, in Room 548S, Kansas State Capitol Building,

19 Topeka, Kansas, before the Senate Ways and Means

20 Committee consisting of Senator Masterson,

21 Chairman; Senator Denning, Senator Kelly, Senator

22 Fitzgerald, Senator Kerschen, Senator Arpke,

23 Senator Melcher, Senator Powell, Senator Tyson and

24 Senator O'Donnell.

25 .



1 CHAIRMAN MASTERSON: We are ready to
2 start. We will to come to order. We will take up
3 the business on 515. Given some of the comments
4 that we've had, both yesterday and today, and on
5 the record I think there might be a handful - I
6 have three on my list - of appropriate changes to
7 make the product a better working product. And
8 with that, Senator Denning.

9 SENATOR DENNING: Thank you, Mr.
10 Chairman. I will be bringing three technical type
11 amendments to Senate Bill 515. And we can start
12 with Amendment No. 1.

13 CHAIRMAN MASTERSON: I think we have that
14 to hand out. We'll pause and get that handed out
15 to everybody. And actually, if you want, you can
16 continue to explain and if there is -- I'll pause
17 when everybody has the material.

18 Senator Denning.

19 SENATOR DENNING: Thank you, Mr.
20 Chairman. What this is, is just adding a section
21 that lays out the legislative intent and the
22 findings of fact that we have been doing with our
23 special recording of our hearings on this
24 particular bill. So it's just again legislative
25 intent and identifying -- identifying findings of



1 fact.

2 CHAIRMAN MASTERSON: So, committee, for
3 clarification, in the unique situation we are
4 responding to the Court, this is simply putting in
5 the content of the bill a preamble and a finding
6 of fact, if you will, so that there is no doubt,
7 as we pass this, this is -- this is why we did it
8 and these are the facts that we used to make our
9 decision. I'll give you a few minutes. It's
10 relatively lengthy. I'll give you just a minute
11 for those of you who have not seen it to read it
12 through in case you have any questions.

13 I have to admit the jeopardy song is my mind
14 right now.

15 Does anybody desire more time? We will
16 continue to wait.

17 I'm pleased to inform the committee the only
18 objection I'm hearing so far is grammar. In the
19 last whereas on page 1, Senator Kelly would like
20 to see some grammatical correction to "provide
21 every Kansas student the opportunity to pursue
22 their chosen desires" to changing that --
23 actually, Senator Kelly, I'll let you express how
24 you'd like to do that change.

25 Senator Kelly.



1 SENATOR KELLY: Well, it should either be
2 -- it should either read "to provide all Kansas
3 students the opportunity to pursue their" or
4 change it to "to provide every Kansas student the
5 opportunity to pursue his or her."

6 CHAIRMAN MASTERSON: Does the committee
7 have a preference as to which way we correct that?
8 Senator Francisco, I might lean on you for that
9 one.

10 SENATOR FRANCISCO: And I would ask the
11 Revisors. I haven't often seen his or her, so I
12 think the first proposal that Senator Kelly made,
13 "to provide all Kansas students the opportunity."

14 CHAIRMAN MASTERSON: So, committee, I
15 would like you to consider that as corrected on
16 this balloon so that we don't have to amend for
17 that purpose. We will assume the balloon actually
18 says that and the Revisor is free to make that
19 change.

20 With that, questions on the amendment.

21 Senator Francisco?

22 SENATOR FRANCISCO: Thank you, Mr. Chair.
23 I did -- and I should have underlined it. In new
24 Section 2, it says that the legislature considered
25 the best way to meet this standard, and I'm -- I



1 heard some testimony that there were some
2 different ways we could meet the standard, and I'm
3 wondering if we might say an appropriate way to
4 meet this Constitutional standard. I'm not sure
5 that we have determined it's the best.

6 CHAIRMAN MASTERSON: I would probably be
7 amenable to using the word "the obvious", as that
8 came from the Court's opinion. Because I would
9 agree that it's not necessarily the best, but
10 according to their opinion we attempted the most
11 obvious solution.

12 Senator Francisco.

13 SENATOR FRANCISCO: Would you think the
14 obvious solution might be an appropriate solution?

15 CHAIRMAN MASTERSON: Or maybe obviously
16 appropriate. Meet you in the middle and use them
17 both. Is it a strong enough opinion, Senator
18 Francisco, you'd like to amend this?

19 SENATOR FRANCISCO: Mr. Chair, I -- I
20 don't know that we took the time to -- we looked
21 at 512 and we looked at 515. We only looked at
22 some of the evidence, so I'm not ready to say that
23 this is the legislature's consideration of the
24 best way. So I would propose we replace "best"
25 with "considered an appropriate way".



1 CHAIRMAN MASTERSON: What line are you
2 on?

3 SENATOR FRANCISCO: It's new Section 2,
4 the balloon. And maybe I'm reading that -- again,
5 I'm not sure we were saying this is the best. It
6 is, actually, more broad than I had first thought
7 in the initial reading because the legislature was
8 considering. If you say "shared as the
9 legislature considered the best way to meet these
10 standards," it might be important to say that we
11 considered more than one way. "We endeavored to
12 memorialize the legislative evidence and
13 deliberations conferees shared as the legislature
14 considered ways to meet this Constitutional
15 standard." If you say the best way, it assumes we
16 are only considering one and that someone knew
17 what the best way was.

18 CHAIRMAN MASTERSON: Senator Fitzgerald.

19 SENATOR FITZGERALD: Not to be too picky,
20 but I think considered in this context means tried
21 to. The legislature tried to determine the best
22 way. I think that's the meaning of considered in
23 that context.

24 CHAIRMAN MASTERSON: Senator Francisco.

25 SENATOR FRANCISCO: I will accept that



1 and go on to a second concern.

2 CHAIRMAN MASTERSON: All right.

3 Senator Francisco.

4 SENATOR FRANCISCO: This is on the second
5 page, part (c)(2) where it says "the prior
6 equalization formulas used for capital outlay
7 state aid and supplemental general state aid had
8 no basis in educational policy, and that it is
9 preferable to apply a single equalization formula
10 to both categories of state aid."

11 I understand concern about the prior
12 equalization formulas, but the action was, as my
13 understanding, to apply not just a single
14 equalization formula, but the equalization formula
15 previously used for capital outlay.

16 CHAIRMAN MASTERSON: This was drawn from
17 the finding of fact that there were several
18 comments on the record, and in your transcribed
19 testimony from yesterday, that there was no
20 educational policy and that it would be preferably
21 simplified. This would be my impression and that
22 will be the committee's impression that it would
23 be preferable to have a single method by which you
24 equalize. I understand you probably are not of
25 the same opinion as myself.



1 SENATOR FRANCISCO: Thank you, Mr. Chair.

2 I don't know that -- we may have heard some
3 testimony, but the committee had no discussion
4 about that. A single equalization formula will
5 always skew the results in the same direction.
6 Having more than one formula might provide some
7 balance. So again, my comment is just I'm not --
8 I'm not sure that -- we may have heard testimony,
9 but I didn't hear any discussion about why this
10 formula is better, other than it, perhaps,
11 requires less local option budget state aid and
12 frees up the opportunity to provide the hold
13 harmless aid.

14 CHAIRMAN MASTERSON: I don't necessarily
15 disagree. Obviously, this time is for discussion
16 of these very issues. And I would say that it
17 would be most appropriate to have the same because
18 you want them both skewing towards more equal. So
19 it would be better to have a unified method by
20 which you equalize because the whole purpose of
21 that formula is to draw the poles closer together
22 for similar taxing effort.

23 I would also say this is not really a
24 discussion about what we individually necessarily
25 think is best. The Court has given us, in their



1 opinion, the fact that this was a, in their
2 opinion, a proper way to determine equalization
3 because they approved that by approving the
4 capital outlay account. So it would follow that
5 this would be a Court-approved method by which you
6 would equalize, i.e., bringing the poles closer
7 together.

8 Further question or comment?

9 Senator Kerschen.

10 SENATOR KERSCHEN: Thank you, Mr.
11 Chairman. I have the same question. It goes back
12 to it has no basis in educational policy. We are
13 deciding that that's what the case is, basically?

14 CHAIRMAN MASTERSON: That was the
15 testimony of the experts from -- it was Tuesday --
16 my days are bleeding together -- when we heard from
17 the Department, from the Commissioner, second
18 Commissioner, Association of School Boards. That
19 was the testimony of the conferees that day.

20 SENATOR KERSCHEN: That he agreed that it
21 had no place in the educational policy?

22 CHAIRMAN MASTERSON: That was the
23 testimony. That's in your transcript.

24 SENATOR KERSCHEN: Okay. I didn't get
25 all the way through it. I did have a suggestion



1 to make it more preferable. It is preferable to
2 apply a single equalization formula to both
3 categories of state aid, provided they are held
4 harmless when they are new additions. We would
5 have to appropriate a little more money to make
6 sure that that was going to be --

7 CHAIRMAN MASTERSON: Actually, the hold
8 harmless in 515 does hold them harmless exactly as
9 you described, and it does add \$2,000,000.

10 SENATOR KERSCHEN: So if the LOB, though,
11 is lowered, then how do they make that up?

12 CHAIRMAN MASTERSON: The hold harmless
13 makes that up. Actually, it makes up in a way
14 that creates more flexibility for them because the
15 way the bill was written, and this was another
16 point of discussion, it's not mandated that they
17 go into that account. It is general aid which
18 gives them a greater degree of flexibility. It
19 holds them harmless and gives them greater
20 flexibility.

21 SENATOR KERSCHEN: I understand that
22 part, okay. All right. Thank you.

23 CHAIRMAN MASTERSON: Further questions,
24 comment on the preamble?

25 Senator Kelly.



1 SENATOR KELLY: Thank you, Mr. Chair.

2 I'm on page 2 now. On Subsection B, it says there
3 that the funding certainty of, essentially, Senate
4 Bill 7 is critical to the effective operation of
5 school districts. I did hear some testimony that
6 suggested that knowing what you had coming was
7 good news, but I also heard some testimony
8 suggesting that knowing that you don't have enough
9 coming is the bad news. I think we heard that
10 from districts who had, you know, higher
11 enrollment and other issues coming up. So, I
12 don't know, I don't have a wording suggestion on
13 that, but I think that the testimony really was
14 that they appreciated knowing what was coming, but
15 there were still concerns about what was coming
16 and the adequacy of that to provide for the
17 operation of their school districts. I need to
18 think about -- if you would be willing to reword
19 that, I need to think about how that might also be
20 done.

21 I have another question down in No. 4. What
22 does -- this is where we are switching over
23 responsibility for the emergency funds to go to
24 the Board of Education, and it says there that
25 they might be able to more quickly respond and



1 address concerns raised by school districts,
2 including, without limitation, emergency needs or
3 a demonstrated inability. What does without
4 limitation mean?

5 CHAIRMAN MASTERSON: Other than its face
6 value? I think you would not be limiting the
7 department in making that decision; that they
8 would be without limits on how they decided to
9 make those distributions on that particular pot of
10 money.

11 SENATOR KELLY: So might we say something
12 about within means the appropriation, rather than
13 just without limitation, because the way it looks
14 is that --

15 CHAIRMAN MASTERSON: It is limited by
16 appropriation. There is X amount of dollars. I
17 don't know that it would be necessary to put some
18 type of limit that is already stated by dollar.
19 They'd be without limit to make those decisions on
20 that front.

21 SENATOR KELLY: Okay. So it would be a
22 limited fund then?

23 CHAIRMAN MASTERSON: Correct. This would
24 be referring to what was prior known as the
25 extraordinary needs limit. We are allowing this



1 action to, for equity, to also relieve concern and
2 give all of that authority without limit to the
3 department.

4 SENATOR KELLY: Well, in our standard
5 budget, though, we have no limit funds and then we
6 have capped funds. This is a capped fund?

7 CHAIRMAN MASTERSON: Correct. This is an
8 appropriated amount which they would not be
9 limited how they distributed it.

10 SENATOR KELLY: All right. So --

11 CHAIRMAN MASTERSON: They could, for
12 example, they could take the entire thing, if they
13 wanted to apply it to equity, apply it to those
14 districts that are the poorest in its entirety.
15 They could -- there is some concerns with other
16 extraordinary needs that we have been made aware
17 of this year. I think there is a little district
18 like South Barber that has some local issues that
19 are truly extraordinary. They could choose to
20 take care of that first. We wouldn't be telling
21 them you must do this first or that first, they
22 would be able to evaluate the system.

23 I think we've heard sufficient testimony that
24 they are -- they are more nimble in their ability
25 and knowledgeable in their ability which need



1 might have priority.

2 SENATOR KELLY: Okay. I don't disagree
3 with that perhaps in this because this really is
4 for the Court and they may not care as much. I'm
5 sure that some other place we will define it for
6 the State Board of Education what they can and
7 can't do with that money and how much they've got
8 to spend.

9 So if we go back up, then, is there any
10 interest in my trying to rewrite the Senate Bill 7
11 being critical to the effect of the operation of
12 school districts?

13 CHAIRMAN MASTERSON: There is no interest
14 on my part to redraw that, but if you have you are
15 perfectly within your rights to offer an amendment
16 and discussion.

17 Does anyone have any further while she is
18 considering that?

19 Senator Kerschen.

20 SENATOR KERSCHEN: Thank you, Mr.
21 Chairman. In the spirit of looking at other
22 possibilities, my general question would be had we
23 funded the less than 1 percent difference we were
24 talking about earlier this morning, voluntarily
25 added that, is that -- in your opinion, does that



1 help our case or hurt our case?

2 CHAIRMAN MASTERSON: I think the answer
3 to that would be neither.

4 SENATOR KERSCHEN: Okay.

5 CHAIRMAN MASTERSON: Because this case is
6 about equity and the distribution of those funds.

7 SENATOR KERSCHEN: It might seem more
8 equitable to me.

9 CHAIRMAN MASTERSON: That would go to
10 adequacy. I'm not saying it wouldn't go to
11 adequacy.

12 SENATOR KERSCHEN: All right, thank you.

13 CHAIRMAN MASTERSON: Further question or
14 comment?

15 Senator Francisco.

16 SENATOR FRANCISCO: Thank you, Mr. Chair.
17 Back on (c)(2) where we talk about prior
18 equalization formulas, is there an argument that
19 equalization formulas should have a basis in
20 educational policy?

21 CHAIRMAN MASTERSON: That would be a
22 political argument that could be made.

23 SENATOR FRANCISCO: I mean, I'm assuming
24 that the policy is that we want to provide equal
25 funding for all our students or equitable funding



1 for all of our students across Kansas. So, so to
2 that end, equalization formulas would attempt to
3 do that.

4 CHAIRMAN MASTERSON: I would say on that,
5 Senator, there is some confusion I hear in the
6 testimony about what equalization does.
7 Equalization really addresses the similar taxing
8 effort. We heard a lot about English as second
9 language children or special needs children. That
10 goes more to the general aid which was the
11 weighting section of things prior to determining
12 the cost of that. When you equalize, we are
13 really talking about the disparity between rich
14 and poor. It doesn't necessarily have a basis in
15 the educational policy other than it really is
16 based in tax policy.

17 SENATOR FRANCISCO: I agree with that and
18 so I'm saying I don't -- I don't think that the
19 formulas had a basis in educational policy. But
20 if neither of them had a basis, then choosing one
21 also leaves you without that basis.

22 CHAIRMAN MASTERSON: I would agree that
23 there is no basis even in this, but this is a
24 formula that was predetermined to be an acceptable
25 method of equalization by the Supreme Court.



1 SENATOR FRANCISCO: Then I would argue we
2 might be clearer if we said that the prior
3 equalization formulas used for capital outlay
4 state aid and supplemental general state aid both
5 seemed acceptable to the Court and the legislature
6 believes it's preferable to apply a single
7 equalization formula. I think the "had no basis
8 in educational policy" doesn't apply to them
9 before, it doesn't apply to the one we have chosen
10 now.

11 CHAIRMAN MASTERSON: That amendment is in
12 order if you have one in mind.

13 Senator Francisco.

14 SENATOR FRANCISCO: I would like to amend
15 (c)(2) to say that different equalization formulas
16 had been used for capital outlay state aid and
17 supplemental general state aid and it is
18 preferable to apply a single equalization formula
19 to both categories of state aid.

20 CHAIRMAN MASTERSON: I'll take that as a
21 motion. Is there a second? Second by Senator
22 Kelly. Discussion on the motion?

23 Senator Fitzgerald.

24 SENATOR FITZGERALD: Thank you, Mr.
25 Chairman. The -- we are talking about simply



1 taking out the part about the finding that there
2 was no basis in educational policy for these
3 formulas, and that's the whole thing. I think
4 that's a significant finding and where else would
5 you put that if not here? Thank you, Mr.
6 Chairman.

7 CHAIRMAN MASTERSON: I would agree,
8 Senator.

9 Further discussion? Seeing none, all those
10 in favor, say aye. Opposed, no. Motion failed.

11 Back on the amendment. Senator Francisco.

12 SENATOR FRANCISCO: I have a second
13 amendment then to say that the prior equalization
14 formulas used for capital outlay state aid and
15 supplemental general state aid had no basis in
16 educational policy and it is preferable to apply a
17 single equalization formula to both categories of
18 state aid that also has no basis in educational
19 policy. I make that motion.

20 CHAIRMAN MASTERSON: We have a motion.
21 Is there a second? Senator Kelly.

22 Discussion? Seeing none, all in favor, say
23 aye. Opposed, no. Motion fails.

24 Back on the amendment. Senator Kelly, do you
25 have a --



1 SENATOR KELLY: I do have it. And it
2 would read this way -- this is Section (b), little
3 b, at the top, page 2: "The legislature has been
4 advised that funding disruptions and uncertainty
5 are counter-productive to public education and
6 that funding certainty and adequacy are critical
7 to the effective operation of school districts."

8 CHAIRMAN MASTERSON: I have a motion. Is
9 there a second? Second by Senator Francisco.
10 Discussion on the motion?

11 SENATOR KELLY: Mr. Chair, I think that
12 more accurately reflects what we actually heard.
13 We did hear that certainty was important, but we
14 also heard that adequacy was important.

15 CHAIRMAN MASTERSON: My comment on that
16 would be 515 deals with the Court's objection to
17 equity, and there is no -- there is no addressing
18 adequacy in this action and this amendment is
19 addressing the rationale of why we are doing what
20 we are doing as it addresses equity.

21 Further discussion or questions?
22 Senator Fitzgerald.

23 SENATOR FITZGERALD: Thank you, Mr.
24 Chairman. Going down in the same paragraph, one
25 reads, "The evidence before the legislature



1 confirms that the total amount of school funding
2 meets or exceeds the Supreme Court's standard for
3 adequacy." We would be contradicting ourselves
4 from one sentence to the next. I think it would
5 only add confusion.

6 CHAIRMAN MASTERSON: Further discussion?
7 Senator Kelly.

8 SENATOR KELLY: Thank you, Mr. Chair. I
9 disagree with that. I don't think just because we
10 say that that's the testimony that we heard, that
11 that means that we are not providing adequate
12 funding, so I don't think that. But I do think
13 the -- it sort of opens the door for including
14 adequacy as testimony that we heard, given the
15 fact that we deal with that in the very next
16 sentence.

17 CHAIRMAN MASTERSON: Further question or
18 comment?

19 Senator Francisco.

20 SENATOR FRANCISCO: Thank you, Mr. Chair.
21 Do we have a Supreme Court standard for adequacy?

22 CHAIRMAN MASTERSON: Not to my knowledge.

23 SENATOR FRANCISCO: Then how do we have
24 evidence that confirms that the total amount of
25 school funding meets or exceeds that standard for



1 adequacy?

2 CHAIRMAN MASTERSON: Is that a question
3 to me or the carrier?

4 SENATOR FRANCISCO: That's a question for
5 the carrier.

6 CHAIRMAN MASTERSON: Senator Kelly.

7 SENATOR FRANCISCO: This is not -- this
8 is not the amendment, this is the language.

9 CHAIRMAN MASTERSON: If your question is
10 on the -- not on the amendment, then we'll wait
11 and hold action on the amendment.

12 Further questions for Senator Kelly on
13 amending the balloon? Seeing none, all in favor,
14 say aye. Opposed, no.

15 Back on the balloon.

16 Senator Francisco.

17 SENATOR FRANCISCO: Thank you, Mr. Chair.
18 I would like to strike the sentence that says,
19 "Furthermore, the evidence before this legislature
20 confirms that the total amount of school funding
21 meets or exceeds the Supreme Court's standard for
22 adequacy." I make that motion.

23 CHAIRMAN MASTERSON: I have a motion.
24 Second by Senator Kelly. Discussion? Seeing
25 none, all those in favor, say aye. Opposed, no.



1 Back on the balloon. Further discussion.

2 Senator Francisco.

3 SENATOR FRANCISCO: Thank you, Mr. Chair.

4 Then could we include a reference to that standard
5 for adequacy? The standard for adequacy as
6 determined by the legislature or -- I mean, it's
7 the Supreme Court's standard for adequacy and I'm
8 not sure how we determined it.

9 CHAIRMAN MASTERSON: Senator Denning.

10 SENATOR DENNING: Thank you, Mr. Chair.
11 I think the Court continues to circle back around
12 to the Rose standards, is what I remember from the
13 testimony. I don't think anything else was
14 -- was -- I think that is a given.

15 CHAIRMAN MASTERSON: Senator Francisco.

16 SENATOR FRANCISCO: Thank you, Mr. Chair.
17 I understood that there was not an agreement,
18 necessarily, or an understanding of what the
19 meaning of that standard was. So again, I'm
20 wondering how did we confirm that the total amount
21 of school funding met or exceeded the Supreme
22 Court's standard for adequacy?

23 CHAIRMAN MASTERSON: We should be getting
24 the comments from the vice-chairman on Rose. I
25 certainly heard good information about the results



1 our schools are getting, and there is certainly no
2 compelling evidence they are not meeting the Rose
3 standards. By default, I assume you are meeting.

4 SENATOR FRANCISCO: But this talks about
5 the total amount of school funding meeting or
6 exceeding the standard, not -- my understanding is
7 the Rose standards were not funding, right? They
8 were outcomes. So I -- I would argue that we do
9 have schools that are meeting outcomes, but I'm
10 confused by the wording about amount of funding.

11 CHAIRMAN MASTERSON: How would you
12 separate outcomes from an adequate result?

13 SENATOR FRANCISCO: By speaking to the
14 issue of outcomes as opposed to, furthermore, the
15 evidence before the legislature confirms that
16 schools are meeting appropriate educational
17 outcomes.

18 CHAIRMAN MASTERSON: Isn't another term
19 for appropriate adequate?

20 Senator Francisco.

21 SENATOR FRANCISCO: My suggestion is that
22 we take the sentence out, so I'm not sure that I
23 can fix it.

24 CHAIRMAN MASTERSON: We have a motion to
25 remove that sentence. Second? It dies for lack



1 of a second.

2 Back on the balloon. Anything further?

3 Seeing none, Senator Denning, you can make your
4 motion.

5 SENATOR DENNING: Thank you, Mr.
6 Chairman. I would move this balloon out favorably
7 with the amendment to go to the Revisor to make
8 those technical and grammar corrections.

9 CHAIRMAN MASTERSON: The motion is to
10 amend 515 with this balloon and make the technical
11 corrections. Second by Senator Melcher.
12 Discussion? Seeing none. All in favor, say aye.
13 Opposed, no.

14 Would you like to be recorded as no on that
15 amendment?

16 SENATOR KELLY: Yes.

17 CHAIRMAN MASTERSON: Very well. Senator
18 Francisco and Senator Kelly recorded as no.
19 Senator Denning.

20 SENATOR DENNING: Thank you, Mr.
21 Chairman. I do have another technical amendment.
22 Its on the ancillary school facilities tax, and I
23 can explain this one as it gets handed out to you.

24 CHAIRMAN MASTERSON: Go ahead.

25 SENATOR DENNING: The ancillary school



1 was in the block grant, it was in all the
2 iterations of the school financing bills that
3 we've been preparing. We left it out of 515 and
4 we need to put it back in so that's -- again,
5 that's the technical correction.

6 CHAIRMAN MASTERSON: I have a motion to
7 amend. Is there a second? Second by Senator
8 Arpke. Discussion on this one? Seeing none, all
9 in favor, say aye. Opposed, no. The bill is
10 amended.

11 Senator Denning.

12 SENATOR DENNING: Thank you, Mr.
13 Chairman. Amendment No. 3 has to do with the
14 extraordinary need fund. I can explain it once it
15 gets passed out.

16 Thank you, Mr. Chairman. This third
17 amendment is ensuring legislative intent that
18 would hold all the school districts harmless, be
19 it general state aid or capital outlay state aid.
20 And third, if an unforeseen shortfall does arise,
21 we'll go to the extraordinary need fund first.
22 And if it gets exhausted, then we'll go to SGF
23 second.

24 CHAIRMAN MASTERSON: So for clarification
25 of the committee, it wasn't in the runs, but on



1 the cover sheet provided by the department there
2 was this line item that said potential growth
3 \$2,000,000. What this would do is if there is
4 growth that is required in the entitlement section
5 of that, the $4,000,000,000/2,000,000$, becomes a
6 $4,000,000/4,000,000$, but that money would be first
7 drawn from that extraordinary needs pot to make
8 sure the entitlement section is fully funded.
9 Then, therefore, for simple math, 15,000,000
10 that's set aside for the department to distribute
11 would become 13.

12 Any questions on that amendment?

13 Senator Tyson.

14 SENATOR TYSON: Thank you, Mr. Chairman.
15 Is it on a first-come-first-serve basis then for
16 the funding for --

17 CHAIRMAN MASTERSON: No, the entitlement
18 is going to be driven strictly by how the block
19 and the equalization formulas work and the
20 department's determination of that entitlement
21 section of that. This guarantees that would be
22 fully funded.

23 Now, as it pertains to the remaining 15 to 13
24 million, the answer is, yes, that is discretionary
25 at the department level without limit.



1 SENATOR TYSON: Thank you.

2 CHAIRMAN MASTERSON: Further questions?
3 Senator Kelly.

4 SENATOR KELLY: Thank you, Mr. Chair.
5 Just for clarification, all that we are doing here
6 is a one-year transition, right? This is not --
7 we are not putting this into law?

8 CHAIRMAN MASTERSON: Thank you for that
9 reminder. It's easy to get lost in this
10 discussion and feel like we are building a brand
11 new formula.

12 This is simply the stopgap because we do not
13 want the schools to close. Thank you for that,
14 Senator Kelly.

15 Further question? Seeing none, I have a
16 motion and a second. So all those in favor, say
17 I. Opposed, no. Bill is amended.

18 Committee, is there anything further on this
19 bill? Actually, I have a procedural action I'd
20 like to take.

21 Senator Denning.

22 SENATOR DENNING: Thank you, Mr.
23 Chairman. I'd like to make the motion to move the
24 contents of House Bill 2655 be deleted from the
25 bill and that the provisions of Senate Bill 515,



1 including any amendments adopted by the committee,
2 be placed in the gutted House Bill 2655 and that
3 the Senate substitute for House Bill 2655 be
4 passed out favorably.

5 CHAIRMAN MASTERSON: Second by Senator
6 Arpke.

7 So everybody understands what we are doing,
8 because of the time frame and the pressure that we
9 are under, this would put the contents in the
10 House bill to where, if it were to pass our floor
11 tomorrow, the House would be in a position to make
12 a motion to concur and send it to the Governor's
13 desk. The purpose for that is to maximize the
14 time frame by which the Court would have to review
15 and the schools would have to plan. Because if we
16 wait until the veto session and we are in May,
17 that time frame is extremely short. So we are
18 trying to create surety for the stopgap measures.

19 Any questions on that procedure? Seeing none,
20 there is motion and a second. All those in favor,
21 say aye? Opposed, no. Would you like to be
22 recorded? Senator Kelly votes no. The bill
23 passes out.

24 If there is nothing further, committee, you
25 are adjourned.



1 Senator Francisco, I'm sorry.

2 SENATOR FRANCISCO: Was it a combined
3 motion to put it into --

4 CHAIRMAN MASTERSON: He did. It was a
5 combined motion. I will note it's going to be on
6 the floor, on GO and there will be opportunities
7 to amend.

8 Now seeing nothing further, we are adjourned.

9 (THEREUPON, the hearing concluded at 1:52
10 p.m.)

11 .
12 .
13 .
14 .
15 .
16 .
17 .
18 .
19 .
20 .
21 .
22 .
23 .
24 .
25 .



800 E. 1st Street, Suite 305
Wichita, KS 67202
316-291-1612

5111 SW 21st Street
Topeka, KS 66604
785-273-3063
www.appinobiggs.com

6420 W. 95th Street, Suite 101
Overland Park, KS 66212
913-383-1131

CERTIFICATE

STATE OF KANSAS

SS:

COUNTY OF SHAWNEE

I, Lora J. Appino, a Certified Court Reporter, Commissioned as such by the Supreme Court of the State of Kansas, and authorized to take depositions and administer oaths within said State pursuant to K.S.A. 60-228, certify that the foregoing was reported by stenographic means, which matter was held on the date, and the time and place set out on the title page hereof and that the foregoing constitutes a true and accurate transcript of the same.

I further certify that I am not related to any of the parties, nor am I an employee of or related to any of the attorneys representing the parties, and I have no financial interest in the outcome of this matter.

Given under my hand and seal this
24th day of March, 2016.



Lora J. Appino, C.C.R. No. 0602

