

Approved: 1/25/99  
Date

MINUTES OF THE SENATE EDUCATION COMMITTEE.

The meeting was called to order by Chairperson Senator Barbara Lawrence at 9:00 a.m. on January 20, 1999 in Room 313-S of the Capitol.

All members were present except:

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

Conferees appearing before the committee:   Laurel Murdie, Division of Post Audit

Others attending:         See Attached List

Chairperson Lawrence called the joint meeting of the House and Senate Education Committees and stated the purpose of the meeting was to hear the audit presentation entitled, "Reviewing Issues Related to Funding For Special Education", presented by Ms. Laurel Murdie.

Ms. Murdie stated that the audit answered two specific questions: What percent of special education excess costs are school districts reimbursed for and why do these percentages vary; and, Are special education services being provided to all eligible children, and not to ineligible children; are children in special education programs making progress toward meeting their goals and objectives.

In fiscal year 1997, the Legislature funded 80% of the state-wide excess costs of special education. The formula used to estimate this excess cost is based on cost and revenue figures provided by school districts. The Legislature decides how much State categorical aid it will provide to fund a portion of this excess cost of special education. The method of distribution is specified by law and has no relationship to the way excess costs are computed and funded statewide.

Ms. Murdie stated that both federal and state law govern which children can be placed in special ed programs; 96% of the students files reviewed met this criteria. The conclusion was that most students were getting the services described in their individual education programs, or IEP. Most students also made progress toward meeting their annual goals and objectives.

Ms. Murdie proceeded through the audit report and directed attention to page 3 where it stated that the federal Individuals with Disabilities Education Act (IDEA) requires states to provide a free and appropriate public education to all children with disabilities between the ages of 3 and 21. More than 70,000 children received special education in Kansas in FY 97. Funding comes from federal, state and local sources of revenue.

After referring to the pie chart on page 4, Ms. Murdie stated that the adjusted general fund budget moneys do not differentiate between special education and non-special education students. Categorical aid is designated solely for special education. The reason the amount of excess costs funded varies so much between districts is primarily because some districts spend more per student on special education than others. Several factors contribute to this, which include have more teachers per student and higher teacher salaries.

On page 7 of the audit, Ms. Murdie referred to the chart showing how the Legislature decides how much money to appropriate for state categorical special education aid. The chart has no relation to the statute because state law is not designed for categorical aid to uniformly fund special education. She then went on to describe the method of distribution and the 5 areas of distribution. For FY 97, about 85% of the \$190 million in categorical aid paid to districts was distributed on the basis of FTE special education teachers. The funding of excess costs is somewhat complicated because it involves the relationship between the amount a district spends on special education and the adjusted general fund budget per pupil, federal aid, and LOBs a district might have available.

Ms. Murdie asked the joint committees to pull the chart from the back of the book and place it over the chart on page 11. She then proceeded to explain both charts, with several school districts and special ed cooperatives used as examples. She said that in review, they did see some situations such as children with unique or severely different disabilities, those housed in mental health or developmental disability facilities or those adjudicated as juvenile offenders, that did impact on individual districts' costs.

Ms. Murdie continued through the book, citing the four categories of states' distribution formulas and the pros and cons of the different funding methods. In conclusion, Ms. Murdie stated that if the Legislature wants different results that what it is getting in special education, it will have to reconsider its current funding formula.

Chairperson Lawrence thanked Ms. Murdie and opened the floor for questions. There was general confusion as to interpretation of several of the funding areas. The Chairperson then asked Ms. Murdie if she could be present tomorrow to continue with more input and further clarification.

As the Senate had to leave to meet their agenda commitments, Chairperson Lawrence turned the meeting over to Chairman Tanner who continued the meeting. After a few brief comments, Chairman Tanner adjourned the meeting.

# SENATE EDUCATION COMMITTEE GUEST LIST

DATE: January 20, 1999

NAME	REPRESENTING
Laurel Murdie	Legislative Post Audit
Roslyn James-Martin	SRS-Children & Family Services
John Sabur	Three Lakes Ed. Coop
Ed Edwards	USD 609 - SEKESC
Ben W. Lant	Topeka Public Schools USPSA
Roger Toelkes	Senator Hensley Office
Bonnie Pennie	Families Together, Inc.
Josie Torres	Ks Council on Developmental Disab.
Catherine A. Power	Ks STAR BASE
Katharine Wickert	USA
Mae Ann	KNET
Denise Ault	USA
Stacey Farmer	KASB
Sharon Jordan	Law Dept. of Ed.
Jim Langford	DOB