

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairman Kenny Wilk at 9:05 a.m. on February 13, 2001 in Room 514-S of the Capitol.

All members were present

Committee staff present: Alan Conroy, Legislative Research  
Rae Anne Davis, Legislative Research  
Paul West, Legislative Research  
Jim Wilson, Revisor of Statutes  
Mike Corrigan, Revisor of Statutes  
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee:

Others attending: See Attached

Representative Stone moved for the introduction of legislation which would allow certain non-partisan legislative staff to choose between the 8% deferred compensation plan and KPERS. Motion was seconded by Representative Kline. Motion carried.

Representative Wilk moved for the introduction of legislation concerning a KPERS defined contribution plan. Motion was seconded by Representative Nichols. Motion carried.

Representative Klein moved for legislation concerning qualifications for drivers licenses. Motion was seconded by Representative Nichols. Motion carried.

Representative Shultz, Chairman of the Education Budget Committee, presented the Committee Report for the Department of Education and moved for the adoption and approval of the Governor's Recommendations for FY 2001 (Attachment 1). Motion was seconded by Representative Light. Motion carried.

Representative Shultz, Chairman of the Education Budget Committee, presented the Committee Report for the Department of Education and moved for the adoption and approval of the Governor's Recommendations for FY 2002 by prefacing its recommendations by stating that the Legislature currently is operating in a period of uncertainty regarding the condition of state revenues and that it is possible that budgets will have to be adjusted at the end of the Session after consensus estimators meet in April (Attachment 2). The motion was seconded by Representative Light. After Committee discussion, Representative Shultz rephrased his motion to include that of the following amendments. This motion was seconded by Representative Nichols. Motion carried.

A typographical error on Page 3 was is to be corrected from 0.9 to .09.

The Committee noted that there has been legislation introduced by the Senate (**SB 202**) which proposes including special education in state aid. The proposed 2002 Education Budget is \$130 million short of the recommended Vision 2000 Task Force.

The Governor's Recommendation includes adding 3,000 children to the Parents as Teachers program if the district can meet the match of \$1.00 from the state with the district financing \$0.65. Several thousand students were denied access to the program this past year as the districts could not afford the required match. The Budget Committee has recommended transferring \$2 million from the Parents as Teachers program to the proposed Educational Accountability program. Representative Kathe Lloyd, Chairman of the Committee Education Sub-Committee on Accountability, explained they are targeting K through 3 children and working to develop a proficiency level through extended learning time, tutoring, mentoring, and intervention.

The Appropriations Committee urged the Children's Cabinet to have readiness indicators developed by October 2001. The Committee questioned the wisdom of taking money from a proven program and starting another program which has no proven record at this time. It was pointed out that the Accountability program

was a direct intervention and that the Budget Committee would continue with their work in attempting to find money for early childhood development programs.

It was pointed out that the one totally unanimous decision made by the Vision 2000 Task Force was to allocate \$450,000 for a professionally conducted study of the school finance formula. The Budget Committee has recommended that this money be used for the four-year-old at risk program. It was pointed out that this \$450,000 could serve 196 children in need of such services. The need for a new school finance formula was acknowledged as some districts are currently in litigation and some districts think they are underfunded.

In response to the Budget Committee's recommendation that the Infants and Toddlers program be moved to the Department of Education, Committee members pointed out that this move may jeopardize the charitable funding which has been part of some community programs. The move to the Department of Education would save the program more than \$160,000 by using some of the special education funds. It was pointed out that some of the children involved in the program may have three case managers: foster care, infant and toddler, and special education if such a move is made.

Representative Henry moved to amend the bill by requiring that the Department of Education prepare a written plan on how the proposal to move the Infants and Toddlers program to their department would interact with other programs which provide funding such as SRS and describe their coordination of services. Motion was seconded by Representative Nichols. Motion carried.

Representative Kline moved to amend the Committee Report by asking that a bill be introduced to move the Infants and Toddlers Program from the Kansas Department of Health and Environment to the Department of Education according to the Governor's Recommendation. Motion was seconded by Representative Landwehr. Motion carried.

Representative Ballard moved for the Budget Committee to reinstate the \$450,000 from the State General Fund for a professional study of the school finance formula as recommended by the Task Force and the Governor. The motion was seconded by Representative Shriver. Motion failed.

It was noted that funding for the Kansas Cultural Center was inadvertently omitted from the budget for FY 2001 and FY 2002. This is a lending library funded primarily through the Dodge City School system and fees. Only 15 to 20% of their budget comes from the State General Fund. Negotiations are on-going regarding making this part of the Kansas Historical Society's budget.

Representative Shriver moved to amend the Committee Report by adding \$30,000 from the State General Fund for the Kansas Cultural Center for FY 2002. The motion was seconded by Representative Pottorff. Motion carried. Representative Spangler asked to be recorded as a "no" vote.

Committee members questioned the appropriateness of the Sunflower Foundation being part of the Attorney General's budget. At this point the state cannot access any of the \$75 million which was a settlement paid by Blue Cross/Blue Shield and earmarked for healthcare initiatives for the children of Kansas. The legality of this was questioned and the need for a discussion of this as public policy was mentioned.

Representative Spangler moved to amend the Committee Report to include examining the possibility of tapping the \$75 million from the Sunflower Funds to fund existing educational programs during the Omnibus Session. Motion was seconded by Representative Toplikar. The motion and second were later withdrawn.

The meeting was adjourned at 10:30 a.m. The next meeting is scheduled for February 14, 2001.



# COMMITTEE GUEST LIST

DATE: 2/03/01

NAME	REPRESENTING
Jacque Dake	SQE
<del>Shari Weber</del>	Rep. Shari Weber
Mike Hutches	Ks. Govt Consulting
Melinda Gaul	DOB
Greg Warr	Emporia State
Jackie Scott	Emporia State
Kathryn West	Leadership Leavenworth Learning
Joe Moore	
Stacey Turner	ICASB
Josie Torres	KCDD
Doug Bowman	KS ICC
Cindy D'Ercole	Kansas Action for Children
Bill Truck	S.M. Public Schools
Fay George	Olathe Dist. Schools
Jim Conant	KDOOR
GARY Robbins	Regent

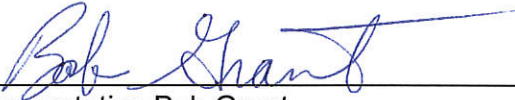
# 2001 EDUCATION BUDGET COMMITTEE

FY 2001 and FY 2002

Department of Education



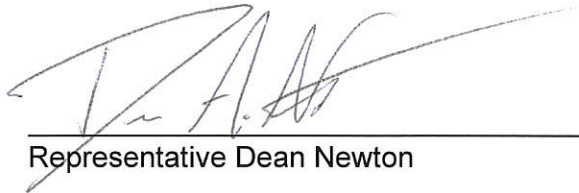
Representative Clark Shultz, Chairperson



Representative Bob Grant



Representative Bill Light



Representative Dean Newton



Representative Rocky Nichols

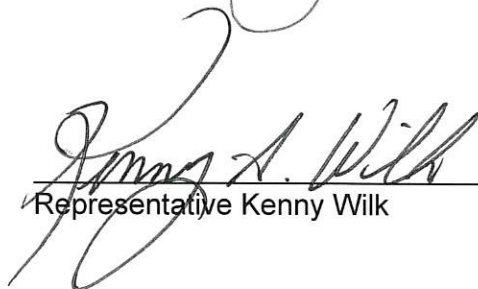


Representative Bill Reardon



Representative Ralph Tanner

Representative John Toplikar



Representative Kenny Wilk

HOUSE APPROPRIATIONS

DATE 2/13/01

ATTACHMENT #1

## House Budget Committee Report

**Agency:** State Department of Education      **Bill No.** \_\_\_\_\_      **Bill Sec.** \_\_\_\_\_  
**Analyst:** Rampey      **Analysis Pg. No.** 699      **Budget Page No.** 143

Expenditure	Agency Est. FY 01	Gov. Rec. FY 01	House Budget Adjustments
<b>All Funds:</b>			
State Operations	\$ 20,363,136	\$ 20,306,630	\$ 0
Aid to Local Units	2,516,786,730	2,513,590,267	0
Other Assistance	31,438,537	30,600,000	0
Subtotal - Operating	<u>\$ 2,568,588,403</u>	<u>\$ 2,564,496,897</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
<b>TOTAL</b>	<u><u>\$ 2,568,588,403</u></u>	<u><u>\$ 2,564,496,897</u></u>	<u><u>\$ 0</u></u>
<b>State General Fund:</b>			
State Operations	\$ 9,227,557	\$ 9,324,881	\$ 0
Aid to Local Units	2,263,072,095	2,257,926,095	0
Other Assistance	229,000	229,000	0
Subtotal - Operating	<u>\$ 2,272,528,652</u>	<u>\$ 2,267,479,976</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
<b>TOTAL</b>	<u><u>\$ 2,272,528,652</u></u>	<u><u>\$ 2,267,479,976</u></u>	<u><u>\$ 0</u></u>
FTE Positions	201.5	201.5	0.0
Other Unclass. Positions	43.4	43.4	0.0
<b>TOTAL</b>	<u><u>244.9</u></u>	<u><u>244.9</u></u>	<u><u>0.0</u></u>

### AGENCY OVERVIEW

The State Board of Education is a ten-member elected board established by the Kansas Constitution. It is responsible for the general supervision of public schools and all other educational interests of the state that are not under the jurisdiction of the State Board of Regents. Its duties include accrediting elementary and secondary schools; establishing standard courses of study in the public schools; certifying teachers and administrators; approving public and private teacher education programs; and administering a variety of state and federal aid programs.

### Agency Estimate/Governor's Recommendation

Current year funding provides for two new initiatives that were enacted by the 2000 Legislature. The first is the mastery of basic skills program that is intended to ensure that students master basic reading skills upon completion of the third grade. The program will not begin in school districts until school year 2002-03, but the State Department will begin to develop a strategy to implement the program in FY 2001 and report on its progress to the 2001 Legislature. The 2000 Legislature appropriated \$25,000 for operating costs related to the program in FY 2001. The second initiative is the Kansas mentor teacher program, for which \$68,753 from the State General Fund was

appropriated for operating expenses to implement the program, as well as \$1.0 million to be used in FY 2002 for stipends to mentor teachers. Money includes the salary of a new position to assist in developing rules and regulations and also to establish other criteria and standards for program implementation. Beginning in the 2001-02 school year, experienced teachers who serve as mentors to probationary teachers would be eligible for a \$1,000 scholarship.

The **Governor recommends** a total of \$2,632,153,478 in the current year. The amount differs from what the 2000 Legislature approved in the following respects:

- The Governor recommends the reappropriation of \$125,569 from the State General Fund for agency operations, as estimated by the State Department, and adds an additional \$35,000 for legal fees for the School for the Deaf, which is under the supervision of the State Board of Education. The fees had been requested by the School for the Deaf for litigation related to the dismissal of a teacher. If the Legislature concurs with the Governor's recommendation, the State Department either could pay the legal bills on behalf of the School for the Deaf or transfer the money to the School.
- The Governor budgets all of the money for the school safety hotline—\$72,324—for expenditure in FY 2001 instead of assuming, as the State Department did, that all but \$10,000 would be reappropriated to FY 2002. (The Governor appropriates an additional \$10,000 for FY 2002.)
- The Governor's recommendation for general and supplemental general state aid conforms to the revised estimates for school finance and reflects savings totaling \$7,546,000 in the current year.
- The Governor recommends an increase of \$2.0 million for inservice education due to reappropriated savings in general state aid, as budgeted by the State Department.
- The Governor concurs with the revised estimate of an increase of \$1.4 million for school district capital improvements, as budgeted by the State Department.
- The Governor does not recommend an additional \$9,372 from the State General Fund requested for the Education Program Consultant salary upgrade.

### **House Budget Committee Recommendations**

The House Budget Committee concurs with the Governor's recommendation.

## House Budget Committee Report

**Agency:** State Department of Education      **Bill No.** \_\_\_\_\_      **Bill Sec.** \_\_\_\_\_  
**Analyst:** Rampey      **Analysis Pg. No.** 699      **Budget Page No.** 143

Expenditure Summary	Agency Req. FY 02	Gov. Rec. FY 02	House Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 19,909,424	\$ 19,586,545	\$ (450,000)
Aid to Local Units	2,750,902,533	2,581,786,933	450,000
Other Assistance	31,407,952	30,780,000	0
Subtotal - Operating	<u>\$ 2,802,219,909</u>	<u>\$ 2,632,153,478</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
<b>TOTAL</b>	<u><u>\$ 2,802,219,909</u></u>	<u><u>\$ 2,632,153,478</u></u>	<u><u>\$ 0</u></u>
<b>State General Fund:</b>			
State Operations	\$ 10,108,674	\$ 9,671,381	\$ (450,000)
Aid to Local Units	2,473,352,340	2,324,853,788	450,000
Other Assistance	375,000	369,000	0
Subtotal - Operating	<u>\$ 2,483,836,014</u>	<u>\$ 2,334,894,169</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
<b>TOTAL</b>	<u><u>\$ 2,483,836,014</u></u>	<u><u>\$ 2,334,894,169</u></u>	<u><u>\$ 0</u></u>
FTE Positions	201.5	201.5	0.0
Other Unclassified Positions	43.4	43.4	0.0
<b>TOTAL</b>	<u><u>244.9</u></u>	<u><u>244.9</u></u>	<u><u>0.0</u></u>

### Agency Request/Governor's Recommendation

Estimated expenditures for agency operations are \$20,363,136 in FY 2001 and \$19,909,424 in FY 2002. Overall, the FY 2002 request is a reduction of \$453,712 from the prior year, the net result of an increase of \$881,117 in estimated expenditures from the State General Fund and a reduction of \$1.3 million in other funds.

The Governor recommends expenditures totaling \$19,586,545, a reduction of \$720,085 from his recommendation for the prior year. Expenditures from the State General Fund total \$9,671,381 for FY 2002, an increase of \$346,500 over FY 2001, and a reduction of \$437,293 from the State Department's request. The Governor's recommendation contains \$11,977,449 for salaries and wages, of which \$6,064,830 (50.6 percent) is from the State General Fund.

The Governor's recommendation also includes \$450,000 from the State General Fund for a study of school finance, intended by the Governor to be an independent assessment of the school finance formula in order to address serious inequities and opportunities for improvement.



The State Department's request for aid and other assistance programs from the State General Fund, the State School District Finance Fund, and the Children's Initiatives Fund totals \$2,515,077,857 and would fund through the school finance formula several programs that currently are funded as separate categorical aid programs. They are special education, inservice education, parent education, and structured mentoring. Several new programs would be added to the school finance formula, such as funding for all-day kindergarten and other initiatives of the State Board of Education, and existing programs would be expanded.

The Governor recommends a total of \$2,348,466,788 from the State General Fund, the School District Finance Fund, the Children's Initiatives Fund, a reduction of \$116.6 million from the State Department's request. The Governor recommends funding special education through the school finance formula on the basis of special education weights, but does not approve the State Board's request to combine other programs. In addition, the Governor's recommendation for general state aid to school districts would add \$50 to Base State Aid Per Pupil (from \$3,820 to \$3,870), expand the four-year old at-risk program by 436 children, and increase the at-risk weight from 0.09 to 0.10.

### **House Budget Committee Recommendations**

The House Budget Committee prefaces its recommendations by stating that the Legislature currently is operating in a period of uncertainty regarding the condition of state revenues. Preliminary indications are that revenues are not as robust as originally hoped and that it is possible that budgets will have to be adjusted at the end of the Session after consensus estimators meet in April.

With this caution in mind, the Budget Committee makes its recommendations and concurs with the Governor, with the following exceptions:

#### **FY 2002**

1. Concur with the Governor's recommendation for general state aid, which includes an increase of \$50 in Base State Aid Per Pupil (BSAPP) (from \$3,820 to \$3,870, at an estimated cost of \$29,907,000 from the State General Fund); funding for special education through the formula on the basis of special education student weights (at a cost of \$256,390,000 from the State General Fund, estimated to fund 85.3 percent of excess costs); an increase of 436 in the number of children in the four-year old at-risk program (from 2,230 to 2,666 children, at a cost of \$1.0 million from the Children's Initiatives Fund); and an increase in the at-risk weight from 0.09 to 0.10 (at an estimated cost of \$4.0 million from the State General Fund). In addition, increase the number of new children in the four-year-old at-risk program by an additional 196 children, by adding \$450,000 from the State General Fund to the Governor's recommendation.

The Committee acknowledges the input it received from subcommittees of the House Education Committee, which were charged with matters directly affecting the budget of the State Department of Education. The Budget Committee received reports from chairs of the subcommittees and was able to incorporate policy initiatives proposed by subcommittees into the budget recommendations for the State Department.

Specifically, the Budget Committee concurs with the recommendation of the House Education Subcommittee on School Finance that BSAPP should increase



by at least \$50, that the at-risk weight should be increased from 0.9 to 0.10, and that the number of children in the four-year-old at-risk program should increase by at least 436.

The Budget Committee also supports the recommendation that the level of special education excess costs funding for FY 2002, estimated to be 85.3 percent, serve as a baseline and that, if federal funding for special education increases, it will be used to increase the percentage of excess costs funded, instead of being used to reduce state aid. The Budget Committee supports full funding of special education excess costs and is cautiously optimistic that increased federal funding will help Kansas achieve that goal.

The Budget Committee wishes to call attention to the fact that the Governor's recommendation to fund special education through the school finance formula on the basis of student weights would require a statutory change to repeal the current special education formula. The Budget Committee acknowledges concerns that have been raised about the student weighting proposal, but believes the consideration of a funding alternative will generate meaningful discussion and could result in an improvement in the way the state pays for special education services.

2. Delete \$2.0 million from the Children's Initiatives Fund for the Parent Education Program, for a total of \$6,139,500, the same as the current year.
3. Earmark \$1.95 million from the Children's Initiatives Fund (saved from the Parent Education Fund) for services to children, as envisioned by the House Education Accountability Subcommittee. The Subcommittee has developed a series of recommendations intended to target children in kindergarten and grades one through three for assessments and interventions that will lead to the mastery of basic skills upon completion of grade three. The Budget Committee recognizes the value of the Subcommittee's work and encourages it to design its recommendations in such a way that they will be compatible with purposes for which expenditures from the Children's Initiatives Fund may be made—direct services and programs for children. The remaining \$50,000 of Children's Initiatives Fund (saved from the Parent Education Fund) would be for the four-year-old at-risk program, for an additional 22 children. (The total new at-risk pupils added under the Budget Committee's recommendations would be 654.)

The Budget Committee will recommend the appropriation of these earmarked funds when the Committee receives the new plan from the House Education Accountability Subcommittee which will propose spending the Children's Initiative Fund dollars on direct services and programs for children (not on indirect expenditures that benefit children in a tertiary manner).

4. Delete \$450,000 from the State General Fund recommended by the Governor for a study of the school finance formula. (The Budget Committee recommends that the money be used for the four-year-old at-risk program. See item 1 above.)
5. It is the Budget Committee's intention to recommend in the Omnibus Bill that administration of the Infant and Toddler Program be moved from the State Department of Health and Environment to the State Board of Education. The

reason for delaying action until the end of the Session is to give interested parties time to better understand what changes, if any, might occur in program delivery or funding and to work out concerns they may have before the change takes place. The Budget Committee gives notice that it will recommend the change and that interested parties should begin now to address specific issues regarding the transfer.

6. The Budget Committee calls attention to the mentor teacher program enacted by the 2000 Legislature, under which mentor teachers would be eligible for \$1,000 grants for mentoring probationary teachers, beginning in the 2002-03 school year. The \$1.0 million appropriated for the program was based on estimated costs to fund grants only for mentoring first-year teachers, not teachers in the three-year probationary period. The Budget Committee also recommends the addition of proviso language to ensure that the \$1.0 million is for mentoring first-year teachers only and not teachers in the three-year probationary period. The proviso would also include language requiring the State Board of Education to report to the appropriate legislative committees of the 2002 Legislature on the effectiveness of the mentoring program, including any suggested changes for improvements. The legislative committees that would receive the report include the standing Education Committees of the House and Senate, the Senate Ways and Means Committee, and the House Appropriations Committee.
7. The Budget Committee requests that the Legislative Coordinating Council assign to the Legislative Educational Planning Committee the matter of ongoing professional development for teachers, including the possibility of a grant program which would make funding available to teachers to take advantage of university programs that would allow them to continue to advance professionally.
8. The Budget Committee notes the importance of effective early childhood programs. Such programs, particularly birth through third grade, can be one of the keys to the successful development of Kansas' children. The Budget Committee will continue to monitor through Omnibus the progress made in this important area.