

Approved: March 11, 1999

Date

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION.

The meeting was called to order by Chairperson Ralph Tanner at 9:00 a.m. on February 2, 1999 in Room 313-S of the Capitol.

All members were present except:

Representative Cindy Hermes - Excused
Representative John Ballou - Excused

Committee staff present:

Carolyn Rampey, Legislative Research Department
Renaë Jefferies, Revisor of Statutes

Conferees appearing before the committee:

Dan Hermes, Director of Governmental Relations, Governor's Office
Duane Goossen, Director of the Budget

Others attending: See attached list

Dan Hermes, appeared before the committee to give a presentation of the Governor's School Finance Proposal. The Governor is proposing three main changes to school district finance law as well as more limited change affecting the Ft. Leavenworth school district and at-risk four years olds.

The base state aid per pupil is increased from \$3,720 to \$3,755. which is an increase of \$35. Correlation weighting is also increased for all districts with enrollment above 1,725, which is reduced from 1,750 which is current law. The weighting factor for at-risk students is increased in the Governor's proposal from eight percent to nine percent. The bill also expands the number of four-year old at-risk students that will be served from 1,350 to 1,794, an increase of 444 students, or 33 percent. The final change threatens the Ft. Leavenworth school district in the same manner as other schools that receive federal impact aid. (Attachment 1)

Duane Goossen, appeared before the committee on budget implications of the Governor's school finance proposal and historical information on state aids for education. He states the first four items are the items that go with the costs that track in the school finance bill. If the Governor's recommendations are adopted those are the budgetary implications that would go along with the bill.. (Attachment 2)

Duane explained the spread sheet that looks at a five year history of school budgets. The largest is General State Aid. The totals costs of what it takes to run our education system in this state. This is what we have to spend in order to do a decent job of educating our children. All these categories in various ways figure in to student advantages and benefit students in whatever capacity. So the budget has to be looked at as the big picture, not what it cost per student. (Attachment 3)

The chairman thanked Dan Hermes and Duane Goossen for coming and giving the presentation.

Chairman Tanner told the committee that he assigned a subcommittee to look at State Treasurer Shallenburger's bill on college savings account. Vice chair Representative Empson will chair the subcommittee with five committee members Representative Hermes, Representative Crow, Representative Lloyd, Representative O'Connor, Representative Showwalter and two Senate members will be meeting to review that recommendation. The subcommittee meeting will be next Wednesday February 10, 1999.

The chairman requested a bill introduction of two bills. The first is the college savings plan and the second is reorganization of higher education. Representative Helgerson made a motion to have the bill requests introduced as committee bills. Representative Horst seconded the motion. The motion carried.

The next meeting is scheduled for February 3, 1999.

The meeting was adjourned at 10:12 a.m.

HOUSE EDUCATION COMMITTEE

GUEST LIST

DATE: February 2, 1999

NAME	REPRESENTING
MARK DESETTI	KNETA
Nick Towles	KEB - BUTLER Co.
KELLY MILLER	K. FARM BUREAU
John Andrew	Farm Bureau
Carol Ballin	Ks. Farm Bureau
Mary Haley	" "
Allen B. Bradley	" "
Donna Eschenberger	" " "
Cathy Nunley	Dg. Co. Farm Bureau
John Pentecost	" "
Connie Burton	Mo. Co. Fm Bu
Josie Torres	Ks Council on Developmental Disabilities
Katharine Wickert	USA
Jim Youally	USD # 572

STATE OF KANSAS

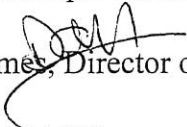
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OFFICE OF THE GOVERNOR

LEGISLATIVE TESTIMONY

TO: Chairman Ralph Tanner and Members of the House Committee on Education

FROM: Dan Hermes,  Director of Governmental Affairs

DATE: February 2, 1999

SUBJECT: Governor's School Finance Proposal

Mr. Chairman and members of the committee, thank you for the opportunity to appear today to discuss the Governor's proposal to adjust the school finance formula.

The Governor is proposing three main changes to school district finance law as well as more limited change affecting the Ft. Leavenworth school district and at-risk four-year olds that are likely to be reviewed by your committee later this session.

The base state aid per pupil is increased from \$3,720 to \$3,755, an increase of \$35. The following table details the increases approved by the Legislature and the Governor during this administration. Importantly, prior to 1995, the base had not been increased since the formula was revised in 1992.

Base State Aid Per Pupil

1995	1996	1997	1998	1999
\$3,626	\$3,648	\$3,670	\$3,720	\$3,755
\$26	\$22	\$22	\$50	\$35

Correlation weighting is also increased for all districts with enrollment above 1,725. This is accomplished by reducing the level when the increased weight begins from the current enrollment level of 1,750 pupils. The attached graph prepared by the Legislative Research Department is the simplest way to demonstrate how correlation weighting works. The table on the next page details the increased dollars per student and the enrollment level that "kicks in" the additional dollars by year.

Correlation Weighting

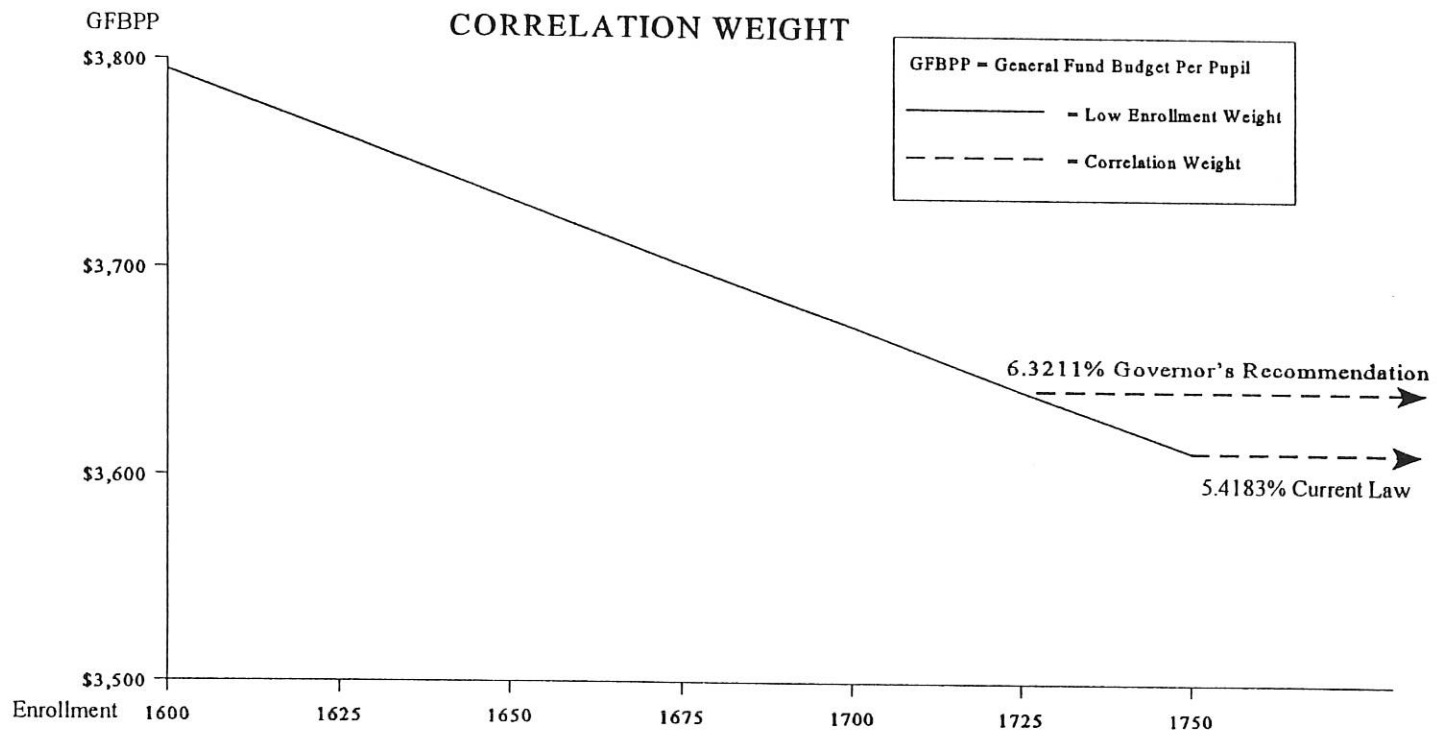
1995	1996	1997	1998	1999
\$32.75	\$65.89	\$132.56	\$201.56	\$237.36
1,875	1,850	1,800	1,750	1,725

The weighting factor for at-risk students in increased in the Governor's proposal from eight percent to nine percent. Enacting this change will continue our progress to recognize the increased cost to educate these students.

The bill also expands the number of four-year old at-risk students that will be served from 1,350 to 1,794, an increase of 444 students, or 33 percent. The final change treats the Ft. Leavenworth school district in the same manner as other schools that receive federal impact aid. In essence this change allows the district to increase its spending power by 25 percent of the impact aid it receives.

I would like to turn it over to Director of the Budget Duane Goossen to visit about the impact of these proposed changes to school finance law on the budget as well as other areas in the budget that impact school districts. I would be happy to respond to any questions about the provisions in the proposal.

EXPLANATION: CORRELATION WEIGHT



Note: With a BSAPP of \$3,755, the correlation weight is \$237.36 per pupil for all districts with enrollments of 1,725 and over.

Program Funding Growth in K-12 FY 2000

Increase Base State Aid per Pupil to \$3,755	20,065,000
Increase At-Risk from 8% to 9%	4,100,000
Correlation Weighting to 1,725 Enrollment	10,300,000
Expand 4-Year-Old At-Risk Program (444 kids)	1,000,000
Parent Education Program (match to 50%)	777,833
Teacher Excellence Scholarships & Bonuses	58,000
Discretionary Program Grants	250,000
Governor's At-Risk Academy	15,000
Federal Class Size Reduction Initiative	9,582,885
Supplemental State Aid	11,316,000
Special Education Aid (5.6% growth)	12,225,264
Capital Improvement Aid	4,150,000
KPERS Employer Contribution	7,869,336
Weighted Enrollment Growth	<u>5,937,000</u>
Total	\$ 87,646,318

State, Local and Federal Support of Elementary and Secondary Education in Kansas

	FY 1995		FY 1996		FY 1997		FY 1998		FY 1999 Recommended		FY 2000 Recommended	
	SGF	All Funds	SGF	All Funds	SGF	All Funds	SGF	All Funds	SGF	All Funds	SGF	All Funds
General State Aid	\$1,297,193,581	\$1,297,193,581	\$1,329,362,262	\$1,329,362,262	\$1,339,125,638	\$1,339,125,638	\$1,488,745,086	\$1,488,745,086	\$1,695,451,000	\$1,695,451,000	\$1,784,909,000	\$1,790,009,000
Ft. Leavenworth School District	--	--	--	--	--	--	1,310,760	1,310,760	--	--	--	--
School Transportation Aid	--	--	--	--	--	--	--	--	--	--	--	--
Supplemental State Aid	40,004,533	40,004,533	41,007,665	41,007,665	45,453,688	45,453,688	50,250,626	50,250,626	65,275,000	65,275,000	76,591,000	76,591,000
Improvement Aid	11,106,843	11,106,843	15,611,444	15,611,444	16,558,717	16,558,717	18,979,978	18,979,978	22,732,000	22,732,000	26,882,000	26,882,000
Kansas Employer Contribution	58,208,329	58,208,329	62,708,172	62,708,172	68,815,868	68,815,868	75,775,129	75,775,129	84,561,389	84,561,389	92,430,725	92,430,725
School District Finance Fund	--	35,421,781	--	34,976,180	--	32,744,860	--	31,078,469	--	20,150,000	--	14,000,000
School District Income Tax Rebate	--	--	--	--	--	--	--	--	--	--	--	--
Special Education Aid	177,289,077	180,851,912	185,815,281	205,741,769	190,392,966	215,917,600	200,847,777	230,166,877	218,844,174	253,772,174	231,069,438	269,869,438
Deaf-Blind Program Aid	100,000	100,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Inservice Aid	5,399,067	5,399,067	5,535,060	5,535,060	3,995,262	3,995,262	2,995,088	2,995,088	4,000,000	4,000,000	3,000,000	3,000,000
Structured Mentoring Programs	--	--	--	--	--	--	--	--	975,000	975,000	975,000	975,000
Bilingual Program Aid	--	--	--	--	--	--	--	--	--	--	--	--
School Food Assistance	2,510,483	58,890,390	2,510,485	60,990,156	2,510,459	62,087,409	2,510,485	61,983,224	2,510,486	62,217,921	2,510,486	62,511,986
Parent Education Grants	2,479,114	2,479,114	2,694,578	2,694,578	2,359,732	2,359,732	2,738,861	2,738,861	4,667,000	4,667,000	4,667,000	5,444,833
Ed. Research and Innovative Prog.	--	3,177,462	--	2,278,398	--	3,381,570	--	3,974,330	1,600,000	5,759,348	1,600,000	8,379,527
Juvenile Detention Grants	1,186,788	1,186,788	1,905,510	1,905,510	2,359,732	2,359,732	2,819,664	2,712,248	3,071,667	3,071,667	3,071,667	3,071,667
Driver Education Program Aid	--	1,441,142	--	1,439,831	--	1,484,724	--	1,515,355	--	1,520,000	--	1,520,000
Alcohol and Drug Abuse Goals 2000	--	2,648,851	--	1,902,288	--	3,277,316	--	3,376,339	--	3,275,000	--	3,275,000
Elementary and Secondary Education Prog.	--	443,227	--	1,326,435	--	3,459,759	--	3,830,522	--	3,700,000	--	2,750,000
Federal Class Size Reduction Initiative	--	55,273,114	--	61,170,464	--	55,358,799	--	66,657,666	--	69,031,000	--	70,156,000
Job Training Partnership Program Aid	--	121,241	--	10,663	--	--	--	--	--	--	--	9,582,885
Education for Economic Security Aid	--	1,341,672	--	1,579,439	--	1,863,500	--	1,936,127	--	2,030,000	--	2,030,000
Technology Equipment	--	--	--	--	--	--	--	--	--	10,000,000	--	--
Medicaid Reimbursement	--	--	--	--	--	22,388,602	--	--	--	--	--	--
Teacher Excellence Grants	--	--	--	--	--	--	--	--	40,000	40,000	98,000	98,000
Grants	--	50,000	--	95,000	45,000	120,000	70,000	120,000	127,000	177,000	100,000	400,000
Subtotal State/Federal Funding	\$1,595,477,815	\$1,755,345,047	\$1,647,260,457	\$1,830,445,314	\$1,671,727,062	\$1,880,862,776	\$1,847,268,454	\$2,048,256,685	\$2,103,964,716	\$2,312,515,499	\$2,228,014,316	\$2,443,087,061
Amount Change	70,007,904	67,590,798	51,782,642	75,100,267	24,466,605	50,417,462	175,541,392	167,393,909	256,696,262	264,258,814	124,049,600	130,571,562
Annual Percent Change	4.6%	4.0%	3.2%	4.3%	1.5%	2.8%	10.5%	8.9%	13.9%	12.9%	5.9%	5.6%
Cumulative Percent Change	0.0%	0.0%	3.2%	4.3%	4.8%	7.2%	15.8%	16.7%	31.9%	31.7%	39.6%	39.2%
Local General Aid Funding	--	582,653,000	--	586,148,000	--	625,253,000	--	541,060,000	--	408,891,000	--	361,885,000
Local Supplemental Aid Funding	--	128,252,000	--	144,284,000	--	159,237,000	--	184,710,000	--	218,725,000	--	251,001,000
Subtotal Local Funding	--	710,905,000	--	730,432,000	--	784,490,000	--	725,770,000	--	627,616,000	--	612,886,000
Amount Change	--	3,995,000	--	19,527,000	--	54,058,000	--	(58,720,000)	--	(98,154,000)	--	(14,730,000)
Annual Percent Change	0.00%	0.57%	0.00%	2.75%	0.00%	7.40%	0.00%	-7.49%	0.00%	-13.52%	0.00%	-2.35%
Cumulative Percent Change	0.00%	0.00%	0.00%	2.75%	0.00%	10.35%	0.00%	2.09%	0.00%	-11.72%	0.00%	-13.79%
TOTAL STATE and LOCAL	\$1,595,477,815	\$2,466,250,047	\$1,647,260,457	\$2,560,877,314	\$1,671,727,062	\$2,665,352,776	\$1,847,268,454	\$2,774,026,685	\$2,103,964,716	\$2,940,131,499	\$2,228,014,316	\$3,055,973,061
Amount Change	70,007,904	71,585,798	51,782,642	94,627,267	24,466,605	104,475,462	175,541,392	108,673,909	256,696,262	166,104,814	124,049,600	115,841,562
Annual Percent Change	4.6%	3.0%	3.2%	3.8%	1.5%	4.1%	10.5%	4.1%	13.9%	6.0%	5.9%	3.9%
Cumulative Percent Change	0.0%	0.0%	3.2%	3.8%	4.8%	8.1%	15.8%	12.5%	31.9%	19.2%	39.6%	23.9%