

MINUTES OF THE SENATE COMMITTEE ON EDUCATION.

The meeting was called to order by Chairperson Barbara Lawrence at 1:30 p.m. on February 7, 1996 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Ben Barrett, Legislative Research Department
Avis Swartzman, Revisor of Statutes
Jennifer Bishop, Committee Secretary

Conferees appearing before the committee: Beverly Eversmeyer, USD 383, Vice-President Manhattan-Ogden Board of Education
Doug Lindahl, USD 473 Board Member
Mark Roeser, USD 475, President Board of Education-Geary County Unified School District
Mark Tallman, KASB
Gerry Henderson, USA
Diane Gjerstad, Wichita Public Schools
Craig Grant, KNEA

Others attending: See attached list

SB 526: School district finance relating to the definitions of enrollment and adjusted enrollment as applicable to certain unified school districts

Beverly Eversmeyer addressed the committee as a proponent of **SB 526**. She stated that the ramifications of the downsizing of Ft. Riley has caused much enrollment uncertainty for the 14 school districts surrounding the military reservation. It is because of that uncertainty that the 14 districts ask for the committee's support on **SB 526**. On the September 20, 1995 count for Manhattan-Ogden USD 383, the district lost 95 students directly associated with the downsizing of Ft. Riley. Since that date the district has lost another 101 students. Without the renewal of this bill the full impact of last year's loss plus next year's, will be felt by all 14 districts in one fiscal year. The impact of the passage of this bill may vary among the 14 districts but clearly given the current funding picture and potential enrollment fluctuations, renewal of this safety net is desperately needed. This bill would provide the districts with the opportunity to deal appropriately with the downsizing in the following fiscal year as additional information becomes available (Attachment 1).

Doug Lindahl addressed the committee as a proponent of **SB 526**. He stated that the passage of **SB 526** is critically important to USD 473. Due to the uncertainties associated with the declining enrollment and recognizing the need to provide the youth with a quality education, it is essential that the district be assured of the September 20 adjusted enrollment during the 1996-97 academic year. The district is only asking for a continuance of the status quo as the families who leave Ft. Riley will be relocating in other states. Once the downsizing of Ft. Riley has concluded and the military related student population has stabilized the district will make whatever budget adjustments that are necessary (Attachment 2).

Senator Lawrence recognized Representative Gerald Geringer who was present to express his support for **SB 526**.

Mark Roeser addressed the committee as a proponent of **SB 526**. He stated that almost 60% of the students in his district, USD 475, has a parent on active duty at Ft. Riley. This district is by far the most heavily impacted military community in the area. By the September 20, 1995 count day their district enrollment dropped almost 500 students and continued to decline between September and mid January. He stated that the district is not asking for new money but is urging the committee to help the district level out their budget by making a limited exception in the planning process for next year. Once the enrollment has stabilized the district will expect to apply the normal budget planning procedure (Attachment 3).

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON EDUCATION, Room 123-S Statehouse, at 1:30 p.m. on February 7, 1996.

Senator Lawrence recognized Senator Mike Harris who was also present to lend his support for **SB 526**.

Mark Tallman addressed the committee as a proponent of **SB 526**, which would provide a greater degree of protection against declining enrollment for certain districts in the Ft. Riley area. KASB has long supported the declining enrollment feature of the previous school finance system, the School District Equalization Act, which allowed districts to use the enrollment of either the current year or the previous year, whichever was greater. Districts can do a better job planning for the long term if they have a better idea of what the minimum budget is likely to be. KASB supports the provisions of **SB 526**, but urged that a broader hold harmless feature be extended to all districts facing declining enrollment (Attachment 4).

Gerry Henderson stated that USA supports **SB 526** which would provide assistance to the school districts impacted by the downsizing of Ft. Riley. However, USA would suggest that all Kansas districts receive the protection of this bill. Many districts from all parts of the state, but especially in sparsely populated areas are experiencing losses in enrollment that are proving extremely difficult to plan for. USA asked the committee to extend the protection offered by **SB 526** to all districts. USA also recommended that districts be allowed to use either the current enrollment or the previous year's enrollment whichever is greater. USA believes that such a provision would not only solve the problem of the districts mentioned in **SB 526**, but all other Kansas districts as well (Attachment 5).

Diane Gjerstad addressed the committee as a proponent of **SB 526**. She encouraged the committee to use the discussion surrounding Ft. Riley's downsizing to re-examine the declining enrollment provision of the school finance formula. The declining enrollment provision has effectively penalized school districts over the past four years. The base budget per pupil has failed to keep pace with increasing costs. The declining provision compounds the financial squeeze. She again encouraged the committee to re-examine the declining enrollment provision in light of four years of experience across the state (Attachment 6).

Craig Grant addressed the committee as a proponent of **SB 526**. He stated that this bill is a similar provision to the one the committee rolled into **HB 2152** last year. Although last year's provision was written for only one year, the effect of downsizing Ft. Riley continues to affect the school districts mentioned in the bill. These types of special circumstances occur from time to time and accommodations for those circumstances are made. KNEA believes that they should again help protect these schools districts from a problem over which they have no control (Attachment 7).

Senator Downy asked how do the districts know what their loss is going to be. Gerry Henderson answered that the district gets their figures together in the Spring, have them ready by the Summer and do not get their results until September.

Senator Lawrence recognized testimony that was submitted to the committee by Mary Devin of Junction City and the Manhattan-Ogden Chamber of Commerce (Attachment 8).

Senator Kerr asked what the declining enrollment cost the state last year. Dale Dennis answered \$1,066,000.

Senator Emert made a motion to pass **SB 526**. Senator Harrington seconded the motion. The motion carried.

The meeting adjourned at 2:32 p.m.

The next meeting is scheduled for February 8, 1996.

Testimony in Support of Senate Bill No.526
February 7, 1996

Dear Members of the Senate Education Committee:

My name is Bev Eversmeyer and I am vice president of the USD 383, Manhattan-Ogden Board of Education. It is my pleasure to serve as spokesperson for USD 383 at today's hearing on S.B.526. In the audience with me today also representing our school district are Jackie Walter, Director of Business Services; Clark Reinke, Associate Superintendent; and Dr. Dan Yunk, Superintendent of Schools. Any of these individuals would be happy to answer questions of the committee.

As you are all well aware, Ft. Riley has survived another round of the base realignment and closure process. Unfortunately, for the 14 school districts surrounding the Fort, the ramifications of the downsizing of Ft. Riley that has occurred continues to cause much enrollment uncertainty.

It is because of this uncertainty facing Manhattan-Ogden USD 383 and the other 13 districts surrounding Ft. Riley that we come before you today and urge your support of S.B.526. We believe this bill is of the utmost importance to districts large and small that border the Ft. Riley military reservation.

While we know that on our September 20, 1995, count we lost 95 students directly associated with Ft. Riley, the potential continued loss remains largely unknown. We do know we lost another 101 students from September 20, 1995, until now, many of whom are Ft. Riley related. We can assume this volatile enrollment picture will continue for the upcoming school year.

Without the renewal of this bill as worded in S.B.526, the full impact of last year's loss plus next year's, will be felt by those 14 districts in one fiscal year. The impact of the passage of this bill may vary among the 14 districts but clearly, given the current funding picture and potential enrollment fluctuations, renewal of this safety net is desperately needed.

Currently, around 20 percent of our students come from military or civilian employee families. Until this transformation at Fort Riley is stabilized, state support such as S.B. 526 is essential if impacted districts are going to maintain the quality programs our communities have a right to and have come to expect.

SENATE EDUCATION
2-7-96
ATTACHMENT 1

SB 526 TESTIMONY - 2
Manhattan USD 383
February 7, 1996

As you know, current laws governing school finance leave us very little ability to deal with the potential disruption and impact facing our district. Teachers need to be notified of their continued employment by May 1, budgets based on estimated enrollment must be certified in August, and the audited enrollment count date occurs September 20. This is not the same schedule that drives the decisions of the United States Army. The uncertainty of the Army's impact and the structure of school finance in our state makes it difficult, almost risky, to plan for the smooth and consistent fiscal management which in turn impacts the teaching and learning programs of our district. Around 87% of our budget is linked directly to salaries which leaves us very little flexibility to make unplanned adjustments. This bill would provide us with the opportunity to deal appropriately with downsizing in the following fiscal year as additional information becomes available.

Senate Bill 526 does not call for new money coming into our district, but it does enable us to maintain current levels of funding in the event of unplanned troop downsizing. We are asking that these districts be held harmless until this volatile situation moderates. Students who leave these districts will be leaving the State of Kansas. Therefore, passing this bill does not equate to shifting dollars from one district to another.

We want to further emphasize that for years federal aid to deal with the impact of Ft. Riley has not been an additional source of revenue for our district, but rather a deduct from state aid for education. Indirectly, the State of Kansas has always benefitted from these districts serving as the home districts for military dependents. Now, the districts are asking for assistance in potentially perilous times.

Healthy economic growth and a rich quality of life for Kansans depend on an excellent and stable education system. To allow a district such as ours to be financially challenged as a result of something totally out of our control is not wise. Passage of this bill provides each of the 14 school districts serving Ft. Riley with the ability to insulate quality educational programs from this enrollment "roller coaster" until the full economic impact is known. Senate Bill 526 is a bill which not only makes sense for the children of our school district, but for the economic health and stability of Kansas.

TESTIMONY ON SENATE BILL NO. 526
MADE TO THE SENATE EDUCATION COMMITTEE ON
2/07/96

This testimony is submitted to the Senate Education Committee by Doug Lindahl, Board of Education member, USD #473, Chapman. Also present from USD #473 are Robert King, Superintendent, and Elvin Jones.

Unified School District #473 is very concerned about the effect the Fort Riley drawdown will have on its budget next year. On 9/20/96 USD #473 has a head count of 1,397 pupils, of this number 268 or 19.18% are associated with Fort Riley.

As housing opens up on post, military families living off the military reservation are being strongly encouraged to take vacated base housing. Therefore, districts like Chapman USD #473, have potential to lose the majority of their military related enrollments by the time the proposed drawdown concludes this summer. As school district budgets are normally finalized in June and July and the official state count date is September 20, we find ourselves in a very difficult position. Last year, due to a tight budget, we gave our employees an average 1.79% salary increase. Also, an effort to implement a LOB was protested. This coming academic year, we must deal not only with tight finances but also with the uncertainties related to the Fort Riley drawdown. How can we address staffing needs, negotiate with teachers, implement a district technology plan, and maintain facilities when we have the potential to lose several hundred thousand dollars in budget authority?

Passage of SB 526 is critically important to USD #473. Due to the uncertainties associated with declining enrollment and recognizing the need to provide our youth with a quality education, it is essential that we be assured of our September 20 adjusted enrollment during the 1996-97 academic year. Please keep in mind that we are only asking for a continuance of the status quo as the families who leave Fort Riley will be relocating in other states. Once the downsizing of Fort Riley has concluded and our military related student population has stabilized, we will make whatever budget adjustments are necessary.

I sincerely wish to thank you for your time and consideration on this matter.

*SENATE EDUCATION
2-7-96
ATTACHMENT 2*

Geary County Unified Schools

District No. 475 Junction City, Kansas 66441 Phone (913) 238-6184



Mary E. Devin
Superintendent of Schools

TESTIMONY IN SUPPORT OF SB 526

February 7, 1996

Dear Members of the Senate Education Committee:

My name is Mark Roeser and I am President of the Board of Education at the Geary County Unified School District which serves the Junction City, Fort Riley, Milford and Grandview communities. Also with me today are Board Vice-President Barbara Craft, Board Members Mrs. Marlene Lochamy and Dr. Alex Scott, and Superintendent Mary Devin. We are here on behalf of S.B. 526 and following my brief comments we are all available to you for questions you might have.

The Fort Riley Military Installation is located within the boundaries of the Geary County Unified School District. Almost 60% of our students have a parent on active duty at Fort Riley. Six of our sixteen schools are located on the military installation. We are by far the most heavily impacted military community in the area.

Representatives of the 14 districts serving Fort Riley have shared information and concerns and we are here today to ask your help because for the second year we are caught between a decision made at the federal level and our state budget planning process.

Action to downsize the troop strength at Fort Riley began shortly after the end of the previous school year. By the September 20, 1995 count day our district enrollment dropped almost 500 students and continued to decline between September and mid-January. We expect our enrollment to continue to be very unstable throughout the next 18 months.

The downsizing at Fort Riley is scheduled to end this month. However, as we reported to you last year the way military families approach decisions about where to live will create a domino effect throughout this area which will no doubt continue for at least another year. Clearly, there is no way for our Board of Education to predict a meaningful September 20, 1996 enrollment count in the Geary County Unified School District. Even if we could do so, we know that the September 20 count is likely to be a very unstable number.

SENATE EDUCATION
2-7-96
ATTACHMENT 3



AN EQUAL OPPORTUNITY EMPLOYER

Testimony in Support of S.B. 526

February 7, 1996

Page 2

As we approach the mandatory May 1 deadline for notification of contract renewals, it is impossible to tell how many teachers we will need next year. Given the additional fiscal uncertainties at the federal level, maintaining the quality that our community (including our Fort Riley parents) expect and that our students deserve becomes very difficult.

Kansans are aware of the importance of the Fort Riley military installation to our State economy. Many Kansans worked very hard to preserve a strong Fort Riley during the recent BRAC process. To maintain a strong position for the future, it is imperative that we continue to provide a quality educational program for military dependents and for our local community.

You are aware that the federal government (through the Department of Education) provides impact aid funds to school districts which serve the families of our armed forces. The Geary County Unified School District receives approximately \$4 million in impact aid annually. In Kansas those dollars are deducted from our state aid and the State budget receives the benefit.

You should note carefully that we are not asking you for new money. We are urging you to help us level out our budget by making a limited exception in the planning process for next year. Once enrollment has stabilized we will expect to apply the normal budget planning procedures.

We urge you to assist us by supporting S.B. 526 which would allow districts affected by the uncertainties at Fort Riley to continue to meet the educational needs of our students.



TO: Senate Committee on Education
FROM: Mark Tallman, Director of Governmental Relations
DATE: January 30, 1996

RE: Testimony on S.B. 526 (Hold harmless provisions for districts in the Ft. Riley area)

Madam Chairman, Members of the Committee:

Thank you for the opportunity to appear before you today as proponents of S.B. 526, which would provide a greater degree of protection against declining enrollment losses for certain districts in the Ft. Riley area. We believe that all school districts should receive a greater degree of "hold harmless" protection than that which is provided by current law.

The basic justification for a declining enrollment hold harmless provision is that making budget reductions after the school year has already started is extremely difficult for school districts. By far the largest item in a district's budget is personnel, and most personnel costs are contractually obligated by the district before the September 20 count date. KASB has long supported the declining enrollment feature of the previous school finance system, the School District Equalization Act, which allowed districts to use the enrollment of either the current year or the previous year, whichever was greater. Districts can do a better job planning for the long term if they have a better idea what the minimum budget is likely to be.

S.B. 526 is much closer to that feature than current law, but only for selected districts. We support the provisions of S.B. 526, but urge that a broader hold harmless feature be extended to all districts facing declining enrollment.

Thank you for your consideration. I would be happy to answer any questions.

SENATE EDUCATION
2-7-96
ATTACHMENT 4



SB 526

Testimony presented before the Senate Committee on Education
by Gerald W. Henderson, Executive Director
United School Administrators of Kansas
February 7, 1996

Madam Chairman and Members of the Committee:

United School Administrators of Kansas is happy to support **SB 526** which will provide assistance to the school districts impacted by the down-sizing of Fort Riley. However, we would suggest to the committee that all Kansas districts need the protection provided by this bill. Many districts, from all parts of the state, but especially in sparsely populated areas are experiencing losses in enrollment that are proving extremely difficult to plan for.

A district for example with 300 students might plan for a loss of 10 students. Since the distribution of ten children over K-12 is not likely sufficient to allow for a reduction in teaching or other staff, the superintendent would likely plan cuts in other areas to handle the loss in revenue. On September 20 the district may well find it has lost 30 students from the previous year's enrollment. Current law allows the district to count one half of an unanticipated loss up to a maximum of four percent. In the case cited, the superintendent could count six of the 30 students lost ($300 \times 4\% \times 1/2$). Because of the continuing contract law, there is no opportunity to reduce teaching staff, and the district will have lost the revenue provided by 24 students.

We would ask the committee to extend the protection offered by **SB 526**, but in a much simpler manner. We recommend that districts be allowed to use either the current enrollment or the previous year's enrollment which ever is the greater. We believe such a provision would not only solve the problem of the districts mentioned in **SB 526**, but all other Kansas districts as well.

LEG/SB526

SENATE EDUCATION
2-7-96
ATTACHMENT 5

**Senate Education Committee
Senator Barbara Lawrence, chair**

Testimony on S.B. 526

February 6, 1996

Submitted by: Diane Gjerstad, Wichita Public Schools

Madam Chair, members of the committee:

I rise to encourage the committee to use the discussion surrounding Fort Riley's downsizing to re-examine the declining enrollment provision of the school finance formula.

The declining enrollment provision has effectively penalized school districts over the past four years. The base budget per pupil has failed to keep pace with increasing costs. The declining provision compounds the financial squeeze.

Wichita Public Schools has had a five percent decline in enrollment over the past five years, a loss of 2570 students. USD 259 has restructured the budgeting process prioritizing budgets in alignment with the district's strategic plan. A new step in the process will be to plan the budget with and without a \$28 million LOB.

For the past two years functions away from the classroom have taken substantial reductions. The downtown offices were funded at 85%, reducing over 85 positions, of which 20 were high level administrators. The school service center has reduced the number of custodians by 80 (-30%) and maintenance by 60 (-20%) over the past two years. Additionally, the Service Center has privatized over 60 functions. The district's aggressive energy management program has reduced our potential energy costs by over \$ 2.1 million. Consumption in electric is down 20%, gas down 17% and water/sewer down 35%.

There are fewer teachers, but instructional staff is a greater percentage of total employment. Demonstrating the shift of resources to the classroom.

I would encourage the committee to re-examine the declining enrollment provision in light of four years of experience across the state. The issue facing Fort Riley area schools is not unique.

Thank you for your consideration.

SENATE EDUCATION
2-7-96
ATTACHMENT 6



KANSAS NATIONAL EDUCATION ASSOCIATION / 715 W. 10TH STREET / TOPEKA, KANSAS 66612-1686

Craig Grant Testimony Before
Senate Education Committee
Wednesday, February 7, 1996

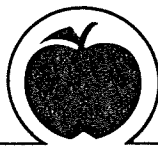
Thank you, Madam Chair. I am Craig Grant and I represent Kansas NEA. We thank you for the opportunity to speak in support of SB 526.

This is a similar provision to the one this committee rolled into HB 2152 last year. Although last year's provision was written for only one year, the effect of downsizing Fort Riley continues to affect the school districts mentioned in the bill.

These type of special circumstances occur from time to time and we make accommodations for those circumstances. We believe that we should again help protect these school districts from a problem over which they have no control.

Kansas NEA supports SB 526. Thank you for listening to our concerns.

SENATE EDUCATION
2-7-96
ATTACHMENT 7



MANHATTAN CHAMBER OF COMMERCE

Testimony in Support of SB 526

TO: SENATE EDUCATION COMMITTEE
FROM: RANDY MARTIN, MANHATTAN CHAMBER OF COMMERCE
DATE: February 7, 1996

Members of the Senate Education Committee:

No one knows better than state legislators the perils of widely fluctuating revenues when overhead and projects require accurate revenue projections and stability. At a time when the Junction City/Manhattan region is working hard to overcome the local economic impact of the downsizing of Fort Riley, the uncertainty of funding for K-12 is of serious concern to our citizens and to the professionals charged with educating the remainder of our community's young people.

SB 526 allows the continuation of the "hold harmless" feature that has allowed our local public educators to maintain the quality of education for all the children in our schools, even during the trying times of military downsizing.

If this downsizing were a gradual, steady, predictable decline, then educational standards could be maintained by careful and detailed planning. However, in the situation that this region finds itself, enrollment fluctuates both upward and downward, sporadically, in such a manner that the remaining students could easily be caught up in unanticipated and counterproductive shifts of space, teachers and transportation.

Due to the tremendous efforts of state and local people, both elected and volunteer, we expect the situation to stabilize in the next year or two, but at this point it is apparent that the September 20, 1996, enrollment will most likely have little meaning as to the actual number of students requiring education over the whole of the school year.

At this point we know that Fort Riley will remain open. We know that we will see the end of the current drawdown sometime during 1996. We know that the First Infantry Division is being split and distributed to Europe, and that soldiers and their families from some other division will call Kansas home.

We know that we will continue to do all that we can to preserve Fort Riley and to lessen the economic impact that downsizing is causing. We have been successful in many facets. What we do not know is how to make funding based on student count of September 20, 1996, reflective of the overall needs for remaining students. You can help us solve this potential dramatic impact.

Your support of SB 526, while we work through the challenges, will help us to preserve our existing educational quality for all.

Thank you for your consideration.

Dr. S. Craig Neuenswander

Superintendent of Schools

February 6, 1996

Barbara Lawrence, Chairwoman
Senate Education Committee
State Capitol
300 SW 10th Avenue
Topeka, KS 66612-1504

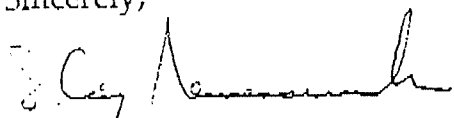
Dear Ms. Lawrence and Committee Members,

Due largely to the downsizing of Fort Riley, USD 378, Riley County, experienced a two percent reduction in student enrollment for school year 95-96. Many would not consider this to be a significant loss. However, when teachers must be hired, curricular materials ordered, and budgets and programs approved long before the September 20 count date, this figure becomes very significant.

Without the Fort Riley Downsizing Provision in the 95-96 general fund budget, this two percent cut would have been made in maintenance, repairs, or support services to students. These items comprise less than 20% of USD 378's operating budget. The only other option available after September 20, to prevent this loss in revenue, would have been to increase student fees.

Given the continuing uncertainty of the troop downsizing, student enrollment remains a very questionable variable for those districts surrounding Fort Riley. In order to allow budget and program planning with any degree of certainty for school year 96-97, USD 378 strongly supports the passage of Senate Bill No. 526.

Sincerely,



S. Craig Neuenswander, Ed. D.

UNIFIED SCHOOL DISTRICT 320
510 East Highway 24
Wamego, Kansas 66547
Telephone: (913) 456-7643
Fax: (913) 456-8125

Dr. Norris Wika, Superintendent

February 6, 1996

Sup't. Mary Devon
U.S.D. 475

Please share with Senate Education Committee in support of SB526.

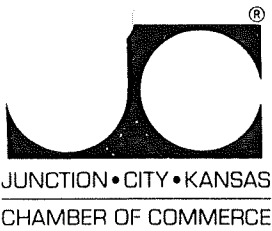
Wamego USD 320 supports the provisions of SB526. The Wamego community is very sensitive to the effects of population movement into or out of Ft. Riley and any "ripple effect" on area business and population.

Each year approximately 80 of USD 320's students are from families tied directly to Ft. Riley as uniform military or civil service employment. This 1995-96 school year our enrollment declined, the first such occurrence in many years.

Wamego USD 320 does not have a local option budget. Our budget is so tight now that we will not be able to meet staffing needs or to create needed new developments in curriculum or support services.

We need protection against the negative impact of enrollment decline caused by the downsizing of Ft. Riley. I urge the legislatures consideration of this need.

Dr. Norris Wika
Superintendent
Wamego USD 320



February 7, 1996

Senate Education Committee
Kansas Senate
Topeka, KS 66612

Dear Senate Education Committee Members,

On behalf of the Junction City Chamber of Commerce, I want to offer our strong support of Senate Bill 526. Reauthorization of this "hold harmless" legislation will be of tremendous assistance to USD #475 and surrounding school districts impacted by the current downsizing of Fort Riley.

The 1996 Legislative Program adopted by the Junction City Chamber Board in December supports legislation of this type because we recognize the importance of Fort Riley to the Kansas economy. We will continue to promote Fort Riley as a key element in the national defense of our country. Passage of this bill will permit our district to provide a quality educational program for military dependents, as well as other students. This will be an asset to Chamber leaders as we advocate to preserve a strong Fort Riley.

We recognize that the fluctuating enrollment experienced by USD #475 as a result of the downsizing makes it very difficult to develop a budget that supports the type of education that allows students to lead successful lives. Such a situation is most likely to occur next fall when enrollment could be significantly higher at year's end than on September 20, 1996, due to expected changes at Fort Riley.

Senate Bill 526 will provide USD #475 with the flexibility necessary to plan efficiently and meet the instructional needs of the students in Junction City, Fort Riley, Milford, and Grandview Plaza. We urge you to support SB 526. Thank you for your consideration.

Sincerely,

Shelley Hoyle Kite

Shelley Hoyle Kite
Chairman of the Board
Junction City Chamber of Commerce

8-5

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