

Approved 5/1/92
Date

MINUTES OF THE SENATE COMMITTEE ON EDUCATION

The meeting was called to order by SENATOR JOSEPH C. HARDER at
Chairperson

1:30 ~~xxx~~ p.m. on Thursday, March 26, 1992 in room 123-S of the Capitol.

All members were present except:

Committee staff present:

Mr. Ben Barrett, Legislative Research Department
Ms. Avis Swartzman, Revisor of Statutes
Mr. Dale Dennis, Assistant Commissioner of Education
Mrs. Millie Randell, Committee Secretary

Conferees appearing before the committee:

Briefing by staff on:

HB 2892 - School district finance act.

After calling the meeting to order, the Chair announced that the first item on the agenda was approval of the minutes. Senator Webb moved that minutes of the meetings of Wednesday, February 26 and Thursday, March 19 be approved. The motion, seconded by Senator Frahm, carried, and the minutes were approved.

The Chair informed the Committee that the purpose of today's meeting is to review in detail the provisions of HB 2892, which had been passed by the House. The Chairman said that due to certain complexities in the bill and the need for clarification, he would encourage members to ask questions during the briefing. The Chair also informed members that staff will brief the Committee on several other proposals that will be on the table for consideration. He invited members to ask questions of any conferees who had testified on HB 2892 and are in the audience. He then called upon Mr. Dale Dennis, staff, to review the provisions of HB 2892.

Mr. Dennis said that at the request of the Chairman he had prepared an example of how a unified school district might compute its operating budget under the provisions of HB 2892. He stated that the example represents a school district with an enrollment of 1,000 students, Attachment 1, and proceeded to explain the weighting concept. Mr. Dennis, referring to weighting of vocational education students, emphasized that the students are weighted only when they are in a State Board approved program.

Mr. Dennis explained that the results of the computations relating to the weighting factor represent an additional number of students a district can claim as part of its enrollment. He noted that the low enrollment factor is based on a linear transition that is tied to current cost and applies only to districts with an enrollment of less than 2,000.

Responding to questions related to weighting, Mr. Dennis said that weighting for vocational education is based upon the area vocational technical school cost; transportation is based upon actual comparable costs of a district's number of students per square mile who live over 2.5 miles from school; and low enrollment is based upon actual cost.

Ms. Swartzman, staff, related that, according to Judge Bullock, if the legislature chooses to allow the small, high cost districts to exist, the pupils in those districts cannot be penalized for living in a district with a small enrollment.

Mr. Dennis replied that, to his knowledge, the "at risk" weighting factor of .05 is not predicated upon actual cost.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON EDUCATION,
room 123-S, Statehouse, at 1:30 ~~xxx~~ p.m. on Thursday, March 26, 1992.

Ms. Swartzman, staff, confirmed that facts plainly illustrate that there are increased costs associated with children who are socially and economically deprived.

Ms. Swartzman, recalling the words of a school finance expert from California who came to Kansas, stated that our definition of "at risk" is, in his opinion, much too broad on which to base a finance scheme and much too subjective in determination; whereas using the "free and reduced meal" factor is objective data. Ms. Swartzman said that Kansas' definition of "at risk" describes an "at risk" pupil for purposes of particular categorical programs.

Mr. Dennis acknowledged that the cost for educating an "at risk" pupil can be computed based upon information obtained from those districts which offer such programs.

Mr. Dennis confirmed that other states use the "free and reduced meal" factor for weighting criteria. He explained that such information is documented and audited for verification.

Mr. Dennis said the only negative remark he has heard regarding Kansas' school district transportation formula is that the mileage is too high. He estimated an additional \$12 to \$15 million would be needed to reduce the 2½ miles to one mile. He acknowledged that transportation cost is based upon the cost density factor for the preceding year. Bussing, he responded, is included in the weighting factor.

Mr. Dennis confirmed that the transportation weighting factor in HB 2892 is computed on the same basis as in the current SDEA formula. He replied that transportation is not fully funded by the state and estimated that currently the state is paying approximately 75% of actual transportation costs. He attributed increased enrollment and increased cost of school busses as two important reasons for increased transportation costs.

Mr. Dennis, commencing his Committee briefing on the Local Budget Budget, pointed out that there is no state aid for a district which is above the 75th percentile of assessed valuation per pupil.

Due to lack of time, the Chair announced that the Committee will reconvene at 3:30 p.m. today.

SENATE EDUCATION COMMITTEE

TIME: 1:30 p.m. PLACE: 123-S DATE: Thursday, March 26, 1992

GUEST LIST

<u>NAME</u>	<u>ADDRESS</u>	<u>ORGANIZATION</u>
Ryan Insurance	Harper, KS	Harper Jr. High
Kim Mathes	Harper, KS	Harper Jr. High
Wanda Matthews	Harper KS	Harper Jr. High
John Penney	102-S	Wich Eagle
John Marshall	Topeka	ITUS
M. Hauwa	"	Cap-Journal
Cody Robinson	"	KMAJ
Rea Wilson	O.P.	Sun Newspapers
Toni Wheeler	Topeka	Sen. Karr's ofc.
Ethel Steichen	Manhattan	Doctoral Practicum/KSM
Sue Gombel	Shawnee, KS	USD 512
KAREN FRANCE	TOPEKA	KAR
Garyn Gathers	Harper	USD 361
Bill Giesen	Argonia	USD 361
Stanley McSill	Moscow	USD #209
Mike Barbill	Moscow	USD #209
Bill Drimes	Moscow	USD #209
Dan Haas	Overland Park	KCPK
Barbara Cole	Topeka	KNEA
Chuck Tilman	"	"
CRAIG E. BARBEE	1021 LINCOLN EMPORIA KS	CITIZEN
Harriet Lange	Topeka	KAB
Ken Bahr	"	4th Enrollment USD's
Mike Beam	Topeka	KS LSTK ASSN.

SENATE EDUCATION COMMITTEE

TIME: 1:30 p.m. PLACE: 123-S DATE: Thursday, March 26, 1992

GUEST LIST

NAME

ADDRESS

ORGANIZATION

<u>NAME</u>	<u>ADDRESS</u>	<u>ORGANIZATION</u>
Cornie Harell	Topeka	State Board of Ed
Harold C. Pitts	Topeka	AARP-CCTF
Bernie Koch	Wichita	Wichita Chamber
Robin Nichols	Wichita	USD 259
Denise Ayl	Topeka	USD # 500
Rich Bowen	House	
Rich Blum	Topeka	KSNT

STEPS IN COMPUTING OPERATING BUDGET
 UNDER 1992 HOUSE BILL 2892
 AS APPROVED BY THE HOUSE

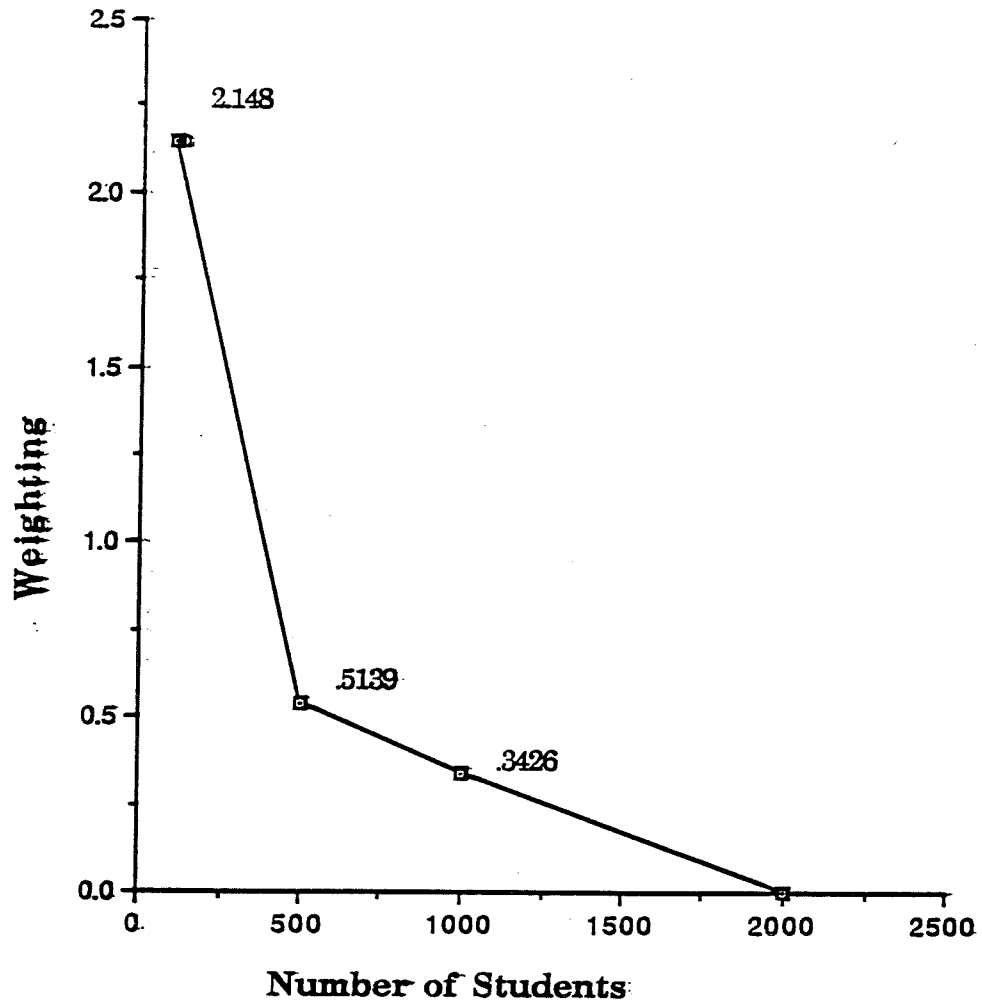
EXAMPLE UNIFIED SCHOOL DISTRICT

<u>1. Regular Full-Time Equivalent Enrollment</u>	1,000.0
 <u>2. Weighting</u>	
Vocational Education--50 students--3 hours per day 50 students x .5 (3 hours per day) x .5 (weighting factor)	12.5
Transportation--300 students over 2.5 miles State computed cost per pupil - Base cost = Factor x students \$611 ÷ \$3,625 = .1686 x 300 students	50.5
Bilingual--40 students--3 hours per day 40 x .5 (3 hours per day) x .2 (weighting factor)	4.0
At Risk--250 students eligible for free lunches. 250 x .05 (weighting factor)	12.5
Low Enrollment--Based on linear transition See chart on reverse side Using 1,000.0 FTE students, the factor is .3426 x 1000.0	342.6
TOTAL	<u>1,422.1</u>
 <u>3. Weighted Enrollment</u> --1,422.1 x \$3,625	 \$ 5,155,113

LOCAL OPTION BUDGET

<u>4. Operating Budget</u>	\$ 5,155,113
Percent Allowed (10% maximum)	<u>.10</u>
Local Option Budget Maximum	\$ 515,511
 <u>5. State Aid Computation</u>	
U.S.D. Assessed Valuation Per Pupil	\$ 30,000
75th percentile Assessed Valuation Per Pupil	\$ 47,076
Ratio of 75th percentile to Actual	.6373
State Aid Entitlement Ratio 1 - .6373	.3627
Estimated State Aid (.3627 x \$515,511)	\$ 186,976
 <u>6. Property Tax Levy</u> (\$30 million assessed valuation)	 \$ 328,535
 <u>7. Estimated Local Option Budget Mill Rate</u>	 10.95

EDUC
 1:30 P.M.
 3/26/92
 A1-1



LOW ENROLLMENT WEIGHTING CHART

0 - 99.9	\$ 7,337
100 - 299.9	\$ 7,337 - 9.665 (E-100)
300 - 1,999.9	\$ 5,404 - 1.17 (E-300)
2,000 and over	\$ 3,415

The computed answer, based upon your enrollment, is divided by \$3,415.

Example

$$\begin{aligned}
 & \$ 5,404 - 1.17 (E-300) \\
 & \$ 5,404 - 1.17 (1,000 - 300) \\
 & \$ 5,404 - 1.17 \times 300 \\
 & \$ 5,404 - 819
 \end{aligned}$$

$$\begin{aligned}
 & \$ 4,585 - \$3,415 = \$1,170 \\
 & \$ 1,170 \div \$ 3,415 = .3426
 \end{aligned}$$

1:30
P.M.

EDUC
3/26/92
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