

Approved: 3/15/95
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Robin Jennison at 1:30 p. m. on March 13, 1995 in Room 514-S of the Capitol.

All members were present except:

Representative Bradley, excused Representative Hochhauser, excused

Committee staff present: Alan Conroy, Legislative Research Department
Carolyn Rampey, Legislative Research Department
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Lenore Olson, Committee Secretary
Tara Eubanks, Administrative Assistant

Conferees appearing before the committee:

Others attending: See attached list

Representative Allen presented the subcommittee reports for FY 95 and FY 96 for the Department of Education covered under **SB 70** (Attachment 1).

SB 70 - Appropriations for FY 96, department of education.

Representative Allen reviewed a chart comparing recommendations for funding for the department of education (Attachment 2).

A motion was made by Representative Dean, seconded by Representative Reinhardt, to delete FY 96 subcommittee recommendation number 10 for the department of education, and to add \$355,000 (as recommended by the Senate subcommittee) for technology innovation and internship grants. The motion failed with a count of 6 aye and 10 nay votes.

A motion was made by Representative Gatlin, seconded by Representative Reinhardt, to amend the subcommittee report for FY 96 by deleting subcommittee recommendation number 12 for the Kansas Foundation for Agriculture, and to reinstate \$25,000 to come from the state general fund instead of EDIF. The motion carried with a count of 9 aye and 7 nay votes.

A motion was made by Representative Reinhardt, seconded by Representative Dean, to amend the FY 96 subcommittee report by deleting subcommittee recommendation number 6 and to approve the Senate Subcommittee recommendation which was to add \$1,003,565 for community college credit hour state aid. The motion failed with a count of 6 aye votes and 12 nay votes.

Representative Allen distributed copies of information on community college credit hour aid and on K.S.A. 71-602 (Attachment 3).

A motion was made by Representative Allen, seconded by Representative Carmody, to amend the subcommittee report for FY 96, subcommittee recommendation number 6 by adding \$900,004, for a total of \$38,159,450 for state aid to community colleges. Please note (Attachment 3). The motion failed. Representative Haulmark requested to be recorded as voting aye.

A motion was made by Representative Gatlin, seconded by Representative Lowther, to add to the subcommittee report language for introduction of three bills: 1) to add a second count of students in the spring to average with the fall count for enrollment; 2) to reduce the percentage school districts receive for capital improvements by one-fourth in FY 97 and another one-fourth in FY 98; and, 3) to amend 71-602 by substituting "each credit hour of each student shall be multiplied" with "each credit hour of each student may be multiplied" or other words to make the aid subject to appropriations, and to reduce the multiplier for the aid for each credit hour. After Committee discussion, Representative Gatlin, in agreement with Representative Lowther, withdrew his motion.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:30 p.m. on March 13, 1995.

A motion was made by Representative Wilk, seconded by Representative Allen, to change the funding for the Kansas Foundation for Agriculture from the state general fund to EDIF. The motion carried.

A motion was made by Representative Farmer, seconded by Representative Cornfield, to amend the FY 96 subcommittee report by adopting the Governor's recommendations in four areas under the state general fund: 1) general state aid, 2) supplemental general state aid, 3) educable deaf/blind aid, and, 4) Juvenile detention facilities grant.

The Chair divided the question.

A vote was taken on the general state aid. The motion failed with a count of 6 aye and 12 nay votes

A vote was taken on the supplemental general state aid. The motion failed.

A vote was taken on educable deaf/blind aid. The motion failed.

A vote was taken on the juvenile detention facilities grant and The motion failed.

A motion was made by Representative Allen, seconded by Representative Helgerson, to adopt as amended the subcommittee reports for FY 95 and FY 96 for the department of education. The motion carried.

A motion was made by Representative Helgerson, seconded by Representative Wilk, to pass as amended SB 70. The motion carried.

The Chair directed the Committee to turn to **SB 172.**

SB 172 - State officers and employees; payroll accounting.

A motion was made by Representative Dean, seconded by Representative Gross, to pass SB 172. The motion carried.

The Chair directed the Committee to turn to **SB 169.**

SB 169 - Medical student scholarships and loans, satisfaction of service obligation.

A motion was made by Representative Cornfield, seconded by Representative Gross, to amend SB 169 by limiting scholarships to only 2 faculty members at any one time. After Committee discussion, Representative Cornfield, with Representative Gross in agreement, withdrew her motion. Representative Cornfield said she would talk to representatives from the University of Kansas medical centers to find a compromise on limiting these scholarships.

No further Committee action was taken on **SB 169.**

A motion was made by Representative Helgerson, seconded by Representative Neufeld, to approve the minutes for March 6 and March 7, 1995. The motion carried.

The meeting adjourned at 3:10 p.m.

The next meeting is scheduled for March 14, 1995.

APPROPRIATIONS COMMITTEE GUEST LIST

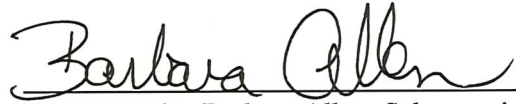
DATE: 3/13/95

NAME	REPRESENTING
Kathy Sexton	Div. of Budget
Jacquie Oakes	SQE
Jamie Clover Adams	KS Fert & Chem Assn
Fae Leber	Ks Co-op Council
Marty Vanier	Ks Ag Alliance
Robin Lehman	USD 255
Craig Grant	HNEA
Merle Hoge	KACC
Walter Allen	KSBE
Paul White	—
Dory Bowman	Coordinating Council
Mary Ellen O'Brien Wright	Assis. Tech. for Kansas Proj of
Dave DeRog	Ks Council on Voc Ed
Nemise Cyst	USA
Ken Eahr	4th Enrollment USDs

SUBCOMMITTEE REPORT

Department of Education

FY 1995



Representative Barbara Allen, Subcommittee Chair

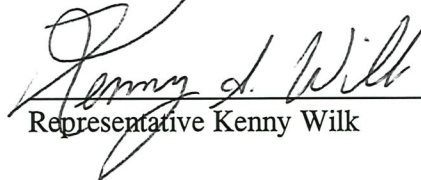


Representative Henry Helgerson

Representative Robin Jennison



Representative Richard Reinhardt



Representative Kenny Wilk

3/13/95
Appropriations Cmte
Attachment 1

SUBCOMMITTEE REPORT

Agency: Department of Education

Bill No. --

Bill Sec. --

Analyst: Rampey

Analysis Pg. No. 141

Budget Page No. 157

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 17,463,091	\$ 17,291,118	\$ 0
Local Aid	1,897,744,100	1,878,810,014	0
Other Assistance	39,074,250	39,074,250	0
TOTAL	<u><u>\$ 1,954,281,441</u></u>	<u><u>\$ 1,935,175,382</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 7,741,512	\$ 7,516,938	\$ 0
Local Aid	1,709,377,709	1,683,185,067	0
Other Assistance	185,000	185,000	0
TOTAL	<u><u>\$ 1,717,304,221</u></u>	<u><u>\$ 1,690,887,005</u></u>	<u><u>\$ 0</u></u>
FTE Positions	208.0	208.0	0.0
Special Projects Appointments	46.0	46.0	0.0
TOTAL	<u><u>254.0</u></u>	<u><u>254.0</u></u>	<u><u>0.0</u></u>

Agency Overview

The Constitutionally established ten-member State Board of Education (Article 6, Section 2a) has general supervision of public schools, educational institutions, and all the education interests of the state, except those delegated by law to the State Board of Regents. Board members are popularly elected for four-year terms and represent specific geographical areas of the state. Duties of the Board include the following: accreditation of elementary and secondary schools; establishment of standard courses of study in the public schools; certification of all teachers and administrators; distribution of aid funds; examination of curricula offered by colleges that train teachers; administration of school food service, nutrition, and child and adult care food programs; administration of inservice education, parents as teachers and at-risk programs; review of school facilities' plans; regulation of private, profit-making schools; supervision of special education programs for homebound, institutionalized, developmentally disabled, exceptional, deaf-blind, and severely handicapped children; organization of school districts; and supervision of all technical education programs. In addition, the State Board of Education has jurisdiction over the Kansas State School for the Blind and the Kansas State School for the Deaf.

Agency Estimate/Governor's Recommendation

The State Board of Education estimates expenditures of \$1,954,281,441 in FY 1995, of which \$1,717,304,221 would be from the State General Fund (SGF). The State Board's revised FY 1995 budget exceeds the SGF approved amount by \$3,043,767. The additional amount consists of requested supplemental appropriations of \$2,833,622 for the Kansas Public Employees Retirement System (KPERS) employer contribution for school members and of \$210,145 for State Department activities relating to the approval of teacher preparation programs and to the teacher certification process. (**Staff Note:** After submitting its budget, the State Department revised its request for additional funding for teacher education and certification activities downward to \$100,000.)

In addition to the SGF revisions, the State Department's FY 1995 budget exceeds the amount to be transferred from the State Highway Fund for the school bus safety program by \$31,890. (The 1994 Legislature moved the program to the State Department from the Department of Transportation, transferred four positions from the Department of Transportation to the State Department to administer the program, and provided for a statutory transfer of \$160,000 per year from the Highway Fund for operating expenses.) Almost all of the additional amount requested is for travel. According to the State Department, the Department of Transportation estimated only \$16,000 for the travel expenses of the three employees who conduct workshops around the state for school bus drivers and their supervisors. The State Department estimates the travel expenses to be \$47,372. (**Staff Note:** Since submitting its budget, the State Department has revised its supplemental appropriation request downward to \$22,988. Of the total estimate for the bus safety program in FY 1995 (\$182,784), \$29,627 would be for travel.)

Based on revised estimates of general and supplemental general state aid, it appears that the amounts appropriated exceed what is required in the current year by a total of almost \$22.3 million.

The Governor recommends expenditures of \$1,935,175,382 in FY 1995, of which \$1,690,887,005 would be from the SGF. The Governor's recommendation includes a supplemental appropriation of \$2,833,622 for KPERS-School, as requested. The Governor also recommends \$100,000 in additional funding for operating expenses associated with teacher education and teacher certification activities, but funds the increase from the Certificate Fee Fund instead of from the SGF. The Governor does not recommend the requested transfer of additional money from the Highway Fund for operating expenses associated with the school bus safety program.

The Governor concurs with revised estimates for school district aid and recommends that savings of \$12,534,360 in the general state aid program and \$9,722,000 in the supplemental general state aid program be reappropriated to help finance the programs in FY 1996.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the recommendations of the Governor, with the following exceptions:

1. The State Department of Education asks for additional funding in the form of a transfer from the State Highway Fund of \$22,988 for the school bus safety program. Of the amount, \$14,145 is for travel and subsistence. It came to the Subcommittee's attention that the three vans used by the State Department were purchased by the Department of Transportation and given at no cost to the Central Motor Pool.

Because the Motor Pool incurred no expense in obtaining the vehicles, the Subcommittee does not believe it should charge the State Department the full rate of 24 cents a mile and has asked the Motor Pool to recalculate a discounted rate. The Subcommittee asks the House Subcommittee that reviews this budget to consider the State Department's request for additional funding for the school bus safety program when additional information about the possible reduction in the mileage rate is available.

2. The Subcommittee recommends no change to the planned schedule of student assessments in the current year, which consists of examinations in mathematics, reading, science, and social studies (history and geography). However, the Subcommittee continues to have concerns about the amount of time testing activities take from the school day for both teachers and students. Of particular concern is the fact that the social studies test consists of both a written component and a project that is carried out over a period of several days. The Subcommittee requests that the State Department evaluate the time it takes to administer the project portion of the social studies test during the 1994-95 school year and be prepared to report its findings to the 1996 Legislature, along with its assessment of the value of this particular testing activity.

Senate Committee Recommendations

The Senate Committee concurs with the recommendations of the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendations of the Committee.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 1995</u>	<u>Senate Rec. FY 1995</u>	<u>House Subc. Adjustments</u>
All Funds:			
State Operations	\$ 0	\$ 17,291,118	\$ 14,472
Local Aid	0	1,878,810,014	0
Other Assistance	0	39,074,250	0
TOTAL	\$ 0	\$ 1,935,175,382	\$ 14,472
State General Fund:			
State Operations	\$ 0	\$ 7,516,938	\$ 0
Local Aid	0	1,683,185,067	0
Other Assistance	0	185,000	0
TOTAL	\$ 0	\$ 1,690,887,005	\$ 0
FTE Positions	0.0	208.0	0.0
Special Projects Appointments	0.0	46.0	0.0
TOTAL	0.0	254.0	0.0

House Subcommittee Recommendations

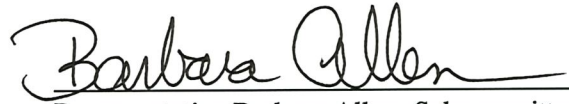
The House Subcommittee concurs with the recommendations of the Senate, with the following exception:

1. Add \$14,472 from the State Highway Fund for the school bus safety program, for a total of \$174,268. The program, which was transferred from the State Department of Transportation by the 1994 Legislature, is funded from a transfer from the State Highway Fund. According to the State Department of Education, the cost of operating the program, particularly for meals and lodging and overhead expenses, is greater than originally estimated.

SUBCOMMITTEE REPORT

Department of Education

FY 1996



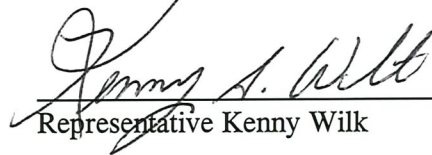
Representative Barbara Allen, Subcommittee Chair



Representative Henry Helgerson

Representative Robin Jennison

Representative Richard Reinhardt



Representative Kenny Wilk

SUBCOMMITTEE REPORT

Agency: Department of Education

Bill No. 70

Bill Sec. 2

Analyst: Rampey

Analysis Pg. No. 141

Budget Page No. 157

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 17,759,920	\$ 17,532,177	\$ (374,422)
Local Aid	2,206,089,031	1,923,852,729	(11,424,018)
Other Assistance	42,754,500	42,704,500	0
TOTAL	\$ 2,266,603,451	\$ 1,984,089,406	\$ (11,798,440)
State General Fund:			
State Operations	\$ 8,334,699	\$ 8,180,617	\$ (184,979)
Local Aid	2,005,726,094	1,717,709,792	(11,779,018)
Other Assistance	185,000	185,000	0
TOTAL	\$ 2,014,245,793	\$ 1,726,075,409	\$ (11,963,997)
FTE Positions	212.0	208.0	0.0
Special Projects Appointments	43.0	45.0	0.0

Agency Request/Governor's Recommendation

The FY 1996 budget requested by the State Board totals almost \$2.3 billion from all funds. The amount is an increase of \$312.3 million over the estimate for the current year of \$1,954,281,441. The SGF request is for \$2,014,245,793, an increase of \$296,941,572 (17.3 percent) over FY 1995 (revised). Major areas of increase are in general state aid to school districts (\$213,185,000), which primarily is attributable to a requested increase in base state aid per pupil; community colleges (\$28,687,969), which includes funding for hourly rate increases; special education (\$25,200,147), which would increase the percentage of excess costs funded from an estimated 83 percent in the current year to 90 percent; and KPERS-School (\$3,988,605).

For the state operations portion of its budget that is funded from the SGF, the State Board requests \$8,334,699, an increase of \$593,187 (7.7 percent) over the revised estimate for FY 1995. Included in the request is \$905,000 for statewide assessments in the areas of mathematics, reading, and writing. The State Board requests 2.0 new FTE positions, of which 1.5 FTE would be funded from the SGF. The State Board also plans to switch two special projects positions to permanent staff. These proposed additions and changes would result in a total of 212 FTE positions for the State Department, which has no statutory position limitation. In addition, the State Board is asking for \$398,863 from the SGF to pay the salaries and associated operating expenses of 7.0 FTE employees currently involved in implementing quality performance accreditation (QPA) whose salaries presently are paid from federal funds that are being phased out.

The Governor recommends expenditures of \$1,984,089,406, of which \$1,726,075,409 is from the SGF. The Governor recommends an increase in expenditures for general and supplemental general state aid of more than \$20.1 million over the current year, primarily due to a recommended increase of \$30 in base state aid per pupil. Funding for community colleges is recommended based on current law, not on the hourly rate increase requested by the State Board. Special education aid is increased by \$8.3 million over the current year. The recommended amount of \$185,816,131 is estimated to fund 82.5 percent of excess costs. State funding for three aid and other assistance programs would terminate in FY 1996 under the Governor's recommendations. They are the educable deaf-blind and severely handicapped children aid program, the Kansas Foundation for Agriculture, and the Kansas Cultural Heritage Center.

The Governor recommends no new positions for the State Department, but does recommend that the salaries of 7.0 FTE positions currently funded with dwindling federal money be funded from the SGF. The Governor supports continuation of the student assessment program and includes the \$905,000 requested by the State Board in his budget for the tests.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor, with the following exceptions:

Agency Operations

1. Delete \$374,422, of which \$184,979 is from the SGF, based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$116,274); classified step movement (\$117,258); a one percent base adjustment for classified employees (\$63,977); and the longevity bonus (\$76,913) from individual agency budgets.

Aid and Other Assistance

1. **General and Supplemental General State Aid.** Recommend \$1,303,128,000 for general state aid (a reduction from the Governor of \$16,179,000) and \$52,180,000 for supplemental general state aid (a reduction from the Governor of \$608,543). The Subcommittee's recommendation would fund the programs under current law. In order to give the Senate the opportunity to consider changes to the law, the Subcommittee recommends that a bill be introduced that would carry out the Governor's recommended increase in base state aid per pupil from \$3,600 to \$3,630 and delete the requirement that the limit on local option budgets (currently 25 percent of a school district's state financial aid) be reduced by the same number of percentage points by which base state aid per pupil is increased. In addition, the Subcommittee recommends technical amendments to S.B. 70 to carry out the Governor's recommendation that estimated savings of \$12,534,360 in general state aid and \$9,722,000 in supplemental general state aid in FY 1995 be reappropriated and used to finance the programs in FY 1996.
2. **Special Education Aid.** Make a technical amendment to the proviso to the appropriation for special education state aid to continue the policy that expenditures for "catastrophic state aid" will be made prior to distributions for special education teacher unit reimbursement. (This stipulation was inadvertently left out of the bill.)

3. **Inservice Education.** Add \$810,000, for a total of \$6,210,000. The recommended amount would fund an estimated 60 percent of the cost of approved inservice education programs participated in by 320 school districts and interlocals. The 1994 Legislature raised the percentage to 60 percent for two years only. After FY 1996, the percentage reverts back to 50. The Subcommittee believes the intention of the Legislature was to give school districts a boost, in recognition of the fact that staff training is critical to the success of school improvement.

4. **Educable Deaf-Blind and Severely Handicapped Children Aid.** Add \$100,000 to continue this program in FY 1996. The Subcommittee believes the benefits of this program are disproportionate to the small amount of money involved. In addition, the Subcommittee asks that the State Department include in its rules and regulation a definition of "special teacher" that includes certified or licensed interpreter-interveners who work with deaf-blind children. Including these professionals in the definition would allow them to be counted for teacher unit reimbursement for special education state aid.

5. **Adult Basic Education.** Add \$200,000, for a total of \$1.0 million. The amount is an increase of \$200,000 over the current year. The number of students served by adult education centers has increased by 68 percent since 1990 and some centers have waiting lists.

6. **Postsecondary Area Vocational School Aid.** Delete \$173,890 from the SGF, for a total from all funds of \$23,633,188. The adjustment is the net effect of the following:
 - a. \$93,085 is added to fund an estimated growth in credit hours due to student participation in a program offered jointly by Washburn University and the Kaw Area Technical School whereby the vocational courses offered by the technical school and academic courses offered by Washburn lead to an associate of applied science degree granted by Washburn University.

 - b. Delete \$266,975 due to the proposed consolidation of Johnson County Area Vocational Technical School and Johnson County Community College, which is expected to be approved by the State Board this spring. As the result of the merger, postsecondary students taking vocational courses in Johnson County will generate funding through the community college state aid programs, not through the postsecondary area vocational school aid program. (The Subcommittee recommends an increase for community college credit hour state aid because of this.)

7. **Community College Credit Hour State Aid.** Add \$1,003,565, for a total of \$38,263,011, an increase of \$1,372,380 over the current year. The addition is due to the proposed consolidation of the vocational school and community college in Johnson County which will result in the vocational hours offered being eligible for reimbursement by the community college credit hour state aid program. (This increase is partially offset by a reduction in aid to area vocational schools.) Both the Subcommittee and the Governor assume that credit hours will grow by 1 percent over FY 1995, which was the growth rate of FY 1995 over FY 1994. If that

assumption is wrong, based on actual enrollments in school year 1995-96, the 1996 Legislature will have the opportunity to consider an adjustment.

8. **KPERS-School.** Add \$3,087,390, for a total of \$62,981,390. (The Governor recommended no increase over the \$59,894,000 recommended for the current year.) The Subcommittee's addition would fund an estimated enrollment growth of 1.0 percent (unweighted FTE) and a 0.1 percentage point increase in the employer contribution rate (from 3.2 to 3.3 percent). The recommendation does not include \$901,215 requested by the State Board to fund an estimated 2 percent salary increase for covered employees.
9. **Juvenile Detention Facilities Grants.** Delete \$18,540, for a total of \$2,224,800 for juvenile detention facilities grants. The adjustment made by the Subcommittee would maintain the Governor's recommended level of funding, but would base the amount on the current \$3,600 base state aid per pupil, not the \$3,630 recommended by the Governor. Make a technical amendment to S.B. 70 to correct an oversight in the proviso to the appropriation for the grants. Omitted from the bill as introduced is language contained in current law that specifies how enrollment of students in juvenile detention facilities or at the Flint Hills Job Corps Center is to be determined.
10. **Educational Excellence Grants.** Although there is nothing in the statutes or the appropriations bill that prevents the State Board from approving educational excellence grants for projects that are for up to two years, by custom the State Board has approved grants for one year only. The Subcommittee believes that some projects may take more than a year to complete and encourages the State Board give its consideration to applications for grants for up to two years.
11. **Technology Innovation and Internship Program.** Add \$355,000 from the Economic Development Initiatives Fund, for a total of \$500,000, which is the FY 1995 level. The Subcommittee wishes to voice its support for this program, which provides start-up grants to vocational schools and community colleges for innovative courses in emerging technologies as well as internships for vocational education faculty and industrial employees.

Senate Committee Recommendations

The Senate Committee concurs with the recommendations of the Subcommittee, with the following exceptions:

1. Delete \$79,837 from the SGF for agency operating expenses.
2. Add \$1,194,649 for community college credit hour aid, for a total of \$39,457,660. Excluding the adjustment made by the Subcommittee for vocational courses offered by Johnson County Community College, the addition made by the Committee would result in an FY 1996 appropriation for the three community college state aid programs combined that is a 3.5 percent increase over the combined total in FY 1995.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendations of the Committee, with the following exceptions:

1. Add \$23,522,644 for general state aid, for a total of \$1,326,650,644 (an increase over the Governor of \$7,343,644). The adjustment conforms the appropriation to policy contained in Senate Sub. for H.B. 2152 (base state aid per pupil of \$3,621).
2. Add \$821,000 for supplemental general state aid, for a total of \$53,001,000 (an increase over the Governor of \$212,457). The adjustment conforms the appropriation to policy contained in Senate Sub. for H.B. 2152.
3. Delete \$517,500 for inservice education, for a total of \$5,692,500. The amount would fund an estimated 55 percent of the cost of approved programs and is an increase of \$292,500 over the Governor's recommendation.
4. Add \$481,309 from the SGF for postsecondary area vocational school aid, for a total from the SGF of \$18,064,497 and a total from all funds of \$24,114,497. The amount is an increase of \$307,419 over the Governor's recommendation. The increase is comprised of (1) the addition of \$93,085 for Washburn University-Kaw Area Technical School credit hour growth, (2) the deletion of \$266,975 due to the consolidation of Johnson County Community College and the Johnson County Area Vocational Technical School, and (3) the addition of \$481,309 to allow for an increase over FY 1995 of 2.8 percent from all funds.
5. Add \$273,690 from the SGF for juvenile detention facilities grants, for a total of \$2,498,490. The addition takes into account the increase in base state aid per pupil to \$3,621 and the additional pupils expected to be served at the Forbes Juvenile Attention Facility.
6. Add \$25,000 from the EDIF for the Kansas Foundation for Agriculture.
7. Add \$20,000 from the EDIF for the Kansas Cultural Heritage Center and attach a proviso to the appropriation stating that it is the Legislature's intent to phase out funding for the Center over the next four years.
8. Add \$150,000 from the EDIF for vocational education capital outlay aid, for a total of \$1,650,000, an increase of \$150,000 over both the current year and the Governor's recommendation for FY 1996.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 1996</u>	<u>Senate Rec. FY 1996</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (454,259)	\$ 17,077,918	\$ 78,447
Local Aid	14,501,774	1,938,354,503	(6,648,459)
Other Assistance	45,000	42,749,500	(25,000)
TOTAL	\$ 14,092,515	\$ 1,998,181,921	\$ (6,595,012)
State General Fund:			
State Operations	\$ (264,816)	\$ 7,915,801	\$ 63,000
Local Aid	13,996,774	1,731,706,566	(6,143,459)
Other Assistance	0	185,000	0
TOTAL	\$ 13,996,774	\$ 1,739,807,367	\$ (6,080,459)
FTE Positions	0.0	208.0	0.0
Special Projects Appointments	0.0	45.0	0.0
TOTAL	0.0	253.0	0.0

House Subcommittee Recommendations

The House Subcommittee concurs with the recommendations of the Senate, with the following exceptions:

1. Add \$15,447 from the State Highway Fund, for a total of \$175,651, for the school bus safety program which was transferred to the State Department from the Kansas Department of Transportation by the 1994 Legislature. The addition recommended by the Subcommittee primarily is for travel costs and overhead.
2. Add \$63,000 from the SGF for state operating expenses. An overall reduction in operating expenses made by the Senate failed to take into account an increase of \$63,000 in the cost of student assessments from FY 1995 to FY 1996. The House Subcommittee believes the State Department should not be forced to make cuts in other areas in order to maintain the level of student assessments that both the Senate and the House Subcommittee endorse.
3. Delete \$292,500 from the SGF for inservice education, for a total of \$5.4 million, as recommended by the Governor. The amount would fund an estimated 52.2 percent of the cost of approved inservice education programs. The total recommended is the same as the current year. In addition, the Subcommittee requests that the State Department report to the 1996 Legislature on the value of the inservice education program.

4. Delete \$200,000 from the SGF for adult basic education, for a total of \$800,000, as recommended by the Governor. The recommended amount meets the state matching requirement to receive federal adult basic education funding and is no change from the current year.
5. Delete \$307,419 from the SGF for postsecondary area vocational school aid, for a total of \$17,757,078 from the SGF and a total of \$23,807,078 from all funds, as recommended by the Governor. The recommended total is an increase of 1.5 percent over the current year, excluding the cost of program growth due to student participation in a new program offered jointly by Washburn University and the Kaw Area Technical School.
6. Delete \$2,198,214 from the SGF for community college credit hour aid, for a total of \$37,259,446, as recommended by the Governor. The recommended amount would fund an estimated 1 percent growth in the number of credit hours from FY 1995 to FY 1996, excluding an increase in costs due to the merger of Johnson County Area Vocational Technical School and Johnson County Community College.
7. Delete \$3,087,390 from the SGF for KPERs-School, for a total of \$59,894,000, as recommended by the Governor. The recommended amount is the same as the current year. The Subcommittee believes that any additional appropriation needed to fund this entitlement in FY 1996 can be considered by the 1996 Legislature when it will be possible to make better estimates of need based on more current information.
8. Delete \$57,936 from the SGF for juvenile detention facilities grants, for a total of \$2,440,554. The recommendation maintains the policy of the Senate, but reduces the total based on more recent information about the number of students who will be served at the new Forbes Juvenile Attention Facility.
9. Delete \$150,000 from the EDIF for vocational education capital outlay aid, for a total of \$1.5 million, as recommended by the Governor. The recommended amount is the same as the current year.
10. Delete \$355,000 from the EDIF for technology innovation and internship grants, for a total of \$145,000, as recommended by the Governor. The recommended amount is a decrease of \$350,000 from the current year.
11. Concur with the Senate's recommendation of \$20,000 from the EDIF for the Kansas Cultural Heritage Center, but amend the proviso attached to the appropriation to say that it is the intent of the Legislature to phase out funding for the Center over the next two years instead of over the next four years.
12. Delete \$25,000 from the EDIF for the Kansas Foundation for Agriculture. The effect of the Subcommittee's recommendation would be to terminate state funding for the program, which is the Governor's recommendation.
13. The Subcommittee calls attention to the fact that the Congress currently is considering proposals that could affect school nutrition programs. According to the State Department, the impact to Kansas of proposals being considered ranges from minimal to a loss of between \$40.0 and \$45.0 million in federal food assistance.

One welfare reform proposal being considered would consolidate school nutrition programs and other programs into one welfare block grant to states. The most extreme proposal could change eligibility guidelines so that only 33 percent of the Kansas children currently being served would remain eligible under the new block grant guidelines. However, it is not known at this time what the Congress finally will decide. Kansas presently receives more than \$96.3 million in federal food assistance, for which there is a state match of \$2.5 million. Kansas students whose family-of-four income falls below \$19,290 qualify for free lunches. Students whose family income falls below \$27,380 qualify for reduced-price lunches.

14. The Subcommittee calls attention to various studies that have been made to determine the cost of educating public school students and the attention that has been given to Kansas' present policy of giving extra weight to students enrolled in small school districts. Among recent studies is one that suggests that, at the elementary school level, the size of the school has limited bearing on the per-pupil cost of education, but at the high school level, economies of scale become more apparent, resulting in higher per-pupil costs for smaller schools. In the Subcommittee's opinion, the relationship between school size and expenditures and the issue of how much money it takes to educate a public school student merit further study. The Subcommittee requests that the Appropriations Subcommittee on K-12 School Finance address these issues during the 1995 Session.

State Department of Education

3/13/95
Appropriations Comte
Attachment 2

Program	Governor FY 1995	DOE FY 1996	Governor FY 1996	Senate FY 1996	House Subcom. FY 1996	Difference House Subcom./Gov. FY 96	Difference House Subcom./Senate FY 96
STATE GENERAL FUND							
General State Aid	\$1,311,673,000	\$1,524,858,000	\$1,319,307,000	\$1,326,650,644	\$1,326,650,644	\$7,343,644	\$0
Supplemental General State Aid	40,271,000	53,152,338	52,788,543	53,001,000	53,001,000	212,457	0
School District Capital Improvement	11,429,225	16,500,000	16,500,000	16,500,000	16,500,000	0	0
Special Education Aid	177,496,853	202,697,000	185,816,131	185,816,131	185,816,131	0	0
School Food Assistance	2,510,486	2,510,486	2,510,486	2,510,486	2,510,486	0	0
Inservice Education Aid	5,400,000	6,210,000	5,400,000	5,692,500	5,400,000	0	(292,500)
Educable Deaf/Blind Aid	100,000	100,000	0	100,000	100,000	100,000	0
Adult Basic Education Aid	800,000	1,200,000	800,000	1,000,000	800,000	0	(200,000)
Parent Education Aid	2,500,000	3,000,000	2,750,000	2,750,000	2,750,000	0	0
Postsecondary AVTS Aid	17,755,249	18,128,011	17,757,078	18,064,497	17,757,078	0	(307,419)
Comm. College Credit Hr. Aid	36,890,631	49,033,644	37,259,446	39,457,660	37,259,446	0	(2,198,214)
Comm. College Out-Dist. Aid	11,986,248	24,451,920	12,225,973	12,225,973	12,225,973	0	0
Comm. College General Aid	2,642,795	6,722,079	2,642,795	2,642,795	2,642,795	0	0
KPERS--School	59,894,000	63,882,605	59,894,000	62,981,390	59,894,000	0	(3,087,390)
Juvenile Detention Facilities Grant	2,020,580	2,472,000	2,243,340	2,498,490	2,440,554	197,214	(57,936)
Kansas Cultural Heritage Center	0	0	0	0	0	0	0
Ag. in Classroom	0	0	0	0	0	0	0
State Operations	7,516,938	8,334,699	8,180,617	7,915,801	7,978,801	(201,816)	63,000
TOTAL -- SGF	\$1,690,887,005	\$1,983,252,782	\$1,726,075,409	\$1,739,807,367	\$1,733,726,908	\$7,651,499	(\$6,080,459)
STATE SCHOOL DISTRICT FINANCE FUND	\$32,258,556	\$32,600,000	\$32,600,000	\$32,600,000	\$32,600,000	\$0	\$0
ECONOMIC DEVELOPMENT INITIATIVE FUND							
Educational Excellence Grants	\$1,485,000	\$2,000,000	\$1,485,000	\$1,485,000	\$1,485,000	\$0	\$0
Postsecondary AVTS Aid	5,700,000	6,500,000	6,050,000	6,050,000	6,050,000	0	0
Vocational Education Capital Outlay Aid	1,500,000	2,000,000	1,500,000	1,650,000	1,500,000	0	(150,000)
Technology Innovation and Internship Grants	495,000	500,000	145,000	500,000	145,000	0	(355,000)
Kansas Cultural Heritage Center	25,000	25,000	0	20,000	20,000	20,000	0
Ag. in Classroom	25,000	25,000	0	25,000	0	0	(25,000)
TOTAL -- EDIF	\$9,230,000	\$11,050,000	\$9,180,000	\$9,730,000	\$9,200,000	\$20,000	(\$530,000)
SCHOOL BUS SAFETY FUND (Operations)	\$159,796 *	\$175,651	\$160,204	\$160,204	\$175,651	\$15,447	\$15,447
GRAND TOTAL SGF, SSDFF, EDIF, and Bus Safety Fund	\$1,732,535,357	\$2,027,078,433	\$1,768,015,613	\$1,782,297,571	\$1,775,702,559	\$7,686,946	(\$6,595,012)

* House Subcommittee added \$14,472, for a total of \$174,268.

Representative Barbara Allen

March 13, 1995

COMMUNITY COLLEGE CREDIT HOUR AID

Add \$900,004 to the Subcommittee's recommendation, for a total of \$38,159,450. This total is the same as the Governor's recommendation, except that it adds funding for vocational credit hours offered by Johnson County Community College, which is expected to be designated an area vocational school. (The proposed merger between the Community College and the Johnson County Area Vocational-Technical School is on the March 15 agenda of the State Board of Education.)

K.S.A. 71-602 stipulates that a community college that is designated an area vocational school shall receive credit hour state aid for approved vocational education courses at two times the rate for academic credit hours. Four community colleges in Kansas already receive this higher level of funding.

The effect of not adding the \$900,004 would be to prorate the appropriation for all community colleges, not just Johnson County. The State Department of Education estimates that, without the addition, credit hour state aid to all community colleges would be approximately \$27.34 per hour, not the statutory rate of \$28.

*3/13/95
Appropriations Cmte
Attachment 3*

Cross References to Related Sections:
Out-district tuition, see 71-301 et seq.

Research and Practice Aids:
Colleges and Universities ⇐ 4.
C.J.S. Colleges and Universities § 9.

71-602. Credit hour state aid; distribution basis; determination of credit hours. (a) The basis for distribution of credit hour state aid for community colleges for each credit hour of each duly enrolled student who was a bona fide resident of the state of Kansas during the current school session shall be: (1) Twenty-eight dollars for each credit hour in any subject or course which is not part of a vocational education program approved by the state board under the provisions of article 44 of chapter 72 of Kansas Statutes Annotated; and (2) an amount which shall be determined by the state board by multiplying by 1½ the amount specified in provision (1) for each credit hour in any subject or course which is part of a vocational education program approved by the state board under article 44, except that the amount specified in provision (1) for each credit hour of each student shall be multiplied by two if the credit hour is in any subject or course which is part of an approved vocational education program which is offered in a community college which is also officially designated as an area vocational school by the state board or if the credit hour is in any subject or course which is part of an approved vocational education program transferred to a community college in accordance with an agreement made and entered into under authority of K.S.A. 71-1507.

(b) The determination of credit hours of duly enrolled students shall be made at times prescribed by the state board of education.

History: L. 1961, ch. 363, § 3; L. 1963, ch. 390, § 3; L. 1965, ch. 417, § 19; L. 1968, ch. 211, § 14; L. 1972, ch. 265, § 1; L. 1973, ch. 274, § 7; L. 1975, ch. 361, § 2; L. 1977, ch. 233, § 1; L. 1978, ch. 278, § 3; L. 1978, ch. 280, § 1; L. 1980, ch. 208, § 2; L. 1980, ch. 209, § 3; L. 1982, ch. 282, § 2; L. 1984, ch. 258, § 1; L. 1985, ch. 234, § 2; L. 1988, ch. 274, § 3; July 1.

Cross References to Related Sections:
Loss of state aid entitlement, see 71-802.

Law Review and Bar Journal References:
The community junior college act, 11 W.L.J. 499, 504 (1972).

CASE ANNOTATIONS

1. Cited in holding L. 1982, ch. 282, relative to community colleges and municipal universities constitutional.

State ex rel. Stephan v. Board of Lyon County Comm'rs, 234 K. 732, 735, 676 P.2d 134 (1984).

71-603. Certification to state board of credit hour enrollments and property valuations. (a) On or before November 1 and on or before March 1 of each year, the chief administrative officer of each community college shall certify under oath to the state board the total number of duly enrolled credit hours of students of the community college during the current school session who meet the state residence requirement or who are considered bona fide residents of the state. Each November 1 and March 1, certification for payment shall set forth separately the credit hour enrollment for preceding sessions and for the current fall session. The state board may require the community college to furnish any additional information deemed necessary by it to carry out the provisions of this act, and shall prescribe such forms and policies as may be necessary for making such reports.

(b) In November of each year, the county clerk of each county shall certify to the state board with respect to each community college district in the county, the current assessed valuation of taxable tangible property within each such district. As used in this subsection, the term "taxable tangible property" means all real and tangible personal property which is subject to general ad valorem taxation.

History: L. 1961, ch. 363, § 4; L. 1963, ch. 390, § 4; L. 1965, ch. 417, § 20; L. 1968, ch. 211, § 15; L. 1973, ch. 274, § 13; L. 1980, ch. 207, § 30; L. 1986, ch. 259, § 1; L. 1990, ch. 252, § 3; May 17.

71-604. State aid; determination of amounts; proration; audits; rules and regulations; overpayments; underpayments. (a) From the reports and information submitted under K.S.A. 71-603, and amendments thereto, and from other information available to it, the state board shall determine the amount the community college is entitled to receive as provided in K.S.A. 71-602 and 71-607 and K.S.A. 71-619, and amendments to such sections.

(b) If the amount of any appropriation for credit hour state aid shall be insufficient to pay in full the amount each community college is entitled to receive for credit hour state aid, then the amount so appropriated shall be prorated among all community colleges in proportion to the amount each is entitled to receive. If the amount of any appropriation for out-district state aid shall be insufficient to pay

in full the amount entitled to receive then the amount prorated among all community colleges in proportion to the amount each is entitled to receive.

(c) The state board shall determine the amount of any community college money received and verify the accuracy of the amount received. The community college shall adopt rules and regulations for the administration of this act.

(d) In the event the amount paid more than the amount of any distributive share of any money received, the community college shall be deemed to have made an overpayment and shall remit the same to the state board. The state board shall deposit the same in the credit of the community college. The state board shall determine the amount of any overpayment and shall determine the amount of any underpayment.

(e) In the event the amount paid less than the amount of any distributive share of any money received, the community college shall be deemed to have made an underpayment and shall pay the amount of the underpayment within the fiscal year in which the amount was made. The community college shall determine the amount of such fiscal year.

History: L. 1961, ch. 390, § 5; L. 1963, ch. 211, § 16; L. 1965, ch. 274, § 8; L. 1968, ch. 280, § 2; L. 1972, ch. 217, § 2; L. 1975, ch. 259, § 2;

Law Review and Bar Journal References:
The community college act, 11 W.L.J. 499, 504 (1972).

71-605. State aid; determination of amounts; proration; audits; rules and regulations; overpayments; underpayments. (a) From the reports and information submitted under K.S.A. 71-603, and amendments thereto, and from other information available to it, the state board shall determine the amount the community college is entitled to receive as provided in K.S.A. 71-602 and 71-607 and K.S.A. 71-619, and amendments to such sections.