

MINUTES

SPECIAL COMMITTEE ON SCHOOL FINANCE

May 13, 1977

The chairman, Senator Harder, presided. All members except Senator Angell were present. Staff present included:

Legislative Research Department - Richard Ryan, Ben Barrett, Julie Mundy  
Revisor of Statutes' Office - Avis Badke  
State Department of Education - Dale Dennis

Morning Session

Proposal No. 2 - School Finance

NCSL-NIE Contract. Staff reviewed the memorandum of agreement\* between the Kansas Legislative Coordinating Council and the National Conference of State Legislatures (NCSL) Education Action Project for a number of work projects concerning the Kansas School District Equalization Act (SDEA). The contract requires the submission by May 15 of the first interim report, which is a detailed outline of the research to be conducted pursuant to the statement of work in the contract and an indication of the personnel and resources allocated to each research task.

NCSL - NIE Grant - Statement of Work and Proposed Budget. The Committee considered a proposed research outline and budget for the school finance study. The outline was amended in two areas:

1. To explicitly include a review of the SDEA enrollment categories in the study of the budget control features of school finance equalization. (Motion by Representative Duncan, seconded by Senator Warren, adopted unanimously.)
2. In the event Kansas is not in whole or partial compliance with federal regulations and does not chose to comply, to explore the merits of providing educational services to PL 874 Part "A" students on a tuition or contractual basis only. This is a part of the examination of how PL 874 funds should be treated in computing general state aid entitlements. (Motion by Representative Duncan, seconded by Representative Crumbaker, adopted unanimously.)

There was discussion about whether the final report of the Committee would consist only of a summary of research material or whether it also would contain recommendations and proposed legislation. The consensus was that any recommendations and proposed legislation should be incorporated into the final report.

During the review of the proposed budget, there was discussion of ideas concerning consultants who might assist the Committee in conducting its study. Dr. Darwin W. Daicoff, Professor of Economics, University of Kansas was mentioned as one possibility. Dr. Daicoff conducted a study in 1976 entitled "An Analysis of the School District Equalization Act". Mr. John Callahan of the staff of the National Conference on State Legislatures also was mentioned as a possibility. Mr. Callahan has considerable experience and expertise relating to school finance plans among the several states. Also, it was reported that the Stanford Research Institute, through a federal grant, is conducting a study of approximately eight Kansas school districts in an attempt to draw some conclusions concerning those districts about how the SDEA has affected the quality of education. This study is to be completed at the end of November.

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\* A copy is included in the Committee notebooks.

The Committee instructed staff to contact Dr. Daicoff and Mr. Callahan about the possibility of meeting with it at the June meeting.

A motion by Senator Meyers, seconded by Representative Crumbaker, was adopted unanimously approving the research outline as amended. A similar motion was approved concerning the proposed budget for the project.

Staff explained that approval of the State Finance Council must be secured in order that there be legal authority to spend the \$15,000 NCSL-NIE grant funds and to enter into contracts with the State Department of Education for services. This additional procedure is necessary because the study grant was confirmed so late in the 1977 Session that it could not be included in the appropriation process.

#### Afternoon Session

Background Memoranda. The Committee reviewed the following items:\*

1. "Amendments to the 1973 School District Equalization Act" (1974 through 1977), May 3, 1977.
2. "Kansas School District Equalization Act" (as amended through 1977), May 5, 1977.
3. A copy of the law (SDEA), including all amendments through 1977.

General Discussion. The Committee discussed the current situation regarding PL 874 regulations and some of their possible implications for Kansas, depending upon the final form these regulations may take.

Meeting Dates. The following meeting dates were approved by the Committee:

June 20 and 21 (Second day is tentative)  
July 14  
August 16 and 17  
September 23

The meeting was adjourned.

Prepared by Ben F. Barrett

Approved by Committee on:

June 20, 1977  
(Date)

\* These items are included in the Committee notebooks.