

MINUTES OF THE SENATE COMMITTEE ON EDUCATION

The meeting was called to order by Chairperson Dave Kerr at 1:30 p.m. on January 19, 1995 in Room 123-S of the Capitol.

All members were present.

Committee staff present: Ben Barrett, Legislative Research Department
Carolyn Rampey, Legislative Research Department
Avis Swartzman, Revisor of Statutes
Brenda Dunlap, Committee Secretary

Conferees appearing before the committee: Dan Neuenswander, Superintendent of Schools
Pittsburg, Kansas

Bill introductions were made by the following:

USD 229 - Blue Valley -- Proposed a bill concerning school district finance authorizing the levy of ad valorem taxes by certain districts for operation of new school facilities. (See Attachment 1) A motion was made by Senator Emert to introduce the bill, Senator Walker seconded the motion, and the motion carried.

Council of Trustees - Community Colleges -- Proposed a bill to amend tuition range provisions which set the tuition minimum at \$19.00 per hour and the tuition maximum at \$27.00 per hour to a minimum of \$23.00 per hour and eliminating any possible higher tuition amount. (See Attachment 2) A motion was made by Senator Oleen to introduce the bill, Senator Corbin seconded the motion, and the motion carried.

Kansas Assoc. of School Boards -- The first bill proposed would limit the scope of review when tenured teachers are terminated or non renewed and restore to local boards of education the authority to make the final decision (subject to judicial appeal). (See Attachment 3) A motion was made by Senator Corbin to introduce the bill, Senator Lawrence seconded the motion, and the motion carried. The second bill proposed would remove "employee evaluation procedures" from the list of items which are mandatorily negotiable under the Professional Negotiations Act. (See Attachment 3) A motion was made by Senator Jones to introduce the bill, Senator Corbin seconded the motion, and the motion carried.

State Board of Education -- Proposed a bill concerning community colleges, affecting state aid entitlements, rescinding the statutory requirement for out-district tuition charges. A motion was made by Senator Emert to introduce the bill, Senator Lawrence seconded the motion, and the motion carried.

Mr. Neuenswander presented a brief review of research on Low Enrollment Weighting done by Van D. Mueller and Terry H. Schultz. He reviewed the methodology guidelines used to study comparative education costs using the North Central Association standards; the findings, which also used the North Central Association standards; and the recommendations of the researchers. Briefly, the recommendations were to use secondary school size as the unit for determining low enrollment aid; a "ceiling" should be established at 300 high school students since this reflects actual relationships between size and cost; a ceiling should be placed on low enrollment aid which would be equal to twice the base per pupil budget and a linear scale should be developed for high schools with the smallest enrollment up to schools with 300 students; a commitment should be made to adequacy and accountability using QPA; and changes in funding should be phased in over a three to four year period. (See Attachment 4)

Senator Emert made a motion to approve the minutes of the January 18, 1995 meeting. Senator Langworthy seconded the motion, and the motion carried.

The meeting was adjourned at 2:30 p.m.

The next meeting is scheduled for January 23, 1995.

SENATE EDUCATION MINUTES

Re: Blue Valley USD 229's request
Tailing of New Facilities Money

Currently, new facilities money (weighting and BOTA appeal) are received for two years, then out. This proposal would allow a school district to levy (all local money) a certain percentage of the combined new facilities money for a period of three years. In the third year of the new facility's life, a district could levy locally 75% of the total new facilities money received on that building; in the fourth year a district could levy 50%; in the fifth year, 25%. In the 6th year, no new facilities money would be available.

Also, we would request that the 7% average enrollment increase over three years be amended to read the State Board of Education shall determine "growth" for the purpose of appealing to BOTA.

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Attachment 1

SENATE BILL NO. _____

By Committee on Education

AN ACT concerning community colleges; affecting state aid entitlements; rescinding the statutory requirement for out-district tuition charges; amending K.S.A. 71-201, 71-204, 71-401, 71-403, 71-602, 71-604, 71-605, 71-609a, 71-610, 71-611, 71-613a, 71-701, 71-1508 and 71-1702 and K.S.A. 1994 Supp. 19-101a, 71-301, 71-302, 71-607, 71-609 and 79-5028 and repealing the existing sections; also repealing K.S.A. 71-304, 71-305, 71-306 and 71-1705.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 71-201 is hereby amended to read as follows: 71-201. (a) The board of trustees, in accordance with the provisions of law and the rules and regulations of the state board of education, shall have custody of and be responsible for the property of the community college and shall be responsible for the management and control of the college. The board of trustees shall hold at least one regular meeting each month at a time prescribed by the board. The board shall make an annual report in the manner prescribed by the state board of education. Members of the board of trustees shall be paid subsistence allowances, mileage and other actual and necessary expenses incurred in the performance of their official duties.

(b) For effectuation of the purposes of this act, the board of trustees in addition to such other powers expressly granted to it by law and subject to the rules and regulations of the state board of education is hereby granted the following powers:

(1) To select its own chairperson and such other officers as it may deem desirable, from among its own membership. The secretary may be chief administrative officer of the college.

(2) To sue and be sued.

(3) To determine the educational program of the college

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subject to prior approval thereof as provided in this act and to grant certificates of completion of courses or curriculum.

(4) To appoint and fix the compensation and term of office of a president or chief administrative officer of the college.

(5) To appoint upon nomination of the president or the chief administrative officer members of the administrative and teaching staffs, to fix and determine within state adopted standards their specifications, define their duties, and to fix their compensation and terms of employment. No community college teacher shall be required to meet certification requirements greater than those required in the state universities under the control and supervision of the state board of regents.

(6) Upon recommendation of the chief administrative officer, to appoint or employ such other officers of the college, agents and employees as may be required to carry out the provisions of law and to fix and determine within state adopted standards their qualifications, duties, compensation, terms of office or employment and all other items and conditions of employment.

(7) To enter into contracts.

(8) To accept from any government or governmental agency, or from any other public or private body, or from any other source, grants or contributions of money or property which the board may use for or in aid of any of its purposes.

(9) To acquire by gift, purchase, condemnation or otherwise, and to own, lease, use and operate property, whether real, personal, or mixed, or any interest therein, which is necessary or desirable for community college purposes. The term of any lease entered into under authority of this subsection may be for not to exceed 10 years. Such lease may provide for annual or other payment of rent or rental fees and may obligate the community college to payment of maintenance or other expenses. Any lease agreement entered into under authority of this subsection shall be subject to change or termination at any time by the legislature. Any assignment of rights in any lease made under this act shall contain a citation of this section and a

recitation that the lease agreement and assignment thereof are subject to change or termination by the legislature. The provisions of the cash basis and budget laws shall not apply to any lease made under authority of this subsection in such a manner as to prevent the intention of this act from being made effective. This provision is subject to the provisions of subsection (d).

(10) To enter into lease agreements as lessor of any property, whether real, personal, or mixed, which is owned or controlled by the community college. Any such agreement may specify the purposes for which the property may be used, require that the property be maintained and operated by the lessee, and may contain such restrictions or limitations on the use of the property, be entered into for such period of time, and include such other terms and conditions as the board of trustees determines to be necessary and proper. Every such agreement shall be subject to change or termination at any time by the legislature. Any assignment of rights under any such agreement shall be subject to approval by the board of trustees and shall contain a citation of this section and a recitation that the lease agreement and assignment of rights thereunder are subject to change or termination by the legislature.

(11) To determine that any property owned by the college is no longer necessary for college purposes and to dispose of the same in such manner and upon such terms and conditions as provided by law.

(12) To exercise the right of eminent domain, pursuant to chapter 26 of Kansas Statutes Annotated.

(13) To make and promulgate such rules and regulations, not inconsistent with the provisions of law or with rules and regulations of the state board of education, that are necessary and proper for the administration and operation of the community college, and for the conduct of the business of the board of trustees.

(14) To exercise all other powers not inconsistent with the

provisions of law or with the rules and regulations of the state board of education which may be reasonably necessary or incidental to the establishment, maintenance and operation of a community college.

(15) To appoint a member to fill any vacancy on the board of trustees for the balance of the unexpired term. When a vacancy occurs, the board shall publish a notice one time in a newspaper having general circulation in the community college district stating that the vacancy has occurred and that it will be filled by appointment by the board not sooner than 15 days after such publication.

(16) To contract with one or more agencies, either public or private, whether located within or outside the community college district or whether located within or outside the state of Kansas for the conduct by any such agencies of academic or vocational education for students of the community college, and to provide for the payment to any such agencies for their contracted educational services from any general use funds or moneys of the community college, including funds or moneys received from student tuition, ~~out-district-tuition, fees, funds received from~~ the state of Kansas or the United States for academic or vocational education, or taxes collected levied under K.S.A. 71-204 and 72-4424, and amendments thereto. Any contract made under this subsection with an institution of another state shall be subject to the provisions of K.S.A. 71-202, and amendments thereto.

(17) To authorize by resolution the establishment of a petty cash fund in an amount not to exceed \$1,000, and to designate in such resolution an employee to maintain such petty cash fund. The employee designated in any resolution provided for in this subsection receiving such funds shall keep a record of all receipts and expenditures from the fund, and shall from time to time, and at the end of the fiscal year, prepare a statement for the board showing all receipts, expenditures, and the balance in the petty cash fund. The board of trustees may authorize the

employee designated to maintain any petty cash fund to make a claim for replenishment of the fund to its original amount in advance of approval by the board of trustees if, at any time during the period between regular monthly meetings of the board of trustees, the balance remaining in the fund is insufficient to make needed expenditures for any purpose for which the petty cash fund is maintained. No petty cash fund may be replenished more than one time during each period between regular monthly meetings of the board of trustees. If a petty cash fund is replenished prior to the end of the fiscal year in accordance with the foregoing authorization, the employee authorized to maintain the petty cash fund shall keep an accurate record of all expenditures made therefrom, and the purpose therefor, and shall submit the record to the board of trustees at the next regular monthly meeting thereof. The petty cash fund shall be replenished by payment from the appropriate funds of the community college to the petty cash fund upon proper claim. The fund shall be kept separate from all other funds and shall be used only for authorized expenditures and itemized receipts shall be taken for each expenditure. No part of such fund may be loaned or advanced against the salary of an employee. All employees entrusted with such funds under this subsection shall be bonded by the community college district.

(c) Subject to the provisions of subsection (d), the board of trustees may purchase or otherwise acquire land or land and improvements and may acquire, construct, reconstruct, repair or remodel improvements thereon or additions thereto, including furnishings, equipment, and architectural and incidental expense related thereto, and for such purposes the board of trustees is authorized to issue and sell general obligation bonds, the cumulative total not to exceed the following amounts: Where the community college district has a taxable tangible valuation of less than \$90,000,000 or is located in a county designated as urban under the provisions of K.S.A. 19-3524, and amendments thereto, not to exceed 5% of the taxable tangible property of the

community college district, and where the community college district has a taxable tangible valuation of more than \$90,000,000 not to exceed 3% except as provided above for any community college district located in a county designated as urban under the provisions of K.S.A. 19-3524, and amendments thereto, of the taxable tangible property of the community college district. If any increase in the valuation of a community college district results in an outstanding bonded indebtedness in excess of that provided in this subsection, such increase shall not constitute a violation of this subsection. No such bonds shall be issued until the question of their issuance shall have been submitted to a vote of the electors of the community college district at a regular election or at a special election called for that purpose and the majority of the electors voting on the proposition in such community college district shall have voted in favor of the issuance of the bonds. Such election shall be called, noticed and held and the bonds issued, sold, delivered and retired in accordance with the provisions of the general bond law except as herein otherwise expressly provided.

(d) The board of trustees of a community college may not purchase or otherwise acquire land or land and improvements outside the community college district. Nothing in this subsection shall be construed or operate in any manner to require a board of trustees to sell, convey or otherwise dispose of land or land and improvements located outside the community college district and owned or being acquired by the community college on the effective date of this act, but no board of trustees may enter into a contract for the construction of improvements on any such land after the effective date of this act.

Sec. 2. K.S.A. 71-204 is hereby amended to read as follows: 71-204. For ~~all~~ the purpose of community college maintenance and operation purposes, the board of trustees is authorized to levy a tax on the taxable tangible property of the community college district.

Such tax levy shall be the amount determined by the board of

trustees to be sufficient to finance that part of the budget of the community college which is not financed by--either--(a) anticipated--state--aid--of--any--type,--(b)--anticipated--student tuition,--or--(c)--anticipated--out-district--tuition,--or--(d) anticipated--federal--aid--of--any--type from any other source provided by law. The budget of the community college shall be prepared and adopted as provided by law, and the tax levy therefor shall be certified to the county clerk of every county all or a part of the territory of which is in the community college district.

Sec. 3. K.S.A. 1994 Supp. 71-301 is hereby amended to read as follows: 71-301. (a) ~~(1)~~ Except as otherwise provided in this ~~subsection~~ section, the board of trustees shall charge to and collect from each in-state student tuition at rates per credit hour enrolled which shall be established at an amount not less than \$19 per credit hour and not more than \$27 per credit hour.

~~(2)~~ (b) Subject to the provisions of K.S.A. 71-302, and amendments thereto, the board of trustees shall charge to and collect from each out-of-state and foreign student tuition at rates per credit hour enrolled which shall be established at an amount not less than 2 1/2 times the maximum amount per credit hour prescribed by ~~provision-(1)~~ subsection (a).

~~(3)~~ (c) The board of trustees may charge to and collect from each student who is eligible for admission to a community college at in-state tuition rates but who resides within a federal military reservation tuition at rates per credit hour enrolled which, if established, shall be established at an amount not less than \$36 per credit hour.

~~(4)~~--The-board-of-trustees-may-charge--to--and--collect--from each-student-who-is-eligible-for-admission-to-a-community-college at--in-state--tuition--rates,--but--who--is-taught-any-subject-or course-at-Fort-Hays-state-university,--tuition-at-rates-per-credit hour--enrolled--in--each--such--subject--or--course---which,---if established,--shall-be-established-at-an-amount-not-less-than-\$36 per-each-such-credit-hour.--This-provision-shall--expire--on--June

307--1995, unless amended by act of the legislature prior to such date.

(b)--The board of trustees, in accordance with rules and regulations of the state board, shall determine an amount of out-district tuition to be charged for each out-district student attending the community college. The board of county commissioners of any county charged with payment of out-district tuition shall levy a tax on all of the taxable property of the county sufficient to pay all out-district tuition charges authorized by this act. The proceeds from the tax levied under authority of this section shall be deposited in a special fund for payment of out-district tuition. Upon receiving a statement of charges for out-district tuition, the board of county commissioners shall allow and pay the same from the special fund within 45 days from the receipt of such statement. If there is insufficient or no money in the special fund, out-district tuition shall be paid from the county general fund or from the proceeds of the sale of no-fund warrants issued for the purpose of the payment of out-district tuition. If the board of county commissioners fails to pay such amount at the time required under this subsection, the board of trustees shall notify the state board of such failure to pay and shall certify to the state board the amount to be paid. Upon receipt by the state board of such notification, the amount to be paid as certified to the state board shall become an amount due and owing to the state board. The state board shall notify the board of county commissioners that this amount is now due and owing to the state board. If the board of county commissioners fails to pay such amount to the state board within 14 days of the receipt of such notification, the state board shall initiate proceedings under K.S.A. 75-6201 et seq. for the collection of such money. Money paid to or collected by the state board under this subsection shall be deposited in the out-district tuition suspense account which is hereby created in the state treasury. The state board shall pay moneys from this account, in accordance with rules and

regulations--of--the--state--board,--to--the--community--colleges entitled-to-receive-such-money.

(c)--The--total--out-district--tuition-charged-by-a-community college-shall-be-an-amount-equal-to-the-number-of--duly--enrolled out-district-students-times-\$24-for-each-credit-hour-of-each-such student.

(d)-(1)--Out-district--tuition--shall--only--be--charged--for credit--hours--of--out-district--students--if--such--students,--as determined-by-the-state-board,--have-not-more-than-64-credit-hours from-any-institution-of-postsecondary-education-or--the--students have--not--more--than--72-credit-hours-and-are-enrolled-in-terminal type-nursing-courses-or-freshman-sophomore--level--preengineering courses.

(2)--The--credit-hour-limitations-prescribed-by-provision-(1) of-this-subsection-do-not-apply-to-credit-hours--of--out-district students--if-such-students,--as-determined-by-the-state-board,--are enrolled--in--an--approved--vocational--education--program--at--a community-college-for-the--purpose--of--receiving--vocational--or technical--training--or--retraining--in--preparation--for-gainful employment.

(e)--In-May-of-each-fiscal-year,--the-board-of-trustees--shall notify--the--board--of--county--commissioners--of-the-approximate amount-of-out-district-tuition--which--will--be--charged--to--the county-in-the-succeeding-fiscal-year.

(f)--Expenditures--for--out-district--tuition-shall-be-exempt from-the-budget-law-of-this-state-to-the-extent-of-such--payments not-anticipated-in-the-budget-of-the-county.

Sec. 4. K.S.A. 1994 Supp 71-302 is hereby amended to read as follows: 71-302. (a) Subject to the other provisions of this section, tuition shall be charged to out-of-state and foreign students at rates which shall be set by the board of trustees in accordance with the provisions of subsection (a)(2) (b) of K.S.A. 71-301, and amendments thereto.

(b) Persons who are not domiciliary residents of the state, but who are employees of a business or industry located in the

state and who are enrolling in a training or retraining course or program provided by a community college for the business or industry by which such persons are employed, may be admitted to the community college at the same rate as in-state students.

(c) In addition to the persons specified in subsection (b), the following persons, or any class or classes thereof, and their spouses and dependents, may be admitted to a community college at the same rate of tuition as in-state students: (1) Persons who are in active military service of the United States; (2) persons who are domiciliary residents of the state, who were in active military service prior to becoming domiciliary residents of the state, who were present in the state for a period of not less than two years during their tenure in active military service, whose domiciliary residence was established in the state within 30 days of discharge or retirement from active military service under honorable conditions, but whose domiciliary residence was not timely enough established to meet the residence duration requirement of K.S.A. 71-406, and amendments thereto; (3) persons who are employees of a community college; (4) persons having special domestic relations circumstances; (5) persons who have lost their resident status within six months of enrollment; (6) persons who are not domiciliary residents of the state, who have graduated from a high school accredited by the state board of education within six months of enrollment at a community college, who were domiciliary residents of the state at the time of graduation from high school or within 12 months prior to graduation from high school, and who are entitled to admission at a state educational institution pursuant to K.S.A. 72-116, and amendments thereto; and (7) persons who are domiciliary residents of the state, whose domiciliary residence was established in the state for the purpose of accepting, upon recruitment by an employer, or retaining, upon transfer required by an employer, a position of full-time employment at a place of employment in Kansas, but the domiciliary residence of whom was not timely enough established to meet the residence duration requirement of

K.S.A. 71-406, and amendments thereto, and who are not otherwise eligible under this section for admission at in-state student tuition rates.

(d) As used in this section:

(1) "Domiciliary resident" means a person who has present and fixed residence in Kansas where the person intends to remain for an indefinite period and to which the person intends to return following absence.

(2) "Full-time employment" means employment requiring at least 1,500 hours of work per year.

(e) The state board of education shall adopt rules and regulations for administration of the provisions of this section. Such rules and regulations shall prescribe criteria and guidelines for determination by a board of trustees of the eligibility of persons specified in subsections (b) and (c) for admission at in-state student tuition rates and shall specify the evidence necessary to be submitted by such persons to a board of trustees as proof of eligibility. Evidence submitted by a person as proof of eligibility claimed under subsection (b) or subsection (c)(7) must include, but not by way of limitation, certification of the claim by the employer of the person.

Sec. 5. K.S.A. 71-401 is hereby amended to read as follows:
71-401. Persons enrolling in a community college who, if adults, have not been, or if minors, whose parents have not been residents of the county in which is located the principal campus of such community college for at least six (6) months prior to enrollment for any term or session are nonresidents of such the community college district ~~for---out-district---state---aid entitlement,---out-district-tuition-and-fee-purposes.~~

Sec. 6. K.S.A. 71-403 is hereby amended to read as follows:
71-403. The state board of education may adopt rules and regulations prescribing criteria or guidelines for determination of residence of students ~~for-the-purpose-of-determining-liability of--counties--for--out-district--tuition-of-students~~ in community colleges--and--out-district--state---aid---entitlements college

districts. The state board may make conclusive determination of any residence matter ~~for--the--purpose--of--determination---of~~ ~~out-district-tuition-and-out-district-state-aid-entitlement.~~

Sec. 7. K.S.A. 71-602 is hereby amended to read as follows:
 71-602. (a) Each community college is entitled to receive credit hour state aid. The basis for ~~distribution~~ payments 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~~ Thirty-three 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 ~~1-1/2~~ two 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) Credit hour state aid payments shall be made only for credit hours of duly enrolled students if such students, as determined by the state board, are bona fide residents of the state of Kansas, or are considered bona fide residents of the state of Kansas under the provisions of K.S.A. 71-618, and amendments thereto.

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

education.

Sec. 8. K.S.A. 71-604 is hereby amended to read as follows:
 71-604. (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 state aid.

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

(c) The state board may audit the records of any community college applying for a part of any money appropriated for state aid, to verify the accuracy of the reports submitted by the community college. The state board may adopt rules and regulations for the administration of this act and acts amendatory thereof.

(d) In the event any community college is paid more than the amount it is entitled to receive ~~under--any--distribution--made under--this--act--or--acts--amendatory--thereof~~ as state aid, the state board shall notify the community college of the amount of the overpayment and the community college shall remit the same to the state board and it shall deposit the same in the state treasury to the credit of the general fund, and if any such community college fails so to remit, the state board shall deduct the excess amount so paid from future payments becoming due to such community college.

(e) In the event any community college is paid less than the amount ~~to which it is entitled under any distribution made under this act and acts amendatory thereof~~ to receive as state aid, the state board shall pay the additional amount due at any time within the fiscal year in which the underpayment was made or within 60 days after the end of such fiscal year.

Sec. 9. K.S.A. 71-605 is hereby amended to read as follows:
 71-605. (a) The distribution of the appropriation for credit hour state aid and out-district state aid shall be made three times each ~~school~~ fiscal year as follows: The first payment shall be made on October 1 and shall be in an amount equal to 50% of the preceding ~~school~~ fiscal year's credit hour state aid entitlement ~~of the community college. Subject to the provisions of subsection (e).~~ The second payment shall be made on December 1 and shall be in an amount ~~which is~~ equal to the balance of the summer and fall sessions' total credit hour state aid entitlement and the full amount of the summer and fall sessions' out-district state aid entitlement, with adjustment for any overpayment or underpayment resulting from computation of the first payment. The third payment shall be made on April 1 and shall be the full amount of the spring session's credit hour state aid entitlement and the spring session's out-district state aid entitlement, with adjustment for any underpayments or overpayments theretofore occurring. The state board shall certify, on or before November 25 and March 25 of each year, to the director of accounts and reports the amount due to each community college ~~from such appropriation on the first day of December, or for the December 1, 1987, payment on the date specified in subsection (c)~~ or on the first day of April, as the case may be, and the director of accounts and reports shall draw a warrant upon the state treasurer in favor of the community college for such amount. Upon receipt of the warrant, the treasurer of the community college shall credit the same to the general fund of the community college.

(b) The distribution of the appropriation for general state

aid shall be made at a time to be determined by the state board. The state board shall certify to the director of accounts and reports the amount due to each community college from such appropriation, and the director of accounts and reports shall draw a warrant upon the state treasurer in favor of the community college for such amount. Upon receipt of the warrant, the treasurer of the community college shall credit the same to the general fund of the community college.

~~(c) The credit hour state aid and out-district state aid to be paid December 1, 1987, shall be deferred and shall be paid January 4, 1988.~~

Sec. 10. K.S.A. 1994 Supp. 71-607 is hereby amended to read as follows: 71-607. (a) Each community college is entitled to receive out-district state aid. The basis for payments in ~~amounts determined as provided in this section. From reports and information provided by each community college, and from such additional audits and investigations as are conducted by the state department of education, the state board shall determine the amount of out-district tuition each community college is entitled to bill to counties each year, and the entitlement to out-district state aid of each community college shall be an amount equal thereto plus (1) an amount equal to the amount of out-district tuition disallowed under the provisions of K.S.A. 71-304, and amendments thereto, and (2) an amount equal to the amount of out-district tuition disallowed under the provisions of subsection (c) of K.S.A. 71-609, and amendments thereto, and (3) an amount equal to the number of duly enrolled out-of-state and foreign students considered bona fide residents of the state under the provisions of K.S.A. 71-618, and amendments thereto, times the amount specified in subsection (c) of K.S.A. 71-301, and amendments thereto, for each credit hour of each such duly enrolled student if such student, as determined by the state board, qualifies as an out-district student for the purpose of determination of the amount of out-district state aid entitlement shall be \$48 for each credit hour of each duly enrolled~~

out-district student.

(b) (1) Out-district state aid payments shall be made only for credit hours of out-district students ~~specified-in-provision (3)-of-subsection-(a)~~ if such students, as determined by the state board, are bona fide residents of the state of Kansas, or are considered bona fide residents of the state of Kansas under the provisions of K.S.A. 71-618, and amendments thereto, and if such students have not more than 64 credit hours from any institution of postsecondary education or the students have not more than 72 credit hours and are enrolled in terminal type nursing courses or freshman-sophomore level preengineering courses.

(2) The credit hour limitations prescribed by provision (1) of this subsection do not apply to credit hours of out-district students if such students, as determined by the state board, are enrolled in an approved vocational education program at a community college for the purpose of receiving vocational or technical training or retraining in preparation for gainful employment.

Sec. 11. K.S.A. 1994 Supp. 71-609 is hereby amended to read as follows: 71-609. (a) No out-district state aid entitlement, no credit-hour state aid entitlement, and no general state aid entitlement shall be based upon credit hours in any subject or course all or the principal part of which is taught at a location outside the county of the main campus of the community college, unless the location of such subject or course is specifically authorized by the state board of education.

(b) (1) No out-district ~~tuition~~ state aid entitlement shall be based upon ~~or--charged--for~~ credit hours in any subject or course all or the principal part of which is taught in a county in which the main campus of a state educational institution is located, unless the teaching of such subject or course is specifically authorized by the chief executive officer of the state educational institution or by a designee of the chief executive officer. The chief executive officer of each state

educational institution may designate and authorize a person or committee to act on behalf of the chief executive officer in granting the authorizations required by this subsection.

(2) For the purposes of this subsection, the term "main campus of a state educational institution" as applied to Kansas state university of agriculture and applied science means and includes the campus of the university located in Riley county and the campus of the university's college of technology located in Saline county.

~~(3) The provisions of this subsection are subject to the provisions of subsection (c).~~

~~(c) No out-district tuition shall be based upon or charged for credit hours in any subject or course all or the principal part of which is taught at Fort Hays state university or at Wichita state university under an agreement entered into by a community college and either such university. The provisions of this subsection shall expire on June 30, 1995, unless amended by act of the legislature prior to such date.~~

Sec. 12. K.S.A. 71-609a is hereby amended to read as follows: 71-609a. No out-district state aid entitlement, no credit hour state aid entitlement, and no general state aid entitlement of a community college shall be based upon any course or program if such course or program is taught in an area vocational school or an area vocational-technical school under an agreement with such community college and for which payments of state or federal moneys are made to the area vocational school or the area vocational-technical school under the provisions of article 44 of chapter 72 of Kansas Statutes Annotated, and no such course or program shall be counted in determining the number of credit hours of out-district students for the purpose of computing the amount of out-district tuition to be charged by a community college.

Sec. 13. K.S.A. 71-610 is hereby amended to read as follows: 71-610. Notwithstanding any provision contained in chapter 71 of Kansas Statutes Annotated to the contrary, whenever there are two

community college districts located within one county, no out-district tuition shall be charged for any student residing in such county and attending either such community college. No out-district state aid entitlement shall be based upon enrollment of any student who resides in such a county and attends either community college located therein.

Sec. 14. K.S.A. 71-611 is hereby amended to read as follows: 71-611. (a) "Operating expenses" means the total expenditures and lawful transfers from the general fund of a community college during a ~~school~~ fiscal year for all purposes.

(b) "Legally adopted budget of operating expenses" means the amount legally authorized and budgeted for ~~such~~ operating expenses in the ~~budget~~ general fund of a community college.

(c) "General fund" means the fund of a community college from which operating expenses are paid and, subject to the provisions of K.S.A. 71-613a, and amendments thereto, to which all amounts of ~~credit--hour-state-aid, out-district-state-aid,~~ ~~general~~ state aid, property taxes for general purposes, ~~out-district--tuition,~~ student tuition, ~~tuition-of-out-of-state and-foreign-students,~~ and other moneys provided for by law are credited.

Sec. 15. K.S.A. 71-613a is hereby amended to read as follows: 71-613a. All amounts of credit hour state aid, out-district state aid, general state aid, ~~out-district-tuition,~~ student tuition, and tuition of out-of-state and foreign students received by a community college for any program authorized by article 44 of chapter 72 of Kansas Statutes Annotated may be deposited in the vocational education fund of the community college.

Sec. 16. K.S.A. 71-701 is hereby amended to read as follows: 71-701. As used in this act, ~~--unless--the--context--otherwise~~ **requires:**

(a) ~~The-term~~ "Community college" means a public community college established under the provisions of this act. The official name of such community college shall be "the _____"

community college" and the blank shall be filled with the name of the city or county.

(b) ~~The--term~~ "State board" means the state board of education.

(c) ~~The--term~~ "Community college district" means the taxing district of a community college.

(d) ~~The-term~~ "Board of trustees" means the governing body of a community college.

(e) ~~The--term~~ "State plan" means the plan adopted for community colleges as heretofore provided by law, and such plan as it is from time to time amended by the state board upon recommendation of the advisory council; such plan may include other matters listed in the "community college act" and acts amendatory thereof, or supplemental thereto.

(f) ~~The-term~~ "Campus" means the location of all or part of the buildings and facilities of a community college.

(g) ~~The--term~~ "Advisory council" means the advisory council provided for by K.S.A. 71-901, and amendments thereto.

(h) ~~The-term~~ "State department of education" means the department of~~7--and~~ which is administered by and under the direction of~~7~~ the state board.

(i) ~~The-term~~ "Director" means the person appointed by the state board to be responsible for staff duties of the supervision of community colleges.

(j) ~~The--term~~ "Student tuition" means the charge made to and paid by students for the privilege of attending a community college and participation in the institutional program.

(k) ~~The---term~~ "Chief school administrator" means the president or one so appointed by the board of trustees.

(l) "Out-district student" means a duly enrolled student of a community college who is a nonresident of the community college district.

Sec. 17. K.S.A. 71-1508 is hereby amended to read as follows: 71-1508. (a) There is hereby established in every community college conducting a motorcycle driver safety course a

fund which shall be called the "motorcycle driver safety" fund. The motorcycle driver safety fund shall consist of all moneys deposited therein or transferred thereto according to law. All moneys received by community colleges from distributions made from the motorcycle safety fund and from tuition, fees or charges for motorcycle driver safety courses shall be credited to the motorcycle driver safety fund. The expenses of community colleges directly attributable to motorcycle driver safety courses shall be paid from the motorcycle driver safety fund.

(b) ~~No out-district tuition shall be charged or paid for any student on the basis of enrollment in a motorcycle driver safety course and no out-district~~ state aid entitlement, credit hour state aid entitlement, or general state aid entitlement of a community college shall be based upon a motorcycle driver safety course conducted by the community college.

Sec. 18. K.S.A. 71-1702 is hereby amended to read as follows: 71-1702. (a) The governing body of an area vocational school or area vocational-technical school which is consolidated with and made a part of a community college in accordance with the provisions of this act shall enter into a consolidation agreement with the board of trustees of the community college with which such area vocational school or area vocational-technical school is consolidated.

(b) Every consolidation agreement entered into under this section shall provide for:

(1) The disposition of all real property of the affected area vocational school or area vocational-technical school, which disposition shall not be in contravention of the provisions of subsection (d) of K.S.A. 71-201, and amendments thereto;

(2) the disposition of all personal property, records and moneys, including state and federal financial aid, of the affected area vocational school or area vocational-technical school;

(3) the payment of all lawful debts of the affected area vocational school or area vocational-technical school, including

any outstanding bonded indebtedness attributable to the operation thereof;

(4) the payment of all accrued compensation or salaries of all personnel of the affected area vocational school or area vocational-technical school;

(5) the transfer of personnel, if such personnel are deemed necessary, in the employment of the affected area vocational school or area vocational-technical school to the employment of the community college; and

(6) such other matters as may need to be addressed as the result of such consolidation by the affected area vocational school or area vocational-technical school and the community college.

(c) Immediately upon execution of each consolidation agreement entered into under this section, the state board of education shall be notified thereof by the board of trustees of the affected community college. The state board shall review and approve such consolidation agreement ~~and upon approval of such agreement, the state board, for purpose of determining credit hour state aid under K.S.A. 71-602, and amendments thereto, shall issue an order officially designating the community college as an area vocational school.~~

(d) When any conflict arises as to the proper disposition of property, records or funds or as to the assumption and payment of any debts as a result of any consolidation effected under this act, such conflict shall be determined and resolved by the state board of education and such determination and resolution shall be final.

Sec. 19. K.S.A. 1994 Supp. 19-101a is hereby amended to read as follows: 19-101a. (a) The board of county commissioners may transact all county business and perform all powers of local legislation and administration it deems appropriate, subject only to the following limitations, restrictions or prohibitions:

(1) Counties shall be subject to all acts of the legislature which apply uniformly to all counties.

(2) Counties may not consolidate or alter county boundaries.

(3) Counties may not affect the courts located therein.

(4) Counties shall be subject to acts of the legislature prescribing limits of indebtedness.

(5) In the exercise of powers of local legislation and administration authorized under provisions of this section, the home rule power conferred on cities to determine their local affairs and government shall not be superseded or impaired without the consent of the governing body of each city within a county which may be affected.

(6) Counties may not legislate on social welfare administered under state law enacted pursuant to or in conformity with public law No. 271--74th congress, or amendments thereof.

(7) Counties shall be subject to all acts of the legislature concerning elections, election commissioners and officers and their duties as such officers and the election of county officers.

(8) Counties shall be subject to the limitations and prohibitions imposed under K.S.A. 12-187 to 12-195, inclusive, and amendments thereto, prescribing limitations upon the levy of retailers' sales taxes by counties.

(9) Counties may not exempt from or effect changes in statutes made nonuniform in application solely by reason of authorizing exceptions for counties having adopted a charter for county government.

(10) No county may levy ad valorem taxes under the authority of this section upon real property located within any redevelopment area established under the authority of K.S.A. 12-1772, and amendments thereto, unless the resolution authorizing the same specifically authorized a portion of the proceeds of such levy to be used to pay the principal of and interest upon bonds issued by a city under the authority of K.S.A. 12-1774, and amendments thereto.

(11) Counties shall have no power under this section to exempt from any statute authorizing or requiring the levy of

taxes and providing substitute and additional provisions on the same subject, unless the resolution authorizing the same specifically provides for a portion of the proceeds of such levy to be used to pay a portion of the principal and interest on bonds issued by cities under the authority of K.S.A. 12-1774, and amendments thereto.

(12) Counties may not exempt from or effect changes in the provisions of K.S.A. 19-4601 to 19-4625, inclusive, and amendments thereto.

(13) Except as otherwise specifically authorized by K.S.A. 12-1,101 to 12-1,109, inclusive, and amendments thereto, counties may not levy and collect taxes on incomes from whatever source derived.

(14) Counties may not exempt from or effect changes in K.S.A. 19-430, and amendments thereto. Any charter resolution adopted by a county prior to July 1, 1983, exempting from or effecting changes in K.S.A. 19-430, and amendments thereto, is null and void.

(15) Counties may not exempt from or effect changes in K.S.A. 19-302, 19-502b, 19-503, 19-805 or 19-1202, and amendments thereto.

(16) Counties may not exempt from or effect changes in K.S.A. 13-13a26, and amendments thereto. Any charter resolution adopted by a county, prior to the effective date of this act, exempting from or effecting changes in K.S.A. 13-13a26, and amendments thereto, is null and void.

~~(17) Counties may not exempt from or effect changes in K.S.A. 71-301, and amendments thereto. Any charter resolution adopted by a county, prior to the effective date of this act, exempting from or effecting changes in K.S.A. 71-301, and amendments thereto, is null and void.~~

(18) Counties may not exempt from or effect changes in K.S.A. 19-15,139, 19-15,140 and 19-15,141, and amendments thereto. Any charter resolution adopted by a county prior to the effective date of this act, exempting from or effecting changes

in such sections is null and void.

~~(19)~~ (18) Counties may not exempt from or effect changes in the provisions of K.S.A. 12-1223, 12-1225, 12-1225a, 12-1225b, 12-1225c and 12-1226, and amendments thereto, or the provisions of K.S.A. 1994 Supp. 12-1260 to 12-1270, inclusive, and 12-1276.

~~(20)~~ (19) Counties may not exempt from or effect changes in the provisions of K.S.A. 19-211, and amendments thereto.

~~(21)~~ (20) Counties may not exempt from or effect changes in the provisions of K.S.A. 19-4001 to 19-4015, inclusive, and amendments thereto.

~~(22)~~ (21) Counties may not regulate the production or drilling of any oil or gas well in any manner which would result in the duplication of regulation by the state corporation commission and the Kansas department of health and environment pursuant to chapter 55 and chapter 65 of the Kansas Statutes Annotated and any rules and regulations adopted pursuant thereto. Counties may not require any license or permit for the drilling or production of oil and gas wells. Counties may not impose any fee or charge for the drilling or production of any oil or gas well.

~~(23)~~ (22) Counties may not exempt from or effect changes in K.S.A. 79-41a04, and amendments thereto.

~~(24)~~ (23) Counties may not exempt from or effect changes in K.S.A. 1994 Supp. 79-1611, and amendments thereto.

~~(25)~~ (24) Counties may not exempt from or effect changes in K.S.A. 1994 Supp. 79-1494, and amendments thereto.

~~(26)~~ (25) Counties may not exempt from or effect changes in subsection (b) of K.S.A. 19-202, and amendments thereto.

(b) Counties shall apply the powers of local legislation granted in subsection (a) by resolution of the board of county commissioners. If no statutory authority exists for such local legislation other than that set forth in subsection (a) and the local legislation proposed under the authority of such subsection is not contrary to any act of the legislature, such local legislation shall become effective upon passage of a resolution

of the board and publication in the official county newspaper. If the legislation proposed by the board under authority of subsection (a) is contrary to an act of the legislature which is applicable to the particular county but not uniformly applicable to all counties, such legislation shall become effective by passage of a charter resolution in the manner provided in K.S.A. 19-101b, and amendments thereto.

Sec. 20. K.S.A. 1994 Supp. 79-5028 is hereby amended to read as follows: 79-5028. The provisions of K.S.A. 79-5021 to 79-5036, inclusive, and amendments thereto, shall not apply to or limit the levy of taxes for the payment of:

(a) Principal and interest upon state infrastructure loans, bonds, temporary notes, no-fund warrants and payments made to a public building commission;

(b) judgments, settlements and expenses for protection against liability to the extent such expenses are authorized by article 61 of chapter 75 of the Kansas Statutes Annotated and amendments thereto;

(c) employer contributions for social security, workers compensation, unemployment insurance, health care costs, employee benefit plans, and employee retirement and pension programs;

(d) expenses incurred by counties for district court operations under the provisions of K.S.A. 20-348 or 20-349, and amendments thereto, and expenses incurred by counties for the detention of juveniles; or

(e) ~~expenses incurred by counties for payment of out-district tuition to community colleges pursuant to K.S.A. 71-3017, and amendments thereto, and expenses incurred by counties~~ and townships for payment of out-district tuition to municipal universities pursuant to K.S.A. 13-13a26, and amendments thereto.

The provisions of K.S.A. 79-5021 to 79-5036, inclusive, and amendments thereto, do not apply to the tax levies authorized or required under K.S.A. 19-4004, 19-4011, 65-212 and 65-215 and amendments thereto to such sections.

Amounts produced from any taxes levied for purposes specified

in this section shall not be used in computing any aggregate limitation under the provisions of this act. In addition, amounts needed to be produced from the levy of taxes by a taxing subdivision to replace the difference between the amount of revenue estimated to be received by such taxing subdivision pursuant to K.S.A. 79-5101 et seq., and amendments thereto, in 1990, and the amount of such revenue estimated to be received by such taxing subdivision in each year thereafter shall not be used in computing any aggregate limitation under the provisions of this act. On or before June 1 of each year, information necessary to make such computation shall be provided to each taxing subdivision by the appropriate county treasurer.

Sec. 21. K.S.A. 71-201, 71-204, 71-304, 71-305, 71-306, 71-401, 71-403, 71-602, 71-604, 71-605, 71-609a, 71-610, 71-611, 71-613a, 71-701, 71-1508, 71-1702 and 71-1705 and K.S.A. 1994 Supp. 19-101a, 71-301, 71-302, 71-607, 71-609 and 79-5028 are hereby repealed.

Sec. 22. This act shall take effect and be in force from and after its publication in the statute book.



**Testimony Before the Senate Committee on Education
By Mark Tallman, Director of Governmental Relations
January 19, 1995**

Bill Requests

Mr. Chairman, Members of the Committee:

The Kansas Association of School Boards respectfully requests the introduction of two bills which reflect long-standing policy positions of our association; positions which have been given a new sense of urgency.

The first bill would limit the scope of review when tenured teachers are terminated or non renewed, and restore to local boards of education the authority to make the final decision (subject to judicial appeal).

The second bill would remove "employee evaluation procedures" from the list of items which are mandatorily negotiable under the Professional Negotiations Act.

Should these bills be introduced and hearings scheduled, we will present in full our reasons for supporting these measures. These items are also discussed in our 1995 Policies and Priorities booklet, which we have previously distributed to every member of the Legislature.

Thank you for your consideration.

*Senate Education
1-19-95
Attachment 3*

**PRESENTATION TO
SENATE EDUCATION COMMITTEE
AND
HOUSE EDUCATION COMMITTEE**

JANUARY 19, 1995

TOPIC:

**REVIEW OF RESEARCH ON LOW ENROLLMENT WEIGHTING
VAN D. MUELLER AND TERRY H. SCHULTZ**

BY:

**DAN NEUENSWANDER
SUPERINTENDENT OF SCHOOLS
PITTSBURG, KANSAS**

*Senate Education
1-19-95
Attachment 4*

Comments

I want to express my appreciation to you for inviting me to briefly review the school size research completed by Van Mueller and Terry Schultz, both of the University of Minnesota. Their distance from Kansas certainly qualifies them as experts on the subject.

As you know, this study was commissioned by a group of former "fourth enrollment" schools because of their concern for what they believe to be inequitable funding for some students in Kansas.

Included in your handout is a copy of the comments I will make as well as a few of the most critical portions of the 178-page study, including:

- Context of the research
- Assumption and purpose of the research
- Definition of terms
- Statement about the weighting model
- North Central Association standards for both elementary and secondary schools
- Summary
- Policy recommendations, and
- Information about the authors.

I will take the liberty of making a few editorial comments, even to the point of omitting one segment of the study that I believe to be not pertinent to the subject of equitable funding.

I do not profess to be an authority either on the subject or on this particular study, but I will be glad to answer questions following my comments. There are others in the audience who can answer more directly and will have more information on many questions.

My comments will include a brief review of:

- Methodology
- Findings
- Recommendations

Methodology

1. One of the difficulties in studying comparative educational costs is the wide diversity of programs offered from school to school. In an effort to find a program standard upon which to base this study of comparative school costs, the researchers used North Central Associations standards. The NCA standards used are on pages 7-11 in the information you received.

Using any "standard" presents some problems, and there are at least two obvious limitations in using the NCA standard.

1. The NCA program standards are less comprehensive than many schools use. However, using the NCA standards does provide a comparative cost analysis which establishes a "pattern" of costs, and this pattern can arguably be applied to additional programs selected by schools.

2. In small schools it is not always possible to find teachers with the right multiple certification to allow for maximum efficiency.
2. The researchers used an average teacher salary of \$32,000 and a principal salary of \$52,000 to establish comparative cost. While the salaries may be high or low, this does recognize that the major cost for schools is personnel.
3. The researchers made a conscious effort to study the cost of delivering a NCA standard program at two different levels, grades K-6 and 9-12. The research looked at:
 - Differences in the cost of delivering services between K-6 and 9-12
 - Differences in the cost of delivering services for varying school sizes within K-6 and within 9-12.

This points out another limitation of the study; i.e., no provisions were made for comparative costs of grades 7 and 8. Depending on the district's grade level organization, grade 7 and 8 costs might more nearly reflect either the elementary costs or the secondary costs.

4. The researchers divided school sizes by "sections" which are multiple equivalents of 25-30 students per grade level. They reviewed the staffing and instructional resources necessary to provide the NCA required program for 1, 2, 3 and 4 section schools.
5. The researchers included a subject which is only indirectly related to the study of comparative costs of differing school sizes. They looked at the issue of schools that are necessarily small due to geographic isolation as opposed to those that are "small by choice". They set a ten (10) mile limit as the distance standard for high schools with less than 100 students. If the high school has less than 100 students and is within 10 miles of another high school, particularly if the other high school was in the same district, they declared this high school to be "small by choice".

My prepared comments today will not include further discussion on this part of the study because it is not directly related to today's discussion, relative costs of varying sized districts.

6. The Mueller and Schultz study also includes an exhaustive and excellent review of research related to:
 - School size effects on students achievement, participation in extracurricular activities, dropout rate and student-teacher relationships.
 - Equal opportunity for students.
 - Funding practice in other states and Canada.
 - Rural schools and rural culture.

Findings

1. Using the North Central Staffing and Expenditure standards for elementary schools (K-6), there is as much variance within groups of one, two or three section schools as there was between one or two section schools as a group and three or four section schools as a group.

This indicates that variance in staffing costs at the elementary level is not necessarily related to size of school.

2. Using the North Central Staffing and Expenditure standards for high schools (9-12), there is a significant increase in base costs for one section schools over two section schools. It also costs less to offer the basic program in three section schools than the same program in two section schools even though the difference is less pronounced. The cost to provide the basic program for schools larger than three sections tends to level out.

This indicates that high schools with less than three sections per grade (approximately 75 students per grade or 300 students in grades 9-12) must either reduce the quality of the program or increase the per pupil expenditure. Therefore, diseconomies of scale require that low enrollment weighting be provided for small high schools because of resulting increased costs for providing educational programs.

3. A review of actual school expenditures shows that small school districts spend less per pupil than the low enrollment weighting formula allows at the elementary level and that they allocate a disproportionate amount of low enrollment funding and for high school programs. This actual expenditure review supports findings one and two which are based on a more theoretical model.

Recommendations

The researchers recommend that:

1. Kansas policy makers should use secondary school size as the unit for determining low enrollment aid since increased costs are directly related to school size in secondary schools.
2. A "ceiling" should be established at "less than three sections" or 300 high school students since this reflects actual relationships between size and cost. A district with 300 students in a 9-12 high school will have approximately 900 to 1000 students, K-12.
3. A ceiling should be placed on low enrollment aid which would be equal to twice the base per pupil budget and a linear scale should be developed for high schools with the smallest enrollment up to schools with 300 students.
4. A commitment should be made to "adequacy" as well as equal opportunity and accountability. (The best potential for accountability in Kansas is the Quality Performance Accreditation system.)
5. A commitment should be made to phase in any changes in funding over a three to four year period.

Policy Research on the Low Enrollment Weighting Component of Kansas School Financing

Context of the Research

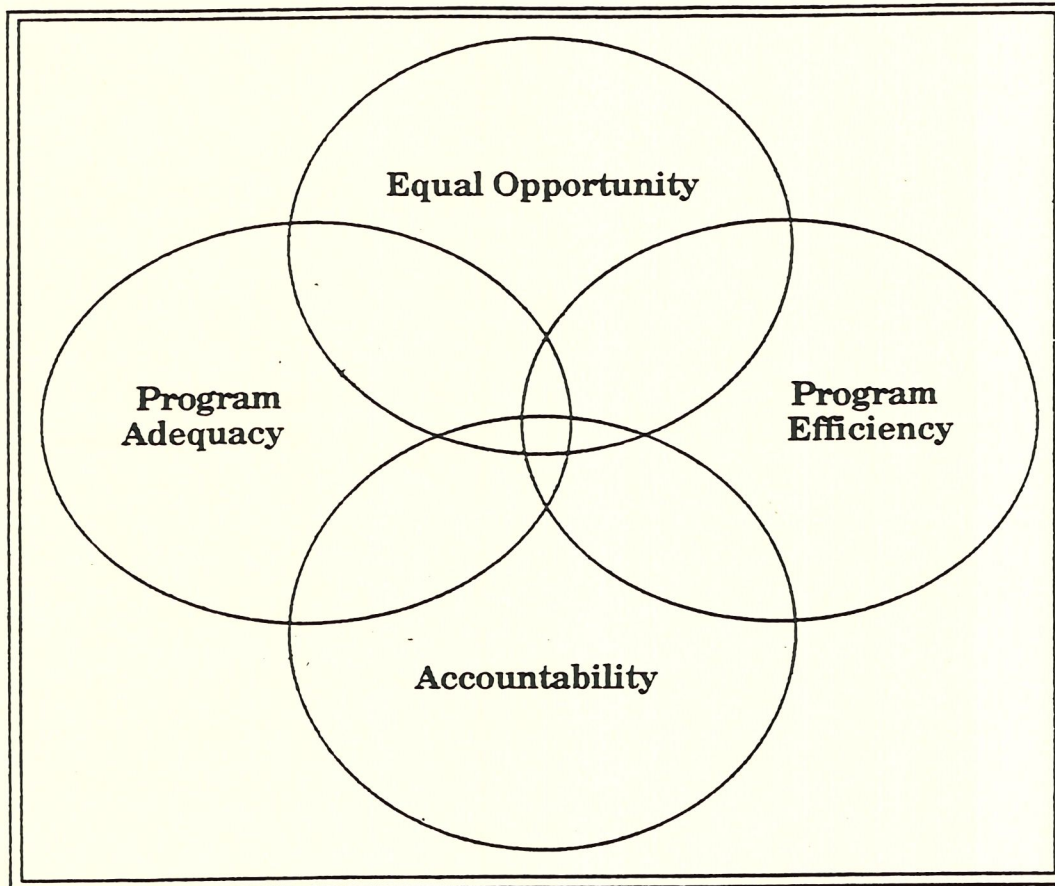
In December, 1993, Judge Maria Luckert declared the school funding formula in the State of Kansas "irrational". Despite the Supreme Court's recent action overturning the lower court's decision, the funding formula in Kansas remains inequitable and inefficient. This funding, based on a linear scale, provides phantom student units for education in rural and small school districts. Districts with fewer than 1,900 are funded with a .95 proration enrollment weighting factor, providing them with estimated enrollment (FTE) and estimated weighted enrollment. One consequence of this formula is the provision of very low pupil teacher ratios in "small" school districts, providing opportunities not available in larger districts. Because the current funding formula is linked to spending rather than to program costs, inefficiencies also result. This combination of inequity and inefficiency constitutes poor public policy.

Geographical isolation creates necessarily small schools, and for these schools, low enrollment weighting is essential to insure provision of adequate instructional programs. However, Kansas' school funding formula does not discriminate between districts that are small because of geographical isolation and districts that remain small by choice. Since the cost of providing education in Kansas accounts for a large proportion of the state's budget, efforts to improve pupil and taxpayer equity must, for reasons of economy, look beyond the existing policy allocating phantom units to districts with fewer than 1900 students which are currently considered "low enrollment" districts in Kansas.

The lower court's decision found the concept of low enrollment weighting to be permissible, but ruled that extending this weighting to schools with up to 1,900 students was excessive. After this judicial decision was announced, efforts to examine alternative funding procedures based upon factors considered "rational" were initiated. Criteria guiding the development of rational school funding programs are presented in Figure 1. Information from several sources was utilized to develop alternative funding formulas for Kansas:

Figure 1

School Finance: Rational Considerations for Policymakers



Rational Educational Funding Policies Reflect Commitment to:

Equal Opportunity: Funding provides access to adequate instructional programs for *all* students, regardless of school/district size and location

Program Adequacy: Funding guarantees all qualified schools are funded at the level required to provide adequate instructional programs, with "adequacy" determined through application of widely accepted standards

Accountability: Funding is based upon the costs of providing instructional programs for;

School/districts in different geographic areas
Students with differing instructional needs

Efficiency: Funding encourages instructional delivery systems that are cost effective, reflecting economies of scale

- Current school funding research (See Appendices D-H)
- Information about school funding in other states and Canadian provinces (See Appendix I)
- Existing data about Kansas districts and schools

Assumptions and Purposes of the Research

Development of alternative school funding models for the State of Kansas was guided by the principles of equity, adequacy and efficiency. The following goals were considered to be essential:

- Funding formulas must be *rational*. That is, their development must reflect objective criteria linked to effective public policy for funding educational programs. Since the current funding formula in Kansas has been judged "irrational" alternative formulas must *not* be based solely upon historical precedent.
- Funding must provide equity through an *adequate instructional program* available for all pupils, regardless of district/school size. Program adequacy must be determined based upon a widely accepted standard.
- Funding must accommodate *economies of scale*, which result in increased costs of providing educational programs for students in schools that are necessarily small because of geographic isolation.
- Funding must be *efficient*, with low enrollment support provided only to those districts meeting criteria establishing them as necessarily small because of geographic isolation factors. Providing additional revenues to districts not meeting these criteria who remain small by choice is neither rational or efficient.
- The unit of measurement (district or school) for determining low enrollment aid must reflect the level at which issues related to size actually affect economies of scale and ability to offer adequate programs.
- Funding formulas must reflect "best practice" identified through examination of current research and funding policies in other states.
- Alternative funding formulas must be tested hypothetically and through application of data from selected, representative districts in Kansas, to insure the implications of implementation are well understood.

Definition of Terms

Program Adequacy	Extent to which instructional program provides access to educational programs judged to be comprehensive in depth and breadth according to a widely-recognized external standard.
North Central Association	Establishes program standards for universities, colleges and schools to promote ongoing internal and external evaluation leading to improved instruction. NCA services are provided in 18 states, including Kansas.
Effective	Ideas and activities involved in education that best facilitate the regular and systematic development of the learner (Good, 1973).
Efficiency	Ability to achieve desired results with economy of time, effort, and fiscal resources in relation to the amount of work accomplished (Good, 1973). "There are two ways in which efficiencies can be achieved: (a) holding the quality/output constant while lowering the cost; or (b) holding the cost constant while raising the quality/output. Value measurements of a school or school district's efficiency are greatly complicated by the absence of tangible outputs and standard definitions of quality in the world of education" (Nachitagal & Haas, 1988, p. 9-10).
Economy of Scale	Relationship between size of organization and cost of providing services.
Production Function	Relationship between factors of production and output. In schools, this suggests that access to standardized, consistent instructional programs is necessary to produce consistent outputs, or learning.
Low Enrollment Weighting	Recognizes and compensates for higher fixed and operating costs per pupil which are necessary to provide an adequate educational program in low enrollment districts.
Unit of Measurement	Particular category used to determine funding. Kansas' current school funding program allocates low-enrollment aid using the district as the unit of measurement. Recommendations from this research suggest that high schools should be the unit of measurement for determination of low-enrollment aid.

Geographical Isolation/ Necessarily Small	Isolation that is due to factors beyond the control of local decision-makers. Districts may be small because of low population density, physiographic features that impede pupil transportation, or other factors that limit reorganization options (Bass, 1980).
Rural	Any area that is not urban is considered rural. The United States Bureau of Census defines an urban area as either (a) an area consisting of a central city and surrounding densely settled area with a combined population of 50,000 or more; or (b) a community of 2,500 or more people (U.S. Department of Commerce, 1990).
Section(s)	Multiple equivalents of 25-30 students per grade level. Used to determine staffing and instructional resources required to offer particular instructional programs.

Creating and Testing Low-Enrollment Weighting Models

Design Considerations

The goals of "adequacy" and "efficiency" guided the development of alternative school funding models for Kansas;

- **Funding adequacy** refers to support for provision of instructional programs for *all* students conforming to established standards
- **Funding efficiency** refers to established standards for qualification of "necessarily small schools", differentiating between those which are small by choice, and those which are small by necessity because of factors related to geographic isolation

Rational school funding policies establish **ceilings** for low enrollment weighting, providing additional funding to those schools which are too small to support a minimum program. They also establish **floors**, or standards which differentiate between schools that are necessarily small or small by choice, providing low enrollment funding to those schools which qualify as necessarily small because of factors related to geographic isolation.

To develop a rational formula, current educational funding research was examined, approaches used in other states and in Canadian provinces were reviewed, and instructional program standards were studied (See Appendix I). Using this background information, criteria for adequacy and efficiency were identified.

Rationale

School finance research and existing funding policies document the importance of providing supplemental school aid to districts and schools with low enrollment as a means of insuring equity and access to quality instructional programs for all students, regardless of the size and location of their school. These funding programs are based upon understanding that economies of scale result in higher fixed and operating costs for comparable programs in small schools. Policy makers who support programs such as low-enrollment weighting recognize that without supplemental funds, small schools will be unable to offer comprehensive programs, resulting in limited opportunities for the students they serve. Such programs are considered "inadequate" and therefore unacceptable.

Several issues require resolution when developing low-enrollment weighting model for school funding;

- What is meant by "program adequacy?"
- Is there is difference in ability to offer comprehensive programs in small districts between elementary and secondary schools?
- At what enrollment level is the size of school sufficient to allow program adequacy without supplemental aid?
- What is the most appropriate unit of measurement - district or school?

For this research, "program adequacy" was determined according to standards established by the North Central Association (NCA). These and similar standards are used in states and schools throughout the nation and are widely recognized as indicators of instructional quality, systematic internal and external evaluation, and ongoing efforts toward school improvement. The Standards are summarized in Exhibits 1 and 2 and are listed as program components in Tables 1, 2, and 3.

To determine the relationship between school size and the cost of offering instructional programs meeting North Central standards, hypothetical school models were developed for one, two, three, and four section elementary and high schools, with "section" referring to the number of classrooms per grade level. These hypothetical models are shown in Tables 1, 2, and 3.

Exhibit 1

North Central Association Standards for Elementary Schools

Summary of Standards Guiding Kansas School Finance Policy Recommendations

- **Pupil/Professional Staff Ratio:** Ratio of pupils to teachers and other professional staff members shall not exceed 20 to 1. Enrollment in kindergarten class shall not exceed 25.

- **Administrative Staffing:**

<u>Enrollment</u>	<u>Administrative Staffing Required</u>
Fewer than 251	At least half-time principal
251 to 599	Full-time principal (more than one school, maximum of 450 students)
600 to 800	Full-time principal plus at least half-time assistant principal

- **Pupil Personnel Services:** School shall provide for guidance services, provided by guidance counselor or other specially trained personnel.

- **Media Services:**

<u>Enrollment</u>	<u>Media Staffing Required:</u>
Fewer than 400	1/2 time specialist, or 1/5 time specialist and full-time aide
400 to 999	1 full-time or 1/2 time specialist and full-time aide

Exhibit 2

North Central Association Standards
for High Schools:
Summary of Standards
Guiding Kansas School Finance Policy Recommendations

Staffing

- **Student/Professional Staff Ratio:** Ratio of students to teachers and other professional staff members shall not exceed 25 to 1.
- **Administrative Staffing:**

<u>Enrollment</u>	<u>Principal</u>	<u>Assistant Principal</u>
Fewer than 250	.5 FTE	
250 to 500	1.0 FTE	
501 to 1000	1.0 FTE	.5 FTE

- **Pupil Personnel Services:** Qualified guidance counselors must be provided at a ratio of 1 for each 450 students, with not less than a half-time counselor.
- **Media Services:**

<u>Enrollment</u>	<u>Qualified Specialists Required</u>
Fewer than 300	At least half-time specialist
300 to 499	At least full-time specialist or half-time specialist and full-time aide

Curriculum and Instruction

- **Program of Studies:** School shall offer and teach at least 38 Carnegie units or their equivalent each year in grades 9 through 12 in the following areas:

<u>Subject (s)</u>	<u>Carnegie Units</u>
Language Arts	4 units
Science	4 units
Mathematics	4 units
Social Studies	4 units
Foreign Languages	At least 2 units of 1 foreign language
Fine Arts	At least 1 unit in art and 1 unit in music
Practical Arts	4 units in subjects such as business, industrial or vocational courses, homemaking, agriculture
Health and Physical Education	1 unit

SOURCE: North Central Association of Colleges and Schools. NCA Policies and Standards for Schools - 1992-94.

Table 1

Elementary Staffing and Expenditure Requirements for Uniform, Comprehensive Program*

	One Section School (175 students)			Two Section School (350 students)			Three Section School (525 students)			Four Section School (700 students)		
	FTE**	Average Salary***	Total Salary	FTE	Average Salary	Total Salary	FTE	Average Salary	Total Salary	FTE	Average Salary	Total Salary
Regular Classroom Teachers	6	\$32,000		12	\$32,000		18	\$32,000		24	\$32,000	
Instructional Specialists: Music, Art, Physical Ed.	1.5			3			4.5			6		
Special Education	1.5			3			4.5			6		
Kindergarten	.5			1			1.5			2		
Media	.5			1			1			1		
Counselor	.5		\$336,000	1		\$672,000	1		\$976,000	1		\$1,280,000
Principal	.5	\$52,000	26,000	1	\$52,000	52,000	1	\$52,000	52,000	1	\$52,000	52,000
TOTAL PROFESSIONAL STAFF/SALARIES	11.0		\$362,000	22.0		\$724,000	31.5		\$1,028,000	41.0		\$1,332,000
Professional Staff/ Student Ratio	1:15.9			1:15.9			1:16.7			1:17.1		
Professional Staff Salaries/ Student ***			\$ 2,069			\$ 2,069			\$ 1,958			\$ 1,903

* "Uniform Comprehensive Program" is defined as meeting current North Central Accreditation (NCA) standards

** FTE = Full-Time-Equivalent

*** Based on average salaries for teachers and principals in Kansas

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Table 2

High School Regular Classroom Teacher Requirements for Uniform, Comprehensive Program*

Subject Area	One Section School		Two Section School		Three Section School		Four Section School	
	FTE**	Number of Sections	FTE	Number of Sections	FTE	Number of Sections	FTE	Number of Sections
Language Arts	.67	4	1.17	7	1.83	11	2.17	13
Science	.67	4	1.0	6	1.33	8	1.67	10
Mathematics	.67	4	1.0	6	1.33	8	1.67	10
Social Studies	.67	4	1.17	7	1.83	11	2.17	13
Foreign Language	.33	2	.33	2	.5	3	.67	4
Fine Arts								
Art	.17	1	.33	2	.5	3	.67	4
Music	.17	1	.33	2	.5	3	.67	4
Practical Arts	.67	4	1.0	6	1.33	8	1.67	10
Business								
Industrial Arts								
Home Economics								
Vocational								
Agriculture								
Health/Phys. Ed.	.17	1	.33	2	.5	3	.67	4
Elective or Discretionary	2.17	13	0	0	0	0	0	0
SUB-TOTAL	6.36	38	6.67	40	9.67	58	12.03	72
Study Hall Section	1.17	7	1.17	7	1.17	7	1.17	7
TOTAL	7.53	45	7.84	47	10.84	65	13.2	79

F
F*

*"Uniform Comprehensive Program" is defined as meeting current North Central Association (NCA) standards
FTE = Full-Time-Equivalent

Table 3

High School Staffing and Expenditure Requirements for Uniform, Comprehensive Program*

	One Section School			Two Section School			Three Section School			Four Section School		
	FTE**	Average Salary	Total Salary	FTE	Average Salary	Total Salary	FTE	Average Salary	Total Salary	FTE	Average Salary	Total Salary
Regular Classroom Teachers												
Language Arts	.67	\$32,000		1.17	\$32,000		1.83	\$32,000		2.17	\$32,000	
Science	.67			1.0			1.33			1.67		
Mathematics	.67			1.0			1.33			1.67		
Social Studies	.67			1.17			1.83			2.17		
Foreign Language	.33			.33			.5			.67		
Fine Arts												
Art	.17			.33			.5			.67		
Music	.17			.33			.5			.67		
Practical Arts	.67			1.0			1.33			1.67		
Business												
Industrial Arts												
Home Economics												
Vocational												
Agriculture												
Health/Phys. Ed.	.17			.33			.5			.67		
Study Hall	1.17			1.17			1.17			1.17		
Elective or												
Discretionary	2.17			0			0			0		
Media Generalist	.5			.5			.5			1.0		
Counselor	.5		\$272,960	.5		\$282,560	1.0		\$393,600	1.0		\$502,400
Principal	.5	\$52,000	26,000	.5	\$52,000	26,000	1.0	\$52,000	52,000	1.0	\$52,000	52,000
TOTAL PROFESSIONAL STAFF/SALARIES	9.03		\$298,960	9.33		\$308,560	13.3		\$445,600	16.2		\$554,400
PROFESSIONAL STAFF/STUDENT RATIO	1:11.1			1:21.4			1:22.6			1:24.7		
PROFESSIONAL STAFF SALARIES/STUDENT			\$ 2,990			\$ 1,543			\$ 1,485			\$ 1,386

* "Uniform Comprehensive Program" is defined as meeting current North Central Association (NCA) standards

** FTE = Full-Time-Equivalent

*** Based on average teacher's and principal's salary in Kansas

Summary

Summary of Design Concepts

This report offers compelling information for policy makers who make difficult decisions about the nature of support provided for educational programs. The proposed formula provides accountability through equal access to adequate instructional programs. Linking funding to instruction, rather than to spending provides a guaranteed minimum program.

Outcomes of the current funding formula in Kansas suggest that inefficiencies are encouraged when funding programs allow districts capable of offering adequate programs to staff at levels far beyond those considered necessary by credible professional associations such as NCA. This analysis also suggests that standards should be established differentiating between schools that are necessarily small because of factors related to geographical isolation, and schools that remain small by choice. Economies of scale have a significant impact on the cost of educational programs in small schools, and where factors of geographical isolation require this inefficiency, state support should be provided. Policy makers must decide, however, whether to continue to support programs that are small by choice, not necessity.

Proposed Funding Formula: Similarities to and Differences from Current Practice

The recommended low enrollment weighting model is similar to existing practice in Kansas, which provides supplemental funding to small school districts. It differs from the current formula by using high schools (9-12) rather than school districts as the unit of measurement, and recommends that both floors and ceilings be established for low enrollment funding. The current formula is driven by spending considerations. In contrast, the proposed alternative formula is driven by program considerations, and by the development of criteria for qualification as a "necessarily small" school. This alternative formula will provide funding to schools which are small because of geographic isolation rather than small by choice.

Summary of Recommendations

Examination of the implications of Kansas' LEA program revealed clear themes which should guide policy makers as they consider funding reforms. These

are summarized in Exhibit 4. First, the State should adopt funding procedures including program based definitions of LEA need, providing this support to insure program adequacy in small high schools. The formula should specify a floor and ceiling, providing production and efficiency functions. High schools that are small due to geographic isolation should be differentiated from those which are small by choice, with LEA funding provided only to those meeting qualification as "necessarily small." Finally, policy makers should develop transitional plans to phase in these restrictions on LEA, providing decreasing interim aid to districts that do not qualify under the new formula.

The funding formula recommended for implementation in Kansas is based upon rational factors. It reflects current research related to funding K-12 educational programs, analysis of factors affecting schools in Kansas, and provides accountability through its focus on opportunity to learn through equal access to quality instructional programs. By guaranteeing Kansas' students access to such programs, defined according to a well-established standard, and by limiting support to schools legitimately incurring excess costs due to economies of scale, Kansas policy makers will fulfill their obligation to constituents and future citizens, by providing access to educational opportunities that respect geographical realities and are cost effective.

Exhibit 4:

Policy Recommendations for LEA Reform

The Kansas Legislature should:

- Commit to the timely opportunity to provide adequacy, efficiency and accountability in school funding, through provision of a comprehensive LEA model which addresses both **program adequacy and efficiency**.
- Commit to a **program-based definition of LEA** need and to an **excess cost model** providing LEA support based solely on 9-12 enrollment.
- Commit to a **ceiling** (program adequacy) for qualification for LEA based on three-section high school (grades 9-12 = 300 students) and school district of 975 FTE students.
- Commit to a **floor** (efficiency) for eligibility for LEA based on one high school per district, a single-section 9-12 enrollment of 100 or greater, and a distance to the nearest high school of greater than ten miles.
- Commit to a system of **transition** funding for districts with enrollments greater than 975 and less than 1900 and for districts that are small by choice (less than one section in grades 9-12 (100 students), with another high school closer than ten miles). This transition should phase out LEA over four years at an annual rate of \$300 per student, or 25% of current LEA per pupil, whichever is the lesser.
- Commit to an interim level of support for LEA for all eligible districts based on an adjustable linear scale model with per student funding in grades 9-12 ranging up to \$3600 per student, or at a level equal to the current state support.
- Acknowledge the continued existence of the six small school districts with two high schools and apply the same eligibility standards to the high schools in these districts.

About the Authors

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