

MINUTES OF THE HOUSE EDUCATION COMMITTEE

The meeting was called to order by Chairperson Kathe Decker at 9:00 a.m. on February 12, 2004 in Room 313-S of the Capitol.

All members were present except:

Representative Tom Holland- excused

Committee staff present:

Kathie Sparks Legislative Research Department
Carolyn Rampey Legislative Research Department
Art Griggs, Office of the Revisor of Statues
Ann Deitcher, Secretary

Conferees appearing before the committee:

Milken Foundation Recipients
Representative Steve Huebert
Mark DeSetti, KNEA and KASB
Supt. Jerry Cullen, USD 220
Dr. Loren Lutes, Supt. USD 341
Supt. Neuenswander, USD 268

Dale Dennis introduced Jesse Bernal, Garden City and Charles Jenney, Wichita, the 2003 Milken Family Foundation National Educator Awardees, who spoke to the Committee of their experiences in teaching.

Kathie Sparks, Principal Analyst, addressed the Committee in regard to the At-Risk Assistance Program. (Attachment 1).

HB 2587 - concerning declining enrollments, correlation weighting and low enrollment weighting.

Representative Huebert offered testimony in favor of **HB 2587**. (Attachments 2 and 3).

HB 2588 - concerning declining enrollments, correlation weighting and low enrollments.

Speaking as an opponent for both **HB 2587 and HB 2588** was Mark Desetti. (Attachment 4).

Appearing in opposition of **HB 2587 and HB 2588** were Superintendents Jerry Cullen, Loren Lutes and Brad Neuenswander. (Attachments 5, 6 and 7).

The hearing on **HB 2587 and HB 2588** was closed.

The meeting was adjourned at 10:50. The next meeting is scheduled for Friday, February 13, 2004.

February 6, 2004

To: House Committee on Education
From: Kathie Sparks, Principal Analyst
Re: At-Risk Assistance Program

Per your request, the following information regarding the At-Risk Assistance Program is provided:

1. What is the purpose of the Kansas At-Risk Assistance Program?

The purpose of the Kansas At-Risk Pupil Assistance Program is to provide at-risk students with additional educational opportunities and instructional services to increase their academic achievement. These opportunities or instructional services must be in addition to the services currently offered to the general population. Some examples of an at-risk program include the following:

- Extended year;
- Extended day;
- Alternative schools;
- Drop Out Prevention;
- Tutorial Assistance.

2. Which students are identified as at-risk?

An at-risk student is defined as a student who meets one or more of the following:

- A student who is not meeting the requirements necessary for promotion to the next grade level or graduation from high school;
- A student whose educational attainment is below other students of their age or grade level;
- A student who is a potential drop-out;
- A student who is failing two or more courses of study;

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- A student who has been retained;
- A student who is not reading on grade level.

Many districts add additional factors in identifying at-risk students to ensure that the resources are serving those students most in need. Examples of additional indicators are students not meeting local indicators, doing poorly on standardized tests or state assessments, being limited in English proficiency, or not completing homework assignments.

This definition does not include a student who has been identified for special education services under the Individuals with Disabilities Education Act (IDEA).

3. Who selects the criteria for identifying students who are at-risk?

Districts will determine the criteria that will be used to identify at-risk students who are eligible to participate in the program. Districts must document the criteria used to select at-risk students and maintain this information.

Criteria that could be used include, but are not limited to the following:

- State assessments scores;
- Local assessments;
- Performance based assessments;
- Norm reference tests;
- Records of academic performance;
- Second grade diagnostic.

4. How is at-risk funding determined?

Only those students eligible for free lunch as associated with the National School Lunch Act generate funding to support the At-Risk programs. The following formula provides the basis of how the Local Education Agency (LEA) determines its at-risk funding:

Number of Free Lunch
Students X .1(Weighting factor) = weighted FTE

Weighted FTE X General State Aid Amount = Funding for At-Risk Program

1-2

Example

$$500 \text{ students} \times .1 = 50 \text{ Weighted FTE}$$

$$50 \times \$3,863 = \$193,150$$

5. How may At-Risk funds be used?

The district must be able to verify that the funds accessed through the At-Risk program are actually spent on students identified as being at-risk. A line item budget is included on the Local Consolidated Plan (LCP).

- At-Risk funds must be expended by June 30 of each year.
- No carryover of at-risk funds is allowed.
- Equipment purchases cannot exceed 25 percent of the total At-Risk allocation.
- Administrative salaries cannot be funded with At-Risk funds unless it is provided beyond their regular contract duties. (If an At-Risk Saturday program is started; the principal could be compensated for their work in the program. Documentation of time and effort must be maintained to support the expenditure.)
- Each district designs its at-risk program(s) based on the needs of its at-risk students and available resources. Districts decide whether the program(s) should be K-12 or focus on one particular level like, such as elementary only.

6. Are districts required to spend part of At-Risk funds on K-3 literacy instruction?

Yes.

7. How much At-Risk funding is required on K-3 literacy instruction?

10 percent of At-Risk funding is to be used to support early literacy instruction. Funds must be used to assist K-3 students in achieving mastery of basic reading skills by the completion of the Third grade. Funds may be used for the following:

- Hiring of instructional staff to support reading in the primary grades;
- Professional development to support reading in the primary grades;

- Supplies and materials to support reading in the primary grades.

8. May a Local Education Agency receive a waiver from this requirement?

Yes, if at least 85 percent of the third graders are reading on grade level.

9. How does a Local Education Agency request a waiver?

Through the Local Consolidated Plan application.

10. How many children are on free lunch statewide?

130,265 children are eligible for free lunches.

11. What percent of the total school age children are on the free lunch program?

27.9%

12. What percent of school age children receive services from At-Risk weighting?

28.9% or 135,004 students

13. What are the statistics for At-Risk Program(s)?

- 31 districts provide preschool services to at-risk students with at-risk funding;
- 136 districts offer at-risk summer school;
- 189 districts had after school programs;
- 256 districts provide at-risk programs during the regular school day; and
- 15 districts provide Saturday programs.

Many of the districts provide more than one type of program.

Testimony - Education Committee
HB 2587 - February 12, 2004
Representative Steve Huebert 90th District

Esteemed Committee members of the House of Education Committee

HB 2587 is an act relating to school finance; concerning declining enrollments, correlation weighting and low enrollment weighting. This bill takes ½ of these 3 weights and re-spreads this money (\$280 dollars x the school districts adjusted enrollment), in a block grant to each school district.

I have no desire to do away with Low Enrollment weighting, therefore I will not discuss HB 2588. I must stress that HB 2587 is not a stand alone school finance plan. It was proposed in conjunction with Governor Sebelius' Education First plan which included the plan to re-spread the distribution of Special Education money. When this portion was dropped, it made me realize the importance of a comprehensive plan being developed, which include the 3 weights in HB 2587 being tweaked to some degree.

As a former school board member in Valley Center when the current school finance formula was adopted, I was disappointed that my school district was one of many mid and large sized districts that was short changed. When I campaigned in the 2000 election I promised to try to fix the problem if elected. I believe the time is right to address the issue and I have a passion to promote the process.

There is bi-partisan support of this proposal because it is truly a non-partisan issue. I have discussed my proposal with the Governor and stated the low enrollment must be addressed to make school funding more equitable. If not addressed, the problem will remain even if taxes are raised for the Education First program.

Although HB 2587, in its current form, might not be the final solution, it is the starting point for the legislature to work with the governor to address a comprehensive overhaul of school finance in our state.

Representative Steve Huebert - 90th District

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Attachment # 2

Dexter Unified District 471

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ADMINISTRATION
JERRY GOLDEN
Superintendent

ROBERT G. HOLMES
Principal

DONNA M. BERKLEY
Secretary/Clerk

BONNIE DRAKE
Secretary



February 3, 2004

Representative Steve Huebert
State Capital Building
Room 181 W
Topeka, KS 66612-1504

Dear Representative Huebert,

Following the December ruling of Judge Bullock, I'm sure every school district in the state has had pencil to paper trying to figure what they might receive for winning or losing. You, as a legislator, have had many perplexing moments as well.

Who won? Who lost? Everyone!

Every student in Kansas has lost as far as I'm concerned because boards, administrators, teachers, and legislators are no longer united for the good of all schools and students across the state.

I am an administrator in a small, rural district that receives low enrollment weighting. I tell myself not to worry because the legislature will not do something that brings harm to 251 schools, the number that receive weighting. Then I tell myself there is a judge out there who already has harmed us via his decision and there is a legislator out there who has introduced a bill to do away with weighting and I get angry that the lawyers for the State did such a pathetic job of presenting a case for 251 low enrollment schools. I told our Board of Education that I had never felt threatened about the lifeblood of our system. I can no longer say that.

I also presented them with the enclosed materials. I used KSDE figures to put all my statistics together. I wish the state's lawyers had prepared as well. The materials I put together to share with you dispel the myth that there are huge spending gaps and schools made extremely poor due to high incidences of special education and at risk students. I find it extremely offensive that the SFF (Schools for Fair Funding) group feel they are the only ones with high populations of special needs youngsters.

Maybe I did all of this to make myself feel better, but I ask that you look at it closely. I think it tells a story that neither the public nor Judge Bullock heard.

Sincerely,

Jerry Golden
Superintendent

Cc: Joe Shriver, Judy Showalter, Sue Storm, Doug Mays, Greta Goodwin, Dwayne Umbarger,
and Dave Kerr

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Date: 2/12/04
Attachment # 3



Mark Desetti, Testimony
House Education Committee
February 12, 2004
HB 2587 and HB 2588

Madame Chairman, members of the committee, thank you for the opportunity to come before you today and speak on House Bills 2587 and 2588. Today I am speaking to you on behalf of the Kansas NEA, the Kansas Association of School Boards, and the United School Administrators of Kansas.

I would like to share our concerns about both of these bills and I address them together because of their similarity. As I read these bills, I see that they both establish a new fund in the school finance system called the "block grant fund" and transfer into this account money saved by, in the case of HB 2587, halving low enrollment and correlation weighting and, in the case of HB 2588, eliminating both low enrollment and correlation weighting.

Recognizing the need for additional school funding, we question what, if any, benefit our schools would receive from the passage of these bills. They do not increase funding but merely transfer it from one line in the budget to another. In fact, since the bill allows the legislature to pro-rate the amount per pupil deposited into the block grant account, it is conceivable that school funding could actually decrease if the legislature did not choose to appropriate the required dollars.

Perhaps some believe that, by eliminating two weightings, we would meet some portion of Judge Bullock's ruling. The Judge indicated that some of our weightings appeared irrational in that they were not established on empirical evidence that the weighting would address the problem it was intended to solve. In fact, the judge did not rule that weightings were not allowed or unconstitutional. He said that where we have weightings, the weighting must be based on empirical evidence that it will address the problem. No one disputes the fact that economies of scale have a role in school funding. Recognizing this, we believe that both correlation and low enrollment weighting are established to address such economies of scale. The question is not, "should we have them" but rather "what should we set them at." Eliminating weightings does not meet Judge Bullock's ruling any more than dramatically increasing them would.

Neither of these bills will provide additional funds for our schools. Neither of these bills will help the legislature address Judge Bullock's ruling. Neither of these bills will stabilize funding for our schools whether small or large. We would urge this committee to turn its attention to really addressing the issue of both adequacy and equity outlined in the Judge's decision and the Legislature's suitability study.

USD 220 Mill Levy increase to fund cut

HB 2587 would take 14.61 mills - this 292,217 dollar cut would be 15% of our general fund while giving Dodge City a 9% increase

HB 2588 would take 29.20 mills - this \$584,046 dollar cut would be a 31% of our general fund while giving Dodge City an 18% increase

I would encourage you to support the Governor Plan.

HB2588 and 2587 will result in a forced consolidation of small rural schools!

Comparing the 34 smallest schools in the state to 33 large schools

- *Large Schools qualified for \$45,252,245 Local Option State at an average of \$416 per student while only one small school qualified for LOB state aid.

- *That \$45 million the large schools received in LOB state aid is more than the total budgets of those 34 small schools

- *Small Schools qualified for \$102,710 of LOB state aid or \$21 per student with only 3 schools out of the 34 qualifying for state aid

- *Local Option State Aid is based on Assessed Valuation per student.

- *The averaged assessed valuation for the large districts was over \$131,206,658 while the valuation for the small districts was \$10,232,311

- *Small district had over 6% less carryover, paid the administrators \$8,069 less, teachers \$4,409 less, support personnel \$4,121 less, and classified \$2,440 less

So if we want to correct a problem with the school finance formula, change the way LOB state aid is distributed and fund the current formula at an appropriate level. Low Enrollment Weighting has been justified. The most easily understood comparison is to compare an elementary classroom. Take a teachers salary of \$39,000 and divide that by 15 students and the cost for a teacher will be \$2,600 per student while a large district with 25 students in that classroom would be \$1,560. And this fact would be true with any item you chose to compare such as administrators salary, classified, utilities, Technology, capital improvements, transportation, and food service to name a few. I did this for an elementary classroom in our district compared to Dodge City and difference came out just about exactly of what our low enrollment weighting percentage is. And of course the smaller number of students in a classroom the bigger the difference in cost per student in that classroom.

Jerry Cullen, Ashland USD 220

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Attachment# 5

Testimony prepared for House Bill 2588 and House Bill 2587

By Dr. Loren Lutes, Superintendent of Oskaloosa USD 341

Oskaloosa is a school district located in the Center of Jefferson County. It's an average sized school district which has an enrollment above the median in the state of Kansas. The high school is 3A and we have a declining enrollment of approximately 2%. As a result of declining enrollment and declining state funding for schools, the budget for the current year was reduced by \$240,000. The budget reduction for the previous year was \$290,000. In addition to reductions in several operations of the district, we have decreased staff over the two (2) years by one (1) administrator, by five (5) teachers, and by four (4) support staff members.

Should funding for the next school year remain at the same level as it is currently, the district would again need to reduce the budget by \$210,000 to cover fixed costs increases, and declining enrollment. Having already cut programs and personnel to the bone, this additional \$210,000 cut will decrease our ability to offer the programs that our students need. A \$200 increase in BBPP would cover this cost.

House Bill 2587 will impose an additional \$345,000 cut on the district making a total budget cut for next year of \$555,000. This is approximately a 14% decrease in the district's total budget and would cause a devastating effect on our ability to offer programs for our students.

House Bill 2588 would impose a \$689,000 cut on our average sized district, in addition to the \$210,000 cut we are already taking, this brings the decrease in general fund to \$899,000 or approximately 22% of our current budget. This would be the time where we could no longer provide the educational programs required by the state.

In summary, Kansas schools are under funded. House Bills 2587 and 2588 make the under funding far worse for medium size districts and would cause a devastating effect on programs for students. We are opposed to this legislation.

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CHENEY USD #268

Effects of HB2587 & HB2588

Total Headcount:	748
Total # of Teachers:	55
Total # of Administrators:	4.5
Local Option Budget Levy:	25%
Average Elementary Class Size:	17
Classification:	3A
2003-04 Gen. Fund Budget	\$4,739,515
2003-04 Local Option Budget	\$1,184,879

Effects to the Budget

- Loss to the General Fund: \$738,413
- Apparent loss to the Local Option Budget: \$184,603
- Total District Loss \$923,016

- 16% Decrease to the budget.
- Equivalent to losing \$602 to the BSAPP. ($\$738,413 \div$ total student FTE)
 - Current BSAPP is \$3,863
 - BSAPP in 1992 was \$3,600
 - Result to BSAPP would be \$3,261
- If allowed to raise the General Fund loss in the Local Option Budget, it would cost our local taxpayers 18 mils, including state aid.

Effects on the District: 3 Examples

- Equivalent to losing 24 teachers, or 44% of our teaching staff.

-- or --

- We would have to eliminate all technology. \$163,000
- We would have to eliminate all At-Risk after-school programs, and all in-school remediation programs. \$40,000
- Eliminate All-Day Kindergarten. \$45,000
- Eliminate Parents as Teachers Program. \$15,000
- Still eliminate 17 teachers, or 31% of teaching staff.
- Increase K-8 class size from 17 to 29 students.

-- or --

- Eliminate all Teacher Aides, Custodians, Bus Drivers, Cooks, Secretaries, Nurse, Technology Director, Transportation Director, Clerk, and Treasurer.
- Would still have an additional \$18,000 to cut.

Final Remarks:

- This would set us back financially to the mid 1980's
- With the requirements and responsibilities of No Child Left Behind, our district would not be able to continue moving all students towards proficiency.
- This would dramatically affect kids, and our ability to continue to close the achievement gap and reach all needs of students.

Brad Neuenswander, Superintendent of Schools
Cheney USD 268
bneuenswander@cheney268.com Phone # 316-542-3512

House Education Committee

Date: 2/12/04

Attachment # 7