

Approved: _____

2/23
Date

MINUTES OF THE SENATE COMMITTEE ON EDUCATION

The meeting was called to order by Chairperson Barbara Lawrence at 9:00 a.m. on February 9, 1998 in Room 123-S of the Capitol.

All members were present except: Senator Bleeker

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

Conferees appearing before the committee: Gloria Timmer, Division of the Budget

Others attending: See attached list

Chairman Lawrence called the meeting to order and called on Senator Emert for remarks on **SB 481--low enrollment weighting.**

Senator Emert stated that there was a lot to be said of both sides of the issue. A real problem exists, but until the Legislature is prepared to address the issue concerning enrollment categories, he thinks the bill should rest in Committee.

Other comments were made on the issue and the need for further study. The Chairperson stated it could be an issue that could be addressed by itself in an interim committee.

After several further comments, the Chairman stated the bill would rest in Committee.

SB 447--school district finance; increasing base state aid per pupil, affecting at-risk, low enrollment and correlation weightings

The Chairperson commented that this is the governor's school finance plan that was presented in his State-of-the-State message. The bill would be presented by the budget division and then each item would be taken separately; recommendations made and the bill put back together.

Ms. Timmer explained that there were three main areas of the bill.

- 1) increase the base state aid per pupil to \$3705;
- 2) reduce the correlation weighting from 1800 to 1775;
- 3) increasing the at-risk factor from .065 to .08.

The estimated cost of increasing base state aid per pupil to \$3705 is \$19,852,000; correlation weighting cost is \$10,000,000 and at-risk weighting, \$6,000,000.

Ms. Timmer was asked when the budget is put together if there are any comparisons made as to percentages of increases given to K-12 as opposed to regents, community colleges or Washburn.

Ms. Timmer replied in the affirmative. She said that a huge portion of the budget goes into salaries and any change in funding skews what kind of percentages there are. The mechanism used to fund salaries was discussed, with regents salaries using a different funding mechanism than the community colleges.

Ms. Timmer stated that the Parents as Teachers total was \$1.9 million in new money and \$5 million dollars for early head start, which is SRS money.

One of the committee referred to the fiscal note which contained the basic three items that were being discussed and wanted to know the discrepancy between the \$35 million in the fiscal note and the \$84 million the governor used in his state-of-the-state message.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON EDUCATION, ROOM 123-S-Statehouse, at 9:00 a.m. on February 9, 1998.

Ms. Timmer replied that the enrollment growth is new money; the \$84 million is in the budget for special education, Parents as Teachers and several other items mentioned.

The public's misconception of how funding is viewed was commented upon. They do not realize that much of the money is to continue existing programs.

The Chairperson commented that whether or not money comes from education or SRS, the early childhood programs affect education directly. Children are not being prepared for school. Some type of program is needed to prepare them for school. Hopefully the preparation for education is being addressed.

Ms. Timmer was asked if it was not so much the total dollars, but the year to year increase that allows the districts to survive. She responded that she thought it would be the growing or declining flexibility of the district; how much room there was to address the needs of a particular district.

One of the Committee members stated he had been looking at the new money profile since 1992 and what had been done to enhance that. He had a chart which showed what had been done with the various size schools as in base state aid per pupil, low enrollment weighting and correlation weighting. What he noted was the huge difference in a school which has made it in the correlation weighting and a school that hasn't quite made it yet. She was asked if the governor or budget division would be interested in taking the same proposed money and spreading it in a fashion that does a little more for those districts that have had virtually no increase in five years.

Ms. Timmer replied that the governor is always open to all options.

It was commented that as far as dollars from all sources, the regents dollars are not too far different from K-12.

Ms. Timmer replied that it is very common for any agency budget to reflect 83 to 85% budgeted for salaries; the judicial is around 97%; KDOT less.

In speaking of salaries, Dale Dennis, KSDE stated that all salaries included custodians, clerks, food service workers, bus drivers and so on which makes the percentages go up considerably.

The Chairperson thanked Ms. Timmer for appearing on the bill.

A sheet was provided to the Committee that showed state general fund growth K-12 FY 1998 to FY 1999. (Attachment 1) The SGF percentages do not include the technology funding or the SRS head start. The 4.3% takes out the discount innovative programs shift in funding source to the SGF from EDIF. Parent education program increase and teacher excellence grants are not money that go into the schools and should not be included in the list.

Mr. Dennis spoke of the technology money and said there would be a small amount for each school district; the majority would be on a per pupil school basis. Some competitive grants will go out under the technology literacy program. There is a small amount in the Educate America Technology Act and they hope to have the discounts on the E rate. One hundred sixty-nine districts have their plans now and are eligible; all but thirty-five have a plan in and they are being contacted with offers of help.

The E rate discount will be approximately fifty percent; that is the Technology Literacy Challenge grant and a small Educate America Technology Act.

Another sheet was distributed showing comparisons to other higher education and how those percentages are arrived at. (Attachment 2) Attention was directed to the right side of the page which showed the governor's recommended increase over the governor's amount for 1998.

Attention was directed to the right-hand side of the attachment where it was stated that just under the first subtotal line of 5.3% did not include KUMC or Board Office. Other groups and percentages on the chart were mentioned. The chart contained two PSU's, of which the first was in reality, Kansas State University.

The Chairperson stated that the bill would be continued on Tuesday. She also mentioned the School to Work dates of February 18 and 19 for the Committee's information.

The meeting was adjourned.

The next meeting is scheduled for February 10, 1998.

State General Fund Growth K-12 FY 1998 to FY 1999

Increase Base State Aid Per Pupil to \$3,705	\$19,852,000
Increase At-risk from .065 to .08	6,000,000
Correlation Weighting to 1,775 Enrollment	10,000,000
Supplemental State Aid	6,612,000
Capital Improvement Aid	2,500,000
Special Education Aid	12,145,000
Parent Education Program	1,917,000
KPERS Employer Contribution	7,068,000
Shift Innovative Programs to SGF	1,485,000
Weighted Enrollment Growth	16,334,000
* Teacher Excellence Scholarships	75,000
Miscellaneous Programs	<u>60,000</u>
State General Fund Total	\$84,048,000
K-12 Technology Funding	\$10,000,000
Headstart Expansion (SRS)	<u>5,000,000</u>
All Funding Sources Total	\$99,048,000

FY 1998 SGF K-12 Aid \$1,872,191,641

FY 1999 SGF Percent Increase 4.5%

Discount Innovative Programs Shift, Parent Education Program Increase, and Teacher Excellence Grants 4.3%

*Senate Education
Attachment 1
2-9-98;*

**Governor's Recommendations for Postsecondary Education
State General Fund (Except as Noted)**

Institution	Actual FY 1997	Governor's Rec. FY 1998	Percentage Increase	Governor's Rec. FY 1999	Percentage Increase
Regents:					
ESU	\$ 24,803,339	\$ 26,297,745	6.0%	\$ 27,619,624	5.0%
FHSU	25,013,056	26,529,122	6.1	28,339,086	6.8
KSU	86,592,177	92,851,732	7.2	96,990,974	4.5
KSU—Extension and Ag. Research	39,496,700	41,982,201	6.3	43,318,843	3.2
KSU—Vet. Med. Center	8,433,261	8,832,767	4.7	9,275,995	5.0
PSU	26,070,177	28,387,308	8.9	30,186,884	6.3
KU	110,222,587	117,371,683	6.5	124,016,470	5.7
WSU	53,744,255	55,999,765	4.2	59,427,861	6.1
Subtotal—Universities	\$ 374,375,552	\$ 398,252,323	6.4%	\$ 419,175,737	5.3%
KUMC	81,361,027	88,808,952	9.2	92,316,980	4.0
Board Office	13,038,852	14,256,432	9.3	14,622,257	2.6
TOTAL REGENTS	\$ 468,775,431	\$ 501,317,707	6.9%	\$ 526,114,974	4.9%
Washburn University	\$ 7,168,150	\$ 7,454,876	4.0%	\$ 7,934,345	6.4%
Community Colleges:					
Credit Hour Aid	\$ 39,277,956	\$ 41,457,678	5.5	\$ 42,494,118	2.5
Out-District State Aid	11,628,150	12,225,973	5.1	12,225,973	0.0
General State Aid	2,642,771	2,642,795	0.0	2,642,795	0.0
TOTAL COMMUNITY COLLEGES	\$ 53,548,877	\$ 56,326,446	5.2%	\$ 57,362,886	1.8%
Area Vocational Schools					
Postsecondary State Aid*	\$ 17,439,555	\$ 18,405,779	5.5%	\$ 18,865,924	2.5%
Washburn University and Community Colleges					
Technology** Aid Program	\$ 0	\$ 1,000,000	—	\$ 2,000,000	100.0%
Community Colleges, Tech. College, and AVTS					
Vocational Capital Outlay Program***	\$ 1,650,000	\$ 2,000,000	21.2%	\$ 3,000,000	50.0%
Technology Innovation Grants***	194,510	200,000	2.8	200,000	0.0

*Senate Education
Attachment 2
2-9-98*

* Program also includes funding from the Economic Development Initiatives Fund in the amounts of \$6,471,735 in FY 1997 and \$6,716,110 in both FY 1998 and FY 1999. These amounts, added to the State General Fund appropriation for area vocational postsecondary student aid, result in prior year percentage increases for FY 1998 and FY 1999 of 5.1% and 1.8%, respectively.

** Funded from the Budget Stabilization Fund in FY 1999.

*** Funded from the Economic Development Incentives Fund.

**STATE AID TO SCHOOL DISTRICTS FY 1999
SELECTED DATA**

	Fiscal Year 1999 (In Millions)		
	Existing Program	Spending Enhancement	Total
School District General Fund and Supplemental General Fund Budgets			
Increase BSAPP from \$3,670 to \$3,705—SGF	\$ -	\$ 19.9	\$ 19.9
Correlation Weight from 1,800 and Over to 1,775 and Over—SGF	-	10.0	10.0
At-Risk Weight from 6.5% to 8.0%—SGF	-	6.0	6.0
Normal Enrollment Increase—SGF	16.3	-	16.3
27 Mills to 23 Mills (\$20,000 residential exemption)—SGF	40.3	-	40.3
Previous Property Tax and MV Tax Reduction and Other Local Effort Replacement—SGF	63.7	-	63.7
Reduced Local Effort Remittance—SSDFF	(2.0)	-	(2.0)
Supplemental General State Aid (Local Option Budget)—SGF	6.6	-	6.6
Total—School Finance Formula	\$124.9	\$ 35.9	\$ 160.8
Other Programs			
Special Education—SGF	\$ -	\$ 12.1 ^(a)	\$ 12.1 ^(a)
Technology Education—BSF	-	10.0	10.0
KPERS—SGF ^(b)	6.7	0.3	7.0
Capital Improvements State Aid—SGF	2.5	-	2.5
Parent Education—SGF	-	1.9	1.9
Innovative Programs—SGF	1.5	-	1.5
Innovative Programs—EDIF	(1.5)	-	(1.5)
Adult Basic Education—SGF	0.02	-	0.02
Other Assistance—SGF (Kansas Cultural Heritage Center (\$10,000); Environmental Education (\$25,000); Foundation for Agriculture (\$25,000))	-	0.06	0.06
Total—Other Programs	\$ 9.2	\$ 24.4	\$ 33.6
TOTAL			
State General Fund	\$137.6	\$ 50.3	\$ 187.9
Other Funds	(3.5)	10.0	6.5
ALL FUNDS	\$134.1	\$ 60.3	\$ 194.4

- a) There is no statutory formula that drives the level of special education funding to be provided each year. The Governor commented that this increase would approximate 85 percent of the "excess costs" of providing special education services. Based on current calculations, for this school year special education excess cost funding is calculated to be 86.5 percent. Under the Governor's proposal for FY 1999 it would be 85.5 percent.
- b) This is not aid that goes directly to school districts. The state makes the employer contribution to KPERS on behalf of school employees. The amount shown in the enhancement column is identified with the Governor's proposed school finance program enhancements.

Key:

SGF = State General Fund
SSDFF = State School District Finance Fund
BSF = Budget Stabilization Fund
EDIF = Economic Development Initiatives Fund