

MINUTES OF THE SENATE COMMITTEE ON EDUCATION.

The meeting was called to order by Chairperson Senator Dwayne Umbarger at 1:15 p.m. on April 26, 2001 in Room 231N of the Capitol.

All members were present except:

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

Conferees appearing before the committee: Senator Nick Jordan

Others attending: See Attached List

School Finance

Chairman Umbarger introduced Senator Jordan. Senator Jordan presented a proposal for school finance which he and four other Senators put together. (Attachment 1) The attachment compares Governor Grave's original proposal, the Senate Education Plan of April 17th and Senator Jordan's proposed plan.

Senator Jordan's proposal:

Base State Aid Per Pupil	\$3,885
At-Risk Weighting	10 percent
Correlation Weighting	1,715
Four-Year Old at-Risk Pupils	2,666
Special Education	86%
Extended Learning	0
Reward for Outstanding Teachers	0 million
Alternative Compensation	0 million
School Finance Study	0.2 million
Total Cost	\$57.2 million

His proposal for funding included an increase in alcohol and cigarette taxes and a 3% increase in the maximum LOB authority.

Senator Lynn Jenkins' proposal was the same as Senator Jordan's plan with the funding coming from decreasing the required ending balance by 1 percent of expenditures and includes the 3% increase in the LOB. (Attachment 2)

Senator Jay Emler's proposal: (Attachment 3)

Base State Aid Per Pupil	\$3,895
At-Risk Weighting	10 percent
Correlation Weighting	1,715
Four-Year Old at-Risk Pupils	3,102
Special Education	85.3%
Extended Learning	0
Reward for Outstanding Teachers	1.5 million
Alternative Compensation	1.0 million
School Finance Study	0.2 million
Total Cost	\$64.2 million

This plan is \$21.8 over the Governor's original proposal and the additional funding would come from the Class C inheritance tax.

CONTINUATION SHEET

April 26, 2001

Senator Hensley proposed that funding for education come from reducing the ending balance by $\frac{1}{2}$ percent which would bring in \$23 million, pass SB156 which is the slots bill, which would bring in \$23 million the first year and \$64 million every fiscal year following and the Class C inheritance tax which would bring in \$20 million. After the first year, the ending balance would go back to $7\frac{1}{2}$ percent.

Meeting was adjourned at 2:00 p.m.

SENATE EDUCATION COMMITTEE GUEST LIST

DATE - 4-26-01

<u>NAME</u>	<u>REPRESENTING</u>
Jim Allen	KEC - KFC
Andy Shaw	PMCA
Mark Tallman	KASB
Val DeFaver	St. Bd of Ks.
T. Amos	PMNDE IS
Dan Henne S	USD #437
Greg Watt	ESU
Jensen Scott	ESU
Glenn Thompson	Stand up For Ks.
Patrick Hurley	PEO/KS
Diane Gierstad	Wichita Public Schools
Amy George	Olathe Schools

Shoot for \$11.6 million

	June 1, 2001 Roughly 30% Liq Gallonage Beer to 0.23 F Wine to 97.5 L Wine to 0.39 Alc,Spr to 3.25 <u>Changes</u>	June 1, 2001 raise cig tax from 24 to <u>27 cents</u>	June 1, 2001 raise tob products from 10 to <u>11 percent</u>	<u>total this package</u>
FY 02	\$5.339	\$5.895	\$0.408	\$11.643
03	\$5.500	\$5.777	\$0.425	\$11.701
04	\$5.665	\$5.662	\$0.442	\$11.768
05	\$5.835	\$5.548	\$0.459	\$11.842
06	\$6.010	\$5.438	\$0.478	\$11.925
5-yr total	\$28.348	\$28.319	\$2.211	\$58.878

Details of Gallonage Tax Package

	<u>Current</u>	<u>Proposed</u>
Beer	\$0.18	\$0.23
Light Wine	\$0.30	\$0.39
Fortified Wine	\$0.75	\$0.975
Alc & Spirits	\$2.50	\$3.25

Shoot for \$15.1 million

	June 1, 2001 Roughly 30% Liq Gallonage Beer to 0.23 F Wine to 97.5 L Wine to 0.39 Alc,Spr to 3.25 <u>Changes</u>	June 1, 2001 raise cig tax from 24 to <u>29 cents</u>	<u>total this package</u>
FY 02	\$5.339	\$9.825	\$15.164
03	\$5.500	\$9.629	\$15.128
04	\$5.665	\$9.436	\$15.101
05	\$5.835	\$9.247	\$15.082
06	\$6.010	\$9.063	\$15.072
5-yr total	\$28.348	\$47.199	\$75.547

**Revised General and Supp. School Aid
Other Education Enhancements
Ending Balance at 6.0 Percent**

**State General Fund Profile
FY 2000 - FY 2005**

April 4, 2001 Consensus Revenue Estimates

Conference Committee Recommendations for Expenditures in FY 2001 and FY 2002 - Adj

Demand Transfers Reflect Current Law Beginning in FY 2003

Actual FY 2000 Receipts and Expenditures

Receipts Adjusted by Conference Committee Action and Accounts

Receivable (\$48.8 million) and Accleration of Sales Tax/Withholding

Dept. of Revenue Expenditures for Accounts Receivables Collection Effort

*Senate Education
4-26-01
Attachment 2*

Prepared at the Request and Direction of Senator Lynn Jenkins
Kansas Legislative Research Department
April 26, 2001

	Actual FY 2000	Increase	Conf. Comm. FY 2001	Increase	Revised FY 2002	Increase	Projected FY 2003	Increase	Projected FY 2004	Increase	Projected FY 2005	Increase
Beginning Balance(a)	\$542.4		\$377.9		\$355.4		\$275.0		\$279.3		\$290.0	
Receipts	4,203.1	224.5	4,410.6	207.7	4,527.8	61.4	4,687.6	166.8	4,863.9	176.3	5,226.1	362.2
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RECEIPTS:(b)	4,203.1	224.5 5.6%	4,410.6	207.5 4.9%	4,527.8	117.2 2.7%	4,687.6	159.8 3.5%	4,863.9	176.3 3.8%	5,226.1	362.2 7.4%
EXPENDITURES:												
General and Supplemental School Aid (c)	1,850.2	102.1 5.8%	1,886.4	36.2 2.0%	1,925.9	39.5 2.1%	1,904.3	(21.6) -1.1%	1,896.2	(8.1) -0.4%	1,889.2	(7.0) -0.4%
Other Education Enhancements	0.0	0.0	0.0	0.0	2.2	2.2	8.8	6.6	20.8	12.0	33.8	13.0
Out-Year Additional KPERs Employer Contributions(d)	0.0	0.0	0.0	0.0	0.0	0.0	10.8	10.8	22.3	11.5	34.4	12.1
Higher Education Restructuring - S.B. 345(e)	0.0	0.0	21.8	21.8	42.6	20.8	75.8	33.2	107.4	31.6	107.4	0.0
Annualization of FY 2002 State Employee Salary Increase (1.5%)(f)	0.0	0.0	0.0	0.0	0.0	0.0	9.7	9.7	9.7	0.0	9.7	0.0
Demand Transfers: (g)	201.2	(18.4)	186.4	(14.8)	271.7	85.3	356.1	84.4	376.0	19.9	405.9	29.9
All Other Expenditures(h)	2,316.2	87.7 3.9%	2,338.5	22.3 1.0%	2,445.8	107.3 4.6%	2,365.8	(80.0) -3.3%	2,317.8	(48.0) -2.0%	2,420.8	103.0 4.4%
Available for Other Purposes(i)	0.0	0.0	0.0	0.0	(80.0)	(80.0)	(48.0)	32.0	103.0	151.0	301.0	198.0
TOTAL Expenditures	4,367.6	171.4 4.1%	4,433.1	65.5 1.5%	4,608.2	175.1 3.9%	4,683.3	75.1 1.6%	4,853.2	169.9 3.6%	5,202.2	349.0 7.2%
Ending Balance(j)	377.9		355.4		275.0		279.3		290.0		313.9	
Percent of Expenditures	8.7%		8.0%		6.0%		6.0%		6.0%		6.0%	
Receipts in Excess of Expenditures	(164.5)		(22.5)		(80.4)		4.3		10.7		23.9	

SCHOOL FINANCE FEATURES--PREPARED FOR SENATOR EMLER-- APRIL 18, 2001

Main Items	Governor's Original Proposal	Senate Ed Plan 4/17	Senator Emler No. 1
Base State Aid Per Pupil (BSAPP)			
Currently, \$ 3,820	3,870	3,910	3,895
Per Pupil Inc.	50	90	75
<i>Added Cost in Millions</i>	28.7	51.7	43.0
At-Risk Weighting			
Currently, 9.0 Percent	10.0	10.0	10.0
<i>Added Cost in Millions</i>	4.2	4.2	4.2
Correlation Weighting			
Currently, 1,725 and Over	1,725	1,700	1,715
<i>Added Cost in Millions</i>	0.0	10.6	4.2
Four Year Old At-Risk Pupils			
2,230 Presently Served	2,666	4,410	3,102
<i>Added Cost in Millions</i>	1.0	5.0	2.0
Special Education			
Excess Cost Funding	85.3	88.0	85.3
<i>Added Cost in Millions</i>	8.0	16.2	8.0
Subtotal	41.9	87.7	61.5
Other Items			
Extended Learning			
Amount Per Pupil	0	20	0
<i>Added Cost in Millions</i>	0.0	8.9	0.0
Reward Outstanding Teachers			
<i>Amount in Millions</i>	0.0	1.5	1.5
Alternative Compensation Plans			
<i>Amounts in Millions</i>	0.0	1.0	1.0
School Finance Study			
<i>Amounts in Millions</i>	0.5	0.2	0.2
Subtotal	0.5	11.7	2.7
TOTAL	42.4	99.4	64.2
Amount over Gov. Original		57.0	21.8

Prepared by KLRD and State Department of Education

Senate Education
4-26-01
Attachment 3