

Approved: SL 2/24/99
Date

MINUTES OF THE SENATE EDUCATION.

The meeting was called to order by Chairperson Senator Barbara Lawrence at 9:00 a.m. on February 1, 1999 in Room 123-S of the Capitol.

All members were present except: Senator Jones
Senator Oleen

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

Conferees appearing before the committee: Dan Hermes - Director of Governmental affairs
Duane Goossen - Budget Director

Others attending: (See Attached List)

Chairperson Lawrence called the meeting to order and called on Dan Hermes, Director of Governmental Affairs, to lead off the testimony on the Governor's proposed school finance plan.

Mr. Hermes distributed his legislative testimony (Attachment 1) and stated that there were three main changes to the bill. Base state aid per pupil increases from \$3,720 to \$3,755, a \$35 increase; correlation weighting is increased for all districts with enrollment above 1,725; the weighting factor for at-risk students is increased from eight percent to nine percent.

The bill also expands the number of four-year old at-risk students to 444, a 33 percent increase. The final change would treat the Ft. Leavenworth school district in the same manner as other schools that receive federal impact aid.

Mr. Hermes stated that Budget Director Duane Goossen was present to discuss the budget impact of the bill and other related budget areas that impact school districts.

Chairperson Lawrence welcomed the budget director to the meeting.

Budget Director Goossen distributed a paper entitled "Program Funding Growth in K-12 FY 2000" (Attachment 2), and stated that the first four items were included in the school finance bill. Other items listed were education related such as supplemental state aid, special education aid, capital improvement aid and KPERS. These are items in the appropriations bill and not in the school finance bill; they are included in the Governor's budget. Everything listed on the attachment showed an increase over last year. He emphasized that the figures were not totals, but increases for FY 2000.

Budget Director Goossen was asked to explain the federal class size reduction initiative. He stated that it is a federal program designed to bring teacher/student ratio levels down. Dale Dennis, Deputy Education Commissioner, added that this is a seven-year program, but money has only been appropriated for one year.

The budget director also explained that the increases in At Risk, 4 year old at risk, parent education and discretionary program grants are tobacco money, that is, the increases, not the programs in total.

The comment was made to the budget director that it seems the only credit the legislature receives is for putting money into the base state aid per pupil. If all the items on the attachment were to go into base state aid per pupil, the percentage increase would be far greater than has been suggested.

The budget director proceeded to the second attachment entitled, "State, Local and Federal Support of Elementary and Secondary Education in Kansas." (Attachment 3) It looked at school funding in total K-12 from all sources with all the different components. He said the attachment was meant to be informative and used as context for committee consideration. Reading from left to right were the funded areas, both state and federal and the category for each fiscal year going through to Governor's

CONTINUATION SHEET

MINUTES OF THE SENATE EDUCATION, Room 123-S Statehouse, at 9:00 a.m. on February 1, 1999.

Recommended FY 2000. The three boxes at the bottom of the chart detailed the state and federal funding, local funding and the total state and local.

The question of how to tell parents what new dollars are going into education was asked; is there any way to separate the figures.

The budget director stated that this would be very difficult because one has to look at everything that goes into education; this is what it costs to run the entire system to educate the children.

Budget Director Goossen was asked what was causing the dramatic increase in KPERS. His response was the salaries have increased, teachers have increased, and the amount of employee contribution that must go in has increased.

An added comment by one of the committee was made that we have not yet started to kick in the increases necessary to amortize off the \$88 million dollars left in present value costs to the COLA that was issued last year. By statute, that does not kick in until FY 2001. A policy change could be put in place with KPERS so that more people would realize what is taking place. Funds could be budgeted to the school district and the district could pay the bill. The pass through could make people aware of these costs.

Another comment was made regarding the one year dollars coming from the federal government. In speaking with several superintendents, their response was that it would be a significant benefit for them, even if it was only for one year.

Mr. Dennis answered a question on how many school districts this federal money would impact. It is tied to poverty. It is similar to Title 1; 15% of Title 1 entitlement. If a district has a lot of poor children, it could amount to something; if very few poor children, it would be minuscule. There are options, but the first requirement would have to be met before preceding to the second option; other grades and staff development are other options.

New teachers and class facilities were discussed. Mr. Dennis stated that facilities will have to meet life safety standards. There will be tremendous pressure by parents to lower class sizes.

After a few further comments, Chairperson Lawrence adjourned the meeting.

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OFFICE OF THE GOVERNOR

LEGISLATIVE TESTIMONY

TO: Chairperson Barbara Lawrence and Members of the Senate Committee on Education

FROM: Dan Hermes, Director of Governmental Affairs

DATE: February 1, 1999

SUBJECT: Senate Bill No. 171

Madam 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 bill in front of you today contains three main changes to school district finance as well as more limited change affecting the Ft. Leavenworth school district and at-risk four-year olds.

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.

*Senate Education
Attachment 1
2-1-99*

Correlation Weighting

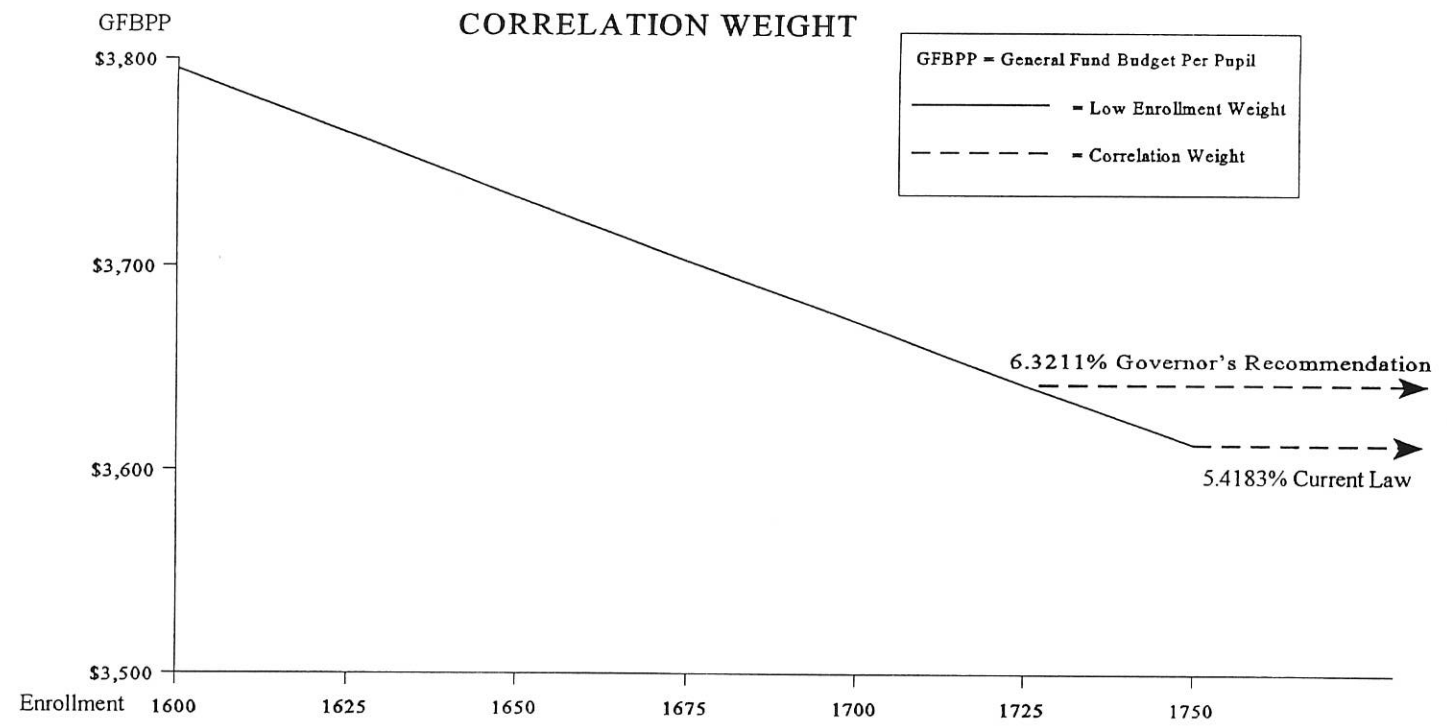
1995	1996	1997	1998	1999
\$32.75	\$65.89	\$132.56	\$201.56	\$237.36
1,875	1,850	1,800	1,750	1,725

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 education 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 this bill 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 bill.

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

*Senate Education
Attachment 2
2-1-99*

Senate Education
Attachment 3
2-1-99

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
Capital 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
KPERS 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	58,896,390	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	--	2,648,851	--	1,902,288	--	3,277,316	--	3,376,339	--	3,275,000	--	3,275,000
Goals 2000	--	443,227	--	1,326,435	--	3,459,759	--	3,830,522	--	3,700,000	--	2,750,000
Elem. and Secondary Education Prog.	--	55,273,114	--	61,170,464	--	55,358,799	--	66,657,666	--	69,031,000	--	70,156,000
Federal Class Size Reduction Initiative	--	--	--	--	--	--	--	--	--	--	--	9,582,885
Job Training Partnership Program Aid	--	121,241	--	10,663	--	--	--	--	--	--	--	--
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
Other 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%