

## MINUTES OF THE SENATE COMMITTEE ON EDUCATION.

The meeting was called to order by Chairperson Senator Dwayne Umbarger at 1:35 p.m. on February 8, 2001 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Ben Barrett, Legislative Research  
Avis Swartzman, Revisor of Statutes  
Judy Steinlicht, Secretary

Conferees appearing before the committee: Josie Torrez, Kansas Council on Developmental Disabilities  
Duane Goossen, Director of Budget, Governor's Office

Others attending: See Attached List

### Continued School Finance Hearings

Josie Torrez, Kansas Council on Developmental Disability gave testimony in (Attachment 1). She stated that they feel the funding for special education services needs to be separated out to reassure parents that their needs will continue to be supported. Their mission is to see that individuals with developmental disabilities have choices in life about where they wish to live, work, and in what leisure activities they wish to participate.

During discussion, Ms. Torrez was asked about a 4 tier system. She stated that they had not looked into a four-tier system, but feel that the whole school finance formula needs more study especially when it comes to special education. In Ms. Torrez's testimony, she suggested the Legislature look into programs in Massachusetts and North Dakota. Ms. Torrez has a report from these states and was asked go through the report and give the committee a summary. Chairman Umbarger invited her to come back to the committee with a report.

A question was asked if anyone has ever looked into paying the actual cost of special education instead of paying the average cost. It could be about the same amount of money. The answer was that the state would need a uniform system of reporting special education costs which the state does not have now. If the State would pay 85% of actual costs incurred by every school district, there would be no incentive to hold down costs.

### Briefing on SB202

Chairman Umbarger introduced Duane Goossen, Director of the Budget, Governor Grave's office, to give the Committee a briefing on **SB202**, the Governor's education plan. (Attachment 2) In the State of the State Address, the Governor outlined his education plan contained in the budget and suggested that a lot more discussion needed to occur surrounding education and what could be done within existing resources. The content of **SB202** is being driven by the amount of resources available. On page three of the attachment, Mr. Goossen provided an eight year history of expenditures from the State General Fund leading up to the Governor's recommendation for the Fiscal year 2002. Summarized, it breaks spending out by cabinet agencies, Department of Education and Regents and all others. The Governor's plan spent all available resources on the education plan. Page one of the attachment shows the K-12 Education Package that the Governor presented and is included in **SB202**.

Mr. Goossen suggested that special education funding needs more discussion. Currently there are about 77,000 special education students in Kansas. Mr. Goossen gave three reasons why serious consideration

CONTINUATION SHEET

February 8, 2001

should be given to changing the special education reimbursement system. The most important one is fairness, to send aid where special education students are located. The second, to give more flexibility for school districts. Currently they have to calculate very carefully how their special education teachers serve students and they need to make sure their special education teachers are only serving special education students. This plan would reimburse on the basis of number of students and would give schools more flexibility on how to set up their system to serve special education children. Thirdly, a reimbursement formula like this would put in place a more legitimate system for actually moving toward 100 percent funding. Under the present system, we reimburse for the number of teachers that the school district hires.

Mr. Goossen stated that he wants everyone to understand that the context of this bill is a tight budget with limited resources. With that amount, they tried to propose a package that would hit the priority items. Mr Goossen answered questions for the Committee.

The minutes for January 31, February 1 and February 2, 2001 were approved. Motion was made by Senator Teichman. Second by Senator Vratil. Motion passed.

Meeting adjourned. The next meeting is scheduled for February 12, 2001 at 1:30 p.m. in Room 123-S.





# **Kansas Council on Developmental Disabilities**

BILL GRAVES, Governor  
DAVE HEDERSTEDT, Chairperson  
JANE RHYS, Ph. D., Executive Director

Docking State Off. Bldg., Room 141, 915 Harrison  
Topeka, KS 66612-1570  
Phone (785) 296-2608, FAX (785) 296-2861

*"To ensure the opportunity to make choices regarding participation in society and quality of life for individuals with developmental disabilities"*

**Senate Education Committee**

**February 8, 2001**

Testimony in regard to the School Finance Formula.

*To ensure the opportunity to make choices regarding participation in society and quality of life for individuals with developmental disabilities.*

Mr. Chairman, Members of the Committee, I am appearing today on behalf of the Kansas Council on Developmental Disabilities regarding the school finance formula as it pertains to special education funding and services.

The Kansas Council is a federally mandated, federally funded council composed of individuals who are appointed by the Governor, include representatives of the major agencies who provide services for individuals with developmental disabilities, and at least half of the membership is composed of individuals who are persons with developmental disabilities or their immediate relatives. Our mission is to advocate for individuals with developmental disabilities, to see that they have choices in life about where they wish to live, work, and in what leisure activities they wish to participate.

We are concerned that the new special education reimbursement formula might cause problems, both with services and with funding. The State Board is proposing a system of reimbursing based on number of students identified, rather than the current system of reimbursing for staff. The "weighting system" would classify severely disabled students as *all* students labeled with autism, deaf-blind, 10% of the students with mental retardation, 50% of students with other health impairments (i.e. asthma, diabetes, ADD, ADHD), 50% of students with physical impairment, and 50% of students with severe

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2-8-01  
Attachment 1

multiple disabilities. This definition needs more study. The label placed on students should not drive the weighting of students. Rather, it should be driven by the type and amount of services needed for them to receive a free and appropriate public education (FAPE).

*Concern: Schools would be inclined to label students as more severe in order to receive additional funding. This is not good for students or for the budget.*

*Solution: The Legislature should do more research into States such as Massachusetts and North Dakota, who use this method of funding to see what effect it has had on the programs, funding, and, of most importance, the education of students receiving special education services and supports.*

We are concerned with Special Education funding being in the same “line item” as general education funding, per the Governor’s Task Force. Many parents now hear from their school districts that there is “No time, no staff, and no money” to provide the services their child needs. If Special Education is not separated out, we fear many more parents will hear this when it comes to services and supports for their child.

We believe, for students receiving special education services, this funding stream must continue to be separated out. The State Department of Education must reassure parents that the district will continue to use their funding for special education services and supports to their child instead of new band uniforms or sports equipment.

Thank you for the opportunity to give input on this issue.

Josie Torrez, Coordinator, Partners in Policymaking  
Kansas Council on Developmental Disabilities  
Docking State Office Building, Room 141  
915 SW Harrison  
Topeka, Kansas 66612-1570  
785-296-2608



# Kansas State Department of Education

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

December 18, 2000

TO: Chief School Administrators

FROM: Dale M. Dennis, Deputy  
Commissioner of Education

SUBJECT: Special Education

Attached is a computer printout (L0023) which is based upon the recommendations made by the Governor's Task Force on School Finance. It provides an estimate on how special education state aid would be distributed if all the severely handicapped children were weighted at 3.7 and all other handicapped children would be weighted at 0.9. The weightings would include infants and toddlers. This proposal would add two lines to the state aid computation form and would replace the current system of distributing special education state aid which is primarily based upon the number of teachers and paraprofessionals employed.

This proposal provides for 100 percent of excess cost.

## COLUMN EXPLANATION

- |        |     |  |
|--------|-----|--|
| Column | 1 - | County   |
|        | 2 - | U.S.D. Number  |
|        | 3 - | U.S.D. Name  |
|        | 4 - | Estimated number of severely handicapped children (includes autism, deaf-blind, 10% of mentally retarded, 50% of other health impaired, physical impaired, and severe multiple impaired) |
|        | 5 - | Estimated severe handicap children weighting (Column 4 x 3.7)  |
|        | 6 - | Estimated number of all other handicapped children   |
|        | 7 - | Weighting of remaining handicapped children (Column 6 x .90)   |
|        | 8 - | Total weighted enrollment (Column 5 + 7)   |
|        | 9 - | Estimated general fund budget increase (Column 8 x \$3,820)  |



# K-12 Education Package

- Increase base state aid per pupil by \$50 for a total of \$3,870.
- Bring special education to 85.3% of excess costs but change to student weighted formula.
- Raise at-risk student weighting from 9% to 10%.
- Expand services to 436 more four-year-old at-risk students (\$1.0 million).
- Increase funding for Parent Education program by \$2.0 million: start providing services to children aged 36 to 48 months (\$1.0 million) and increase base program funding to reach more families (\$1.0 million).
- Perform studies of two important issues: school finance inadequacies and inequities, and technology infrastructure for schools across the state.

*Senate Education*  
*2-8-01*  
*Attachment 2*

**State, Local, and Federal Support of Elementary and Secondary Education in Kansas**  
(Dollars in Thousands)

|  | FY 2000 Actual      |                     | FY 2001 Gov. Rec.   |                     | FY 2002 Gov. Rec.   |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | SGF                 | All Funds           | SGF                 | All Funds           | SGF                 | All Funds           |
| General State Aid                                | \$1,773,786         | \$1,773,786         | \$1,797,808         | \$1,797,808         | \$2,066,554         | \$2,066,554         |
| Four-Year-Old At-Risk Program                    | 3,870               | 3,870               | 4,111               | 5,111               | 4,111               | 6,111               |
| Supplemental State Aid                           | 72,523              | 72,523              | 84,489              | 84,489              | 95,383              | 95,383              |
| Capital Improvement Aid                          | 26,098              | 26,098              | 30,900              | 30,900              | 38,000              | 38,000              |
| KPERS Employer Contribution                      | 87,889              | 87,889              | 88,743              | 88,743              | 105,155             | 105,155             |
| Special Education Aid                            | 228,757             | 269,015             | 233,736             | 293,336             | --                  | 56,000              |
| School District Finance Fund                     | --                  | 15,785              | --                  | 16,369              | --                  | 16,369              |
| Inservice Aid                                    | 4,944               | 4,944               | 4,600               | 4,600               | 2,600               | 2,600               |
| Parent Education Grants                          | 4,365               | 5,143               | 4,640               | 6,140               | 4,640               | 8,140               |
| Deaf-Blind Program Aid                           | 109                 | 109                 | 110                 | 110                 | 110                 | 110                 |
| School Food Assistance                           | 2,510               | 93,081              | 2,510               | 94,365              | 2,510               | 95,310              |
| Juvenile Detention Grants                        | 4,011               | 4,011               | 5,380               | 5,380               | 5,380               | 5,380               |
| Structured Mentoring Programs                    | 964                 | 964                 | --                  | 500                 | --                  | 500                 |
| Teacher Mentoring                                | --                  | --                  | 1,000               | 1,000               | --                  | --                  |
| Teacher Excellence Grants                        | 23                  | 23                  | --                  | 98                  | --                  | 110                 |
| Goals 2000                                       | --                  | 3,683               | --                  | 3,635               | --                  | 1,630               |
| Federal Class Size Reduction Initiative          | --                  | 9,126               | --                  | 9,850               | --                  | 9,850               |
| Ed. Research and Innovative Prog.                | 1,580               | 3,988               | --                  | 3,586               | --                  | 4,440               |
| Driver Education Program Aid                     | --                  | 1,636               | --                  | 1,600               | --                  | 1,600               |
| Alcohol and Drug Abuse                           | --                  | 3,183               | --                  | 2,750               | --                  | 2,750               |
| Job Training Partnership Program Aid             | --                  | 10,605              | --                  | 10,500              | --                  | 10,550              |
| Elem. and Secondary Education Prog.              | --                  | 74,019              | --                  | 79,836              | --                  | 82,081              |
| Education for Economic Security Aid              | --                  | 2,188               | --                  | 2,350               | --                  | 2,350               |
| KAN-ED   | --                  | --                  | --                  | --                  | 500                 | 500                 |
| Other Grants                                     | 224                 | 1,024               | 30                  | 1,135               | 170                 | 1,095               |
| Subtotal State & Federal Funding                 | \$2,211,653         | \$2,466,693         | \$2,258,057         | \$2,544,191         | \$2,325,113         | \$2,612,568         |
| <i>Amount Change from Prior Year</i>             | <i>121,179</i>      | <i>164,451</i>      | <i>46,404</i>       | <i>77,499</i>       | <i>67,056</i>       | <i>68,377</i>       |
| <i>Percent Change from Prior Year</i>            | <i>5.8%</i>         | <i>7.1%</i>         | <i>2.1%</i>         | <i>3.1%</i>         | <i>3.0%</i>         | <i>2.7%</i>         |
| Local General Aid Funding                        | --                  | 367,763             | --                  | 369,572             | --                  | 391,804             |
| Local Supplemental Aid Funding                   | --                  | 257,241             | --                  | 290,516             | --                  | 327,979             |
| Subtotal Local Funding                           | \$ --               | \$625,004           | \$ --               | \$660,088           | \$ --               | \$719,783           |
| <i>Amount Change from Prior Year</i>             | <i>--</i>           | <i>(8,526)</i>      | <i>--</i>           | <i>35,084</i>       | <i>--</i>           | <i>59,695</i>       |
| <i>Percent Change from Prior Year</i>            | <i>--</i>           | <i>-1.3%</i>        | <i>--</i>           | <i>5.6%</i>         | <i>--</i>           | <i>9.0%</i>         |
| <b>Total State, Federal, &amp; Local Funding</b> | <b>\$ 2,211,653</b> | <b>\$ 3,091,697</b> | <b>\$ 2,258,057</b> | <b>\$ 3,204,279</b> | <b>\$ 2,325,113</b> | <b>\$ 3,332,351</b> |
| <i>Amount Change from Prior Year</i>             | <i>121,179</i>      | <i>155,925</i>      | <i>46,404</i>       | <i>112,582</i>      | <i>67,056</i>       | <i>128,072</i>      |
| <i>Percent Change from Prior Year</i>            | <i>5.8%</i>         | <i>5.3%</i>         | <i>2.1%</i>         | <i>3.6%</i>         | <i>3.0%</i>         | <i>4.0%</i>         |



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## State General Fund Expenditures by Fiscal Year

|                             | <u>FY 1995</u>         | <u>FY 1996</u>         | <u>FY 1997</u>         | <u>FY 1998</u>         | <u>FY 1999</u>         | <u>FY 2000</u>         | <u>FY 2001<br/>Gov. Rec.</u> | <u>FY 2002<br/>Gov. Rec.</u> |
|-----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------------|------------------------------|
| Dept. of Administration     | 21,377,185             | 22,361,373             | 25,859,555             | 25,889,259             | 29,213,535             | 26,642,897             | 24,782,090                   | 25,502,447                   |
| Dept. Commerce & Housing    | 2,862,710              | 1,650,187              | 2,727,990              | 2,028,338              | 1,964,177              | 2,220,099              | 5,014                        | 400,000                      |
| Department of Revenue       | 28,756,085             | 28,455,863             | 27,354,008             | 27,945,873             | 28,931,118             | 30,390,351             | 32,291,725                   | 32,668,126                   |
| SRS*                        | 543,256,902            | 590,966,148            | 632,664,141            | 523,679,899            | 567,245,607            | 600,707,736            | 610,404,869                  | 650,527,783                  |
| Department on Aging         | 5,840,333              | 5,904,856              | 5,815,031              | 123,715,428            | 132,805,419            | 143,063,458            | 130,874,538                  | 152,666,080                  |
| Dept of Health & Environ.   | 26,002,991             | 25,476,355             | 24,518,843             | 26,486,256             | 31,525,252             | 31,582,005             | 31,821,540                   | 32,120,830                   |
| Dept of Human Resources     | 969,535                | 1,077,989              | 1,437,865              | 1,701,934              | 2,002,324              | 3,247,949              | 3,923,360                    | 2,154,172                    |
| Department of Corrections*  | 164,457,596            | 168,291,987            | 176,146,809            | 185,926,649            | 193,669,567            | 199,220,922            | 204,880,531                  | 209,993,406                  |
| Juvenile Justice Authority* | 21,096,145             | 21,950,217             | 22,462,890             | 45,746,034             | 54,659,035             | 63,258,338             | 63,056,180                   | 63,570,365                   |
| Adjutant General            | 3,731,407              | 3,486,332              | 3,875,939              | 4,119,703              | 4,406,161              | 5,712,354              | 4,719,367                    | 4,576,537                    |
| Department of Agriculture   | 9,284,304              | 9,240,286              | 9,355,216              | 9,827,535              | 10,599,141             | 10,282,060             | 9,927,899                    | 10,043,354                   |
| Dept of Wildlife & Parks    | 3,907,769              | 4,450,215              | 12,696,943             | 5,102,742              | 4,321,787              | 3,718,366              | 3,964,450                    | 4,375,369                    |
| Dept of Transportation      | 91,486,834             | 93,604,872             | 94,915,340             | 96,576,359             | 98,894,191             | 73,422,254             | 62,051,788                   | 132,290,474                  |
| Department of Education*    | 1,681,267,230          | 1,737,026,079          | 1,762,202,968          | 1,942,134,687          | 2,189,367,416          | 2,232,450,956          | 2,279,105,817                | 2,346,724,006                |
| Board of Regents System*    | 454,449,956            | 467,624,103            | 478,869,155            | 504,315,766            | 533,252,125            | 637,529,817            | 673,657,469                  | 702,469,650                  |
| All Other Agencies          | 251,087,652            | 257,660,779            | 257,203,141            | 273,917,962            | 313,367,381            | 304,170,957            | 298,976,907                  | 294,156,540                  |
| <b>Total Expenditures</b>   | <b>\$3,309,834,634</b> | <b>\$3,439,227,641</b> | <b>\$3,538,105,834</b> | <b>\$3,799,114,424</b> | <b>\$4,196,224,235</b> | <b>\$4,367,620,519</b> | <b>\$4,434,443,544</b>       | <b>\$4,664,239,139</b>       |
| <b>Percent Change</b>       | <b>6.4%</b>            | <b>3.9%</b>            | <b>2.9%</b>            | <b>7.4%</b>            | <b>10.5%</b>           | <b>4.1%</b>            | <b>1.5%</b>                  | <b>5.2%</b>                  |

\*Compilation of Expenditures by System