

Approved: 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 2, 1999 in Room 123-S of the Capitol.

All members were present except:

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

Conferees appearing before the committee: Dr. Kent Hurn, chair, USA, School Finance Task Force
 Craig Grant, KNEA
 Scott Hill, KSDE

Others attending: (See Attached List)

Chairperson Lawrence called the meeting to order and stated there were a number of bill introductions.

Senator Langworthy moved the introduction of legislation that would address compensation for work done by a school board person. Senator Umbarger gave a second to the motion. The motion carried.

Chairperson Lawrence had two pieces of legislation that were requested by staff, one which concerned the university of Kansas school of medicine scholarships; reconciling a conflict in the definition of state medical care facilities or institutions, and the other concerning the medical student loan act; reconciling a conflict in the definition of state medical care facility or institution.

Senator Emert moved the introduction of the two pieces of legislation. Senator Umbarger gave a second to the motion.
The motion carried.

Senator Lawrence requested legislation to be introduced that concerned state education institutions and residency for fee purposes.

Senator Umbarger moved the introduction of the legislation. Senator Emert gave a second to the motion.
The motion carried.

The Chairperson also asked for legislation relating to the determination of state aid for the provision of special education services was asked for.

Senator Emert moved the introduction of the legislation. Senator Downey gave a second to the motion.
The motion carried.

Senator Emert asked for introduction of legislation dealing with state-wide K-12 mentoring programs.

Senator Emert moved the introduction of the legislation. Senator Langworthy gave a second to the motion.
The motion carried.

Senator Oleen asked for introduction of legislation dealing with school bussing.

Senator Oleen moved the introduction of the legislation. Senator Downey gave a second to the motion.
The motion carried.

CONTINUATION SHEET

MINUTES OF THE SENATE EDUCATION, Room 123-S Statehouse, at 9:00 a.m. on February 2, 1999.

As there were no further requests for bill introduction, the Chairperson called on Dr. Kent Hurn, Chair, United School Administrators, School Finance Task Force, to be the first conferee.

Dr. Hurn stated that he was present on behalf of the coalition, which was brought together by a shared concern over the direction of state support for public education. (Attachment 1)

Dr. Hurn stated that three points of the six-point plan, base budget, correlation weighting, and declining enrollment have been introduced in **SB 112**. The coalition seeks a \$100 increase in the base budget; the governor is asking for \$35. The coalition supports adjusting the correlation weighting factor by 50 students; the governor is recommending a 25 student adjustment. Currently, school districts may use either the current school year or previous year's enrollment for determining their budget. The coalition proposes to add an additional previous year. The coalition supports full funding of excess cost through the special education aid formula. The coalition believes the technology commitment should be doubled and it supports the governor's recommendation to increase the at-risk weighting factor from 8% to 9%.

The Chairperson thanked Dr. Hurn and asked the committee to hold questions until all the conferees had the opportunity to give their testimony. She called on the next conferee, Craig Grant, KNEA, to present his testimony (Attachment 2)

Mr. Grant stated that KNEA was a part of all the discussions in the coalition leading to the development of its proposal. The KNEA Board of Directors decided to go in a different direction. They believe that districts are relying more and more on the local option budget, which has increased dramatically each year. The Board believes that the LOB has contributed to the lack of base increases over time. Some district have 0% LOB, while other districts have the full 25%. The Board suggests a base of over \$5,000. While this might not be a possibility, the Board wanted to make the point about the LOB and the inequities which are inherent in the current system. The Board agrees with the other parts of the coalition's package.

Mr. Grant ended his testimony by stating that Kansas NEA commends the governor for continuing to propose steady increases in the school finance formula.

Scott Hill appeared before the committee on behalf of the State Board of Education. He presented his testimony (Attachment 3), and stated the Board had spent considerable time over the summer studying school finance and reviewing numerous options. It is the Board's recommendation that base state aid per pupil be increased by \$75. The Board feels this is reasonable and will assist in meeting the needs of students throughout the state. It chose to increase base state aid per pupil in order to give local school boards of education greater authority in determining their expenditure priorities rather than targeting individual programs.

Page 2 of Mr. Hill's testimony provided data which showed the major increases in operating expenditures over the past few years. In ending his testimony, Mr. Hill stated that the State Board strongly feels that, before putting money into various other areas, an across-the-board base increase at least at the rate of inflation, is needed to provide for all school districts to keep pace with inflation.

As there were no further conferees, the Chairperson asked for any questions to be directed to the appropriate person.

The comment was made to Dr. Hurn that yesterday the committee had heard from the budget director. Many areas are funded such as KPERS, special education and so forth. Did he ever discuss philosophically where people would rather see the money go or would they prefer that the legislature quit directing the use of those monies, whether technology or whatever and lump them into a base increase.

Dr. Hurn stated that they had not addressed the matter in that way. What they have tried to do is to find out if the amount of money spent on at risk is all that is needed for at risk. The coalition did a state-wide survey to find out how much money was spent on at risk. What they found was that they were spending all the money they received. Philosophically Dr. Hurn could not say that the coalition would want more money in some other area. If any of the members of the coalition were asked if they could only have one area of money, all of them would answer, the base.

CONTINUATION SHEET

MINUTES OF THE SENATE EDUCATION, Room 123-S Statehouse, at 9:00 a.m. on February 2, 1999.

Dr. Hurn was asked if it would be fair to say with the varying demographics of school districts that it is probably not a bad idea to target certain funds. If the same amount were put in the base for at risk, probably the needs of one district would not be met, but another would.

Dr. Hurn replied, if the amount of money were to be put in the base, the school district with the most need could do something with it. If the preschool handicapped happened to be the most important need for a school district, the district could address that. The flexibility to address these needs comes from the base budget.

The Chairperson stated that the legislature put a great deal of money into education last year, K-12. The only thing that credit is gotten for is the base, yet this is only a part of the money put into education. What needs to be asked is how far do we want to go with local control, and the trust needed in the districts to be sure the money goes into the programs that are felt to be important if the districts were not directed. If the legislature gave a lump sum to the districts across the state, where would be the assurance that all the children across the state are being served.

Dr. Hurn replied that he thought they could be assured, because people like Commissioner Tompkins and Deputy Commissioner Dennis would be monitoring them. He does not know how the legislature would trust them, but he can guarantee that they are doing a better job of showing and demonstrating to people what schools are doing than ever before. The needs are very diverse.

Dr. Hurn was asked his definition of correlation weighting and he responded that the whole issue of correlation weighting addresses the equity issue, and the base addresses the adequacy issue.

The comment was made that some people believe supplemental funding shouldn't be counted in as an increase in the base funding, although it spends just like base funding and even though it is supplemental to the base. No one seems to add this in or gives the legislature any credit for those funds. They are very sizable; more money was added to correlation weighting than was added to the base.

Another comment was made that there is a disconnect between the legislature and the folks back home.

Other alternatives were discussed and comments were made on the chart the budget director had distributed earlier.

The Chairperson stated continuation of school finance would be taken up next week.

The meeting was adjourned.

SENATE EDUCATION COMMITTEE GUEST LIST

DATE: February 2, 1999

NAME	REPRESENTING
Virginia Benton Lebo	Farm Bureau
Floyd Benton Lebo	Farm Bureau
John Holliday, Liberty	Farm Bureau
Harold Swainigan Independence	Farm Bureau
Frances J. Pitt Liberty	" "
Phyllis Roberts	" "
Dale Roberts	" "
Francis Kelsey	" "
Jane Kelsey	Farm Bureau
Jeff Casten	Farm Bureau, Franklin Co
Donna Simpson	" "
Rudy Simpson	" "
Joseph Leguolice	" " Reels Co.
Lynda Foster	" " Bourbon Co.
Louis Miles	" " Osage Co.
Lewis Miles	" " Osage Co.
Lionel Frost	" Marion Co.
Roger Bartel	" Marion Co
Alan Sydel	" Mitchell

SENATE EDUCATION COMMITTEE GUEST LIST

DATE: Feb 2, 1999

NAME	REPRESENTING
Tim Mehl	Farm Bureau - Mitchell
Alan & Beverly Sellers	Farm Bureau - Summer
Darrel Adams	Farm Bureau - Ford
Debra Cole	Sen. Tyson - Intern
Maria Valdovinos	
Tommi Van Fleet	
Denise Ape	USA -
Stacey Farmer	KASB
DR Kent Hum	USA
Jim Allen	KEG
Charles Nantz	Farm Bureau
Maitha Leonard	Futler Co. Farm Bureau
Chad Elk	Goodard USD 265
Joseph W. Zima	USD 501
Groff Hill	KSBE
Diane Gjerstad	USD 259
Cindy Deutman	DOB
Graig Grant	KWEA
Justin Brown	Cowley Co. Farm Bureau

Unified School Finance Coalition

TO: Senate Education Committee
FROM: Dr. Kent Hurn, Chair, United School Administrators, School Finance Task Force
DATE: February 2, 1999

RE: Testimony on Department of Education Budget

Senator Lawrence, Members of the Committee:

I am representing a coalition of education organizations which have come together in support of a single position on school funding for Fiscal Year 2000. This includes the Kansas Association of School Boards and the United School Administrators; Schools for Fair Funding and Schools for Quality Education; the Kansas Education Coalition and Kansans for Local Control; a group of 54 western Kansas superintendents and the Ad Hoc Superintendents Group; ten regional service centers and the Kansas Association of Education Service Agencies; and the six largest school districts in Kansas, each with its own legislative representative.

This group was brought together by a shared concern over the direction of state support for public education. As you know, the 1992 legislature adopted a significant change in the school finance system which combined higher budget support for most districts with deep reductions in school property taxes. Tied to those funding changes was a series of school improvement and accountability measures.

Since that time, the commitment to school improvement has paid off in a number of meaningful ways: rising test scores, more students taking core academic classes, and continued ranking by Kansas among the best states in the nation in school performance. Certainly more can and must be done. But we believe public schools have demonstrated that a greater investment in education yields greater results.

Unfortunately that progress is threatened. Since the school finance act was fully implemented in 1993-94 through 1997-98, neither the base budget per pupil; nor school district general fund budgets per pupil; nor even general fund and local option budgets combined per pupil have, on average, kept up with inflation. Most districts have had to increase the LOB simply to maintain budgets in the face of rising costs. This reverses the policy of 1992 to reduce local property taxes and increase equity and achievement through state support. School districts cannot continue to fall behind inflation in their general operating budgets without harming the education program for all students.

Our coalition has adopted a six-point plan in response to these concerns. Three points have been introduced as S.B. 112, which concerns the base budget; correlation weighting; and declining enrollment. We realize these items require separate legislation in addition to the appropriations process. Two of these issues are addressed in the Governor's budget.

Base Budget. We seek a \$100 increase in the base at a cost of \$57.3 million. This would equal a 2.7% increase, and would be the first base increase equal to or greater than inflation since FY 94. (The Governor's economic forecast lists a 2.3% increase for FY 2000.) It would reduce the need for districts to use the LOB and therefore reduce increases in property taxes. The Governor has recommended a \$35 increase.

*Senate Education
Attachment 1
2-2-99*

Correlation Weighting. We support adjusting the correlation weighting factor by 50 students, at a cost of \$20.6 million. Our coalition believes that larger districts were underfunded in the 1992 formula. Correlation weighting narrows the gap between large and small districts without penalizing small districts. Larger districts accept the need to phase in a more equitable relationship, but want this accomplished in a reasonable time. Small districts accept the need to provide additional funding for large districts, but they believe this should be an addition to a base increase for all districts that corresponds to inflation. The Governor has recommended a 25 student adjustment.

Declining Enrollment. Currently, school districts may use either the current school year or previous year's enrollment for determining their budget. We propose adding an additional previous year, at a cost of \$11.3 million. Kansas is projected to enter a period when a majority of districts will lose enrollment due to demographic changes. We support efforts to cushion the impact of those losses.

Our next two points can be addressed without separate legislation.

Special Education. We support full funding of excess cost through the special education aid formula. As the committee is well aware, special education costs are largely determined by federal and state mandates. When excess cost is not fully funded, dollars must be diverted from regular education programs.

In FY 1990, special education was funded at 95%. After falling to a low of 77% in FY 92, the percentage of excess cost covered by state aid has increased to over 86% this year. Unfortunately, the Governor's recommendation would actually fall backward to 85%.

Technology. Last year, the Legislature appropriated \$10 million in grants for educational technology. We believe that commitment should be doubled. Out of that amount, we believe the Legislature should fund the State Board of Education's proposal for a statewide technology backbone and Second Generation Kansas Education Network. This is crucial to providing equitable educational opportunities to all students and parts of the state.

We would also note that the Legislature has, in effect, mandated technology education through Qualified Admissions. Unlike other parts of the curriculum, technology requires an entirely new infrastructure, far beyond the traditional school district budget. We therefore believe it is appropriate for the state to assume a role in funding this expansion. I have attached an overview discussing the importance of this technology request. The Governor did not recommend any technology funding for schools.

Early childhood and at-risk. Finally, our coalition has provided a general endorsement of expanded support for special student assistance. We therefore support the Governor's recommendation to increase the at-risk weighting factor from 8% to 9%; to expand positions available for early childhood at-risk programs; and to increase funding for the Parent Education Program.

We thank you for your attention and consideration.

Importance of a Statewide Technology Backbone

Removes the barriers to learning by providing access

Create equitable learning environment

For the students and teachers

For the schools

For the community and, ultimately,

For the State

Erase barriers of geographic distance

Within the State

Globally

Reduce disparities of economic status

Brings libraries and museums into the classroom

Virtual field trips

Communicating with others - seeing words only

Minimize limitations of individual abilities

Repetitive learning - using CD-ROM

Tactile learning - using a mouse

Visual learning - graphing mathematical formulae

Adaptive technologies to lessen physical challenges

Impediments to equity

Professional development

Acceptance by the community and staff of technology's usefulness

A need for quality content

Infrastructure limitations

E-rate addresses only part of the problem

Rural areas still have the most difficulty connecting

Current costs of district-to-district communications are too high

Schools need to be a part of the Virtual Community/Virtual State initiative

Improves efficiency

Aggregating utilization of services

Aggregating goods purchases

Reduces duplication of effort, materials, manpower

2d Generation Kansas Education Network

R&D for educational technology for Kansas

Capitalize on emerging technologies

Provides

optimal learning opportunities

on-line staff development programs

standards-based, flexible network infrastructure



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

Craig Grant Testimony Before
Senate Education Committee
Tuesday, February 2, 1999

Thank you Madame Chair. I am Craig Grant and I represent Kansas NEA. I appreciate this chance to visit with the committee about SB 171 and school finance in general.

Much has been made about KNEA's lack of participation in the coalition's effort to present a school finance proposal. I felt it might be important to address that first. Kansas NEA was part of all the discussions in the coalition leading up to the development of the proposal which was presented earlier this morning. The KNEA Board of Directors had the proposal before them when it made the decision as to what our proposal would be. Our board decided to go a different direction. The direction is similar to the direction that KNEA and KASB went last year. Our decision has nothing to do with any disagreement with the coalition's efforts or its position--we are all looking to get greater funding for Kansas children.

So what is this philosophy which our board has adopted? We believe, and the data shown yesterday seems to concur, that school districts are relying more and more on the Local Option Budget (LOB). Each year since 1995, the local supplemental aid funding (or LOB funding) has increased dramatically. That amount over the five years has gone from \$128 million to a projected \$251 million in FY 2000. This \$123 million increase is a 96.1% increase statewide in reliance on local option budgets. That increase is not in each district; some districts continue to have 0% LOB while others have the full 25%. We believe that this, in and of itself, continues inequity in our state between pupils in different districts. We also believe that the LOB has contributed to the lack of base increases over time. So our board passed a motion to suggest to the legislature that we look at the elimination of the LOB; however, the board was not interested in districts losing spending authority over what we have presently. That is why we suggested a base of over \$5,000. We realize that this might not be a possibility; however, we wanted to make the point about the LOB and the inequities which were inherent in the current system.

The other parts of the unified coalition's package we agreed with at our meeting. As far as components which are included in SB 171, we would agree that the at-risk weighting should be increased. We still rank at the bottom of those states which weight pupils for at-risk situations in our percentage

provided. We also believe that early childhood education--particularly the four-year-old's at-risk program--is extremely important and that we should expand the participation. Although we do not have a large number of members who are early childhood educators, our early elementary teachers tell us of the children who have had early intervention and those children being "ready to learn." We certainly support the program.

Kansas NEA commends the Governor for continuing to propose steady increases in the school finance formula. I do not believe it is a matter of credit or blame or percentage increases. It is a matter of trying to meet the needs of children in Kansas through our school finance formula. I hope this committee and the legislature as a whole, along with our Governor, will find a way to increase the investment in our children even more than is proposed in SB 171. I believe you will try to do the very best you can for Kansas children in our schools. Thank you for listening to our concerns.



Kansas State Department of Education

120 S.E. 10th Avenue
Topeka, Kansas 66612-1182

February 2, 1999

TO: Senate Education Committee
FROM: State Board of Education
SUBJECT: 1999 Senate Bill 171

My name is Scott Hill, Legislative Coordinator of the State Board of Education. I appreciate the opportunity to appear before this Committee on behalf of the State Board concerning a very important topic--school finance.

First of all, we would like to thank the Legislature for supporting increases in the base state aid per pupil, correlation weighting, at-risk weighting, and for implementing a four-year-old at-risk program, which appears to be working well, for the 1998-99 school year.

The State Board of Education spent considerable time this past summer studying school finance and reviewing numerous options. It is our recommendation that the base state aid per pupil be increased by \$75 from \$3,720 to \$3,795 or 2.02 percent.

The State Board feels this is a reasonable amount which will assist in meeting the needs of students throughout the state.

Attached is a chart which provides the general and supplemental general (local option budget) funds for the school districts. This data will show the major increases in operating expenditures for the past few years.

The State Board of Education chose to increase the base state aid per pupil in order to give local boards of education greater authority in determining their expenditure priorities rather than targeting individual programs.

Some areas in which schools have current needs include: technology (varies from district to district), demand by parents to transport more students, lowering pupil-teacher ratios, staff development, implementation of alternative schools, extended school day programs for students who take longer to learn, recruitment and retention of teachers in selected areas such as mathematics, science, music, vocational agriculture, technology, etc.

Division of Fiscal & Administrative Services

785-296-3871 (phone)

785-296-0459 (fax)

785-296-6338 (TTY)

www.ksbe.state.ks.us

*Senate Education
attachment 3
2-2-99*

Jol Districts – General and Supplemental General Fund Budgets

3-2

	Actual 1991–92	Actual 1992–93	Actual 1993–94	Actual 1994–95	Actual 1995–96	Actual 1996–97	Actual 1997–98	Estimate 1998–99	Governor's Recommend. 1999–00	KSBE Request 1999–00
General Fund Budget	1,777,469,000	1,835,201,000	1,890,925,000	1,914,227,000	1,949,887,000	1,996,440,000	2,059,739,152	2,124,492,000	2,165,894,000	2,173,381,700
Suppl. General Fund Budget (LOB)		98,207,000	146,712,000	168,257,000	185,292,000	206,114,000	232,427,000	284,000,000	327,591,000	329,850,000
Total Expenditures	1,777,469,000	1,933,408,000	2,037,637,000	2,082,484,000	2,135,179,000	2,202,554,000	2,292,166,152	2,408,492,000	2,493,485,000	2,503,231,700
Total Number of FTE (Unweighted)		431,321	437,210	440,684	442,466	445,767	448,609	449,900	450,800	450,800
Total General Fund Expenditures Per Pupil		4,255	4,325	4,344	4,407	4,479	4,591	4,722	4,805	4,821
Percentage Increase Over Previous Year			1.65%	0.44%	1.45%	1.63%	2.50%	2.85%	1.76%	2.10%
Total Expenditures Per Pupil (Including General Fund and Suppl. General Fund)		4,483	4,661	4,726	4,826	4,941	5,109	5,353	5,531	5,553
Percentage Increase Over Previous Year			3.97%	1.39%	2.12%	2.38%	3.40%	4.78%	3.33%	3.74%