Approved: February 12, 2008
Date

MINUTES OF THE HOUSE EDUCATION COMMITTEE

The meeting was called to order by Chairman Clay Aurand at 9:15 A.M. on February 5, 2008 in Room 783 of the Docking State Office Building.

All members were present except:
Barbara Craft- excused
Marti Crow- excused

Committee staff present:
Theresa Kiernan, Office of Revisor of Statutes
Dianne Rosell, Office of Revisor of Statutes
Dale Dennis, Kansas State Department of Education
Martha Dorsey, Kansas Legislative Research Department
Sharon Wenger, Kansas Legislative Research Department
Janet Henning, Committee Assistant

Conferees appearing before the committee:
Darin Headrick, Superintendent, USD 422 - Greensburg
Gary French, Superintendent, USD 367 - Osawatomie
Robert Morton, Superintendent, USD 445 - Coffeyville
Chuck Schmidt, representing USD 446 - Independence, USD 484 - Fredonia, and USD 461 - Neodesha

Scott Frank, Manager, School Audits, Legislative Division of Post Audit, responded to Representative Crow's request for information regarding how distributing special education categorical aid so that each district or cooperative has an equal percent of its excess costs covered. (Attachment 1)

Sharon Wenger, Kansas Legislative Research Department, distributed handout material to Committee members from Larry Isaak, President, Midwestern Higher Education Compact. The material was in response to the discussion surrounding Kansas' use of the Midwest Student Exchange Program (MSEP). (Attachment 2)

HB 2608: School finance; determining enrollment after a disaster.

Darin Headrick, Superintendent, USD 422 - Greensburg, spoke to Committee members about the effects of the EF-5 tornado which struck their city on May 4, 2007. Superintendent Headrick stated that over 960 homes, 125 businesses, several city and county buildings, and the K-12 school facilities were all destroyed in a matter of minutes. In addition, the city also suffered a complete loss of their city's infrastructure. Superintendent Headrick stated their biggest concern at this point is where the school district will be financially in years two, three, four, and five after the tornado. A Power Point presentation was also provided to show the devastation of the high school and elementary school. (Attachment 3)

Gary French, Superintendent, USD 367 - Osawatomie, spoke to Committee members about the flooding which occurred July 1, 2007 and damaged 256 residential structures, including multi-family complexes and affected 126 K-12 school children from Osawatomie. (Attachment 4 and 5)

Robert Morton, Superintendent, USD 445 - Coffeyville, spoke to Committee members about the economic impact of the flood on Coffeyville and USD 445. Superintendent Morton told Committee members that many families displaced by the flood are unable to relocate in the city because of the lack of housing, resulting in the loss of students and less state aid to their school district. (Attachment 6)

Chuck Schmidt, Superintendent, USD USD 446 - Independence and also speaking on behalf of USD 484 - Fredonia and USD 461 - Neodesha, told Committee members of the homes and businesses which were damaged or destroyed by the flooding in the Independence, Fredonia, and Neodesha areas. Superintendent Schmidt told Committee members when hit with sudden drops in enrollment, the districts have no opportunity to soften the impact in 3rd and 4th years. (Attachment 7)

MINUTES OF THE House Education Committee at 9:05 A.M. on February 5, 2008 in Room 313-S of the Capitol.

A question and answer session followed the presentations.

The Chairman closed the hearing on **HB 2608.**

Introduction of Bills:

Representative Colloton introduced a bill which provides a second count date to determine enrollment for school districts and the second count date would be February 20th. The bill was seconded by Representative Storm. The motion carried.

Representative Hill introduced a bill to help that would Emporia school district not be penalized for the loss of student enrollment that may occur because of potential layoffs at the Tyson plant. The Committee agreed by consensus.

Representative Aurand introduced a bill that would prevent school districts with fewer than 200 students or less than 200 square miles to get low enrollment weighting. The Committee agreed by consensus.

Representative Trimmer requested Legislative Post Audit add a column for clarification of the Special Education funding regarding the per pupil cost for categorical aid.

The meeting was adjourned at 10:35 AM. The next meeting is scheduled for February 6, 2008.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

MEMORANDUM

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TO: Members, House Education Committee
FROM: Scott Frank, Manager, School Audits
DATE: February 5, 2008
SUBJECT: Redistributing special education categorical aid based on an equal percent of excess costs covered

This is in response to Rep. Crow's request for information regarding how distributing special education categorical aid so that each district or cooperative has an equal percent of its excess costs covered might look. I've attached two sets of figures that illustrate this, using excess cost and categorical aid data from the 2005-06 school year:

- **Fixed Percent Scenario** (Attachment A)—In 2005-06, the Legislature agreed to pay 89.3% of the Statewide excess costs of special education. This scenario illustrates the effect of providing each district or cooperative with enough special education categorical aid to cover 89.3% of their excess costs. It's important to note that because the Consensus Revenue Estimating Group's original estimate of excess costs was low, the $287.5 million provided by the Legislature only covered 86.6% of excess costs. It would have cost the Legislature an additional $8.9 million to reimburse all districts and cooperatives at the 89.3% level.

- **Fixed Amount Scenario** (Attachment B)—As described in the previous bullet, the Legislature appropriated $287.5 million for special education in 2005-06. Although this was enough to cover 89.3% of the estimated excess costs, it ended up covering only 86.6% of the actual excess costs. This scenario illustrates the effect of distributing the $287.5 million pool so that each district or cooperative gets an equal share of its excess costs covered.

House Education Committee
Date: 2-5-08
Attachment # 1

Attachment A
Summary of the Effect of Distributing Special Education Categorical Aid With an Equal Percent of Excess Costs Covered
Percent Set at 89.3%
2005-06 School Year

School District or Cooperative	Total Excess Costs	Current Law		Equal Percent Covered (Percent Set @ 89.3%)		Change in Categorical Aid
		Categorical Aid	% of Excess Costs Covered	Categorical Aid	% of Excess Costs Covered	
259 - Wichita	$ 42,158,203	$ 30,496,167	72.3%	$ 37,647,275	89.3%	$ 7,151,108
512 - Shawnee Mission	$ 25,273,281	$ 16,347,309	64.7%	$ 22,569,040	89.3%	$ 6,221,731
233 - Olathe	$ 23,370,954	$ 16,259,367	69.6%	$ 20,870,262	89.3%	$ 4,610,895
229 - Blue Valley	$ 18,529,037	$ 12,157,760	65.6%	$ 16,546,430	89.3%	$ 4,388,670
501 - Topeka	$ 13,267,423	$ 10,147,424	76.5%	$ 11,847,808	89.3%	$ 1,700,385
368 - Paola	$ 7,673,030	$ 5,833,332	76.0%	$ 6,852,016	89.3%	$ 1,018,684
232 - DeSoto	$ 4,364,084	$ 2,995,833	68.6%	$ 3,897,127	89.3%	$ 901,294
457 - Garden City	$ 5,067,511	$ 3,645,230	71.9%	$ 4,525,287	89.3%	$ 880,057
453 - Leavenworth	$ 8,436,700	$ 6,840,262	81.1%	$ 7,533,974	89.3%	$ 693,712
263 - Mulvane	$ 1,371,415	$ 622,510	45.4%	$ 1,224,674	89.3%	$ 602,164
614 - East Central Kansas Co-op	$ 2,691,084	$ 1,971,026	73.2%	$ 2,403,138	89.3%	$ 432,111
437 - Auburn Washburn	$ 4,452,308	$ 3,579,877	80.4%	$ 3,975,911	89.3%	$ 396,034
610 - Reno County Co-op	$ 4,744,061	$ 3,845,195	81.1%	$ 4,236,447	89.3%	$ 391,252
607 - Tri-County Co-op	$ 6,046,099	$ 5,009,853	82.9%	$ 5,399,166	89.3%	$ 389,313
230 - Spring Hill	$ 1,439,871	$ 974,238	67.7%	$ 1,285,805	89.3%	$ 311,567
260 - Derby	$ 4,507,931	$ 3,725,262	82.6%	$ 4,025,582	89.3%	$ 300,320
345 - Seaman	$ 2,978,417	$ 2,370,785	79.6%	$ 2,659,727	89.3%	$ 288,942
497 - Lawrence	$ 9,123,680	$ 7,868,877	86.2%	$ 8,147,446	89.3%	$ 278,569
428 - Great Bend	$ 3,325,856	$ 2,793,779	84.0%	$ 2,969,990	89.3%	$ 176,211
231 - Gardner-Edgerton	$ 3,006,667	$ 2,521,714	83.9%	$ 2,684,954	89.3%	$ 163,240
500 - Kansas City	$ 13,913,229	$ 12,278,129	88.2%	$ 12,424,513	89.3%	$ 146,384
273 - Beloit	$ 1,807,237	$ 1,478,686	81.8%	$ 1,613,863	89.3%	$ 135,177
373 - Newton	$ 3,390,887	$ 2,950,323	87.0%	$ 3,028,063	89.3%	$ 77,740
450 - Shawnee Heights	$ 2,216,120	$ 1,908,021	86.1%	$ 1,978,996	89.3%	$ 70,974
409 - Atchison	$ 1,539,220	$ 1,323,545	86.0%	$ 1,374,523	89.3%	$ 50,978
489 - Hays	$ 3,179,327	$ 2,810,354	88.4%	$ 2,839,139	89.3%	$ 28,785
234 - Ft. Scott	$ 968,688	$ 853,096	88.1%	$ 865,038	89.3%	$ 11,943
364 - Marysville	$ 1,052,829	$ 928,277	88.2%	$ 940,176	89.3%	$ 11,899
389 - Eureka	$ 507,788	$ 475,939	93.7%	$ 453,455	89.3%	$ (22,484)
618 - Sedgwick Co Interlocal	$ 10,429,958	$ 9,338,246	89.5%	$ 9,313,952	89.3%	$ (24,294)
321 - Kaw Valley	$ 1,077,896	$ 1,012,343	93.9%	$ 962,561	89.3%	$ (49,781)
330 - Wabaunsee East	$ 375,401	$ 440,119	117.2%	$ 335,233	89.3%	$ (104,886)
619 - Sumner Co Interlocal	$ 1,644,810	$ 1,608,795	97.8%	$ 1,468,815	89.3%	$ (139,980)

Prepared by Legislative Post Audit
February 5, 2008

School District or Cooperative	Total Excess Costs	Current Law		Equal Percent Covered (Percent Set @ 89.3%)		Change in Categorical Aid
		Categorical Aid	% of Excess Costs Covered	Categorical Aid	% of Excess Costs Covered	
383 - Manhattan	$ 3,952,341	$ 3,742,438	94.7%	$ 3,529,440	89.3%	$ (212,998)
261 - Haysville	$ 2,799,979	$ 2,735,532	97.7%	$ 2,500,381	89.3%	$ (235,151)
336 - Holton	$ 2,137,969	$ 2,154,503	100.8%	$ 1,909,206	89.3%	$ (245,296)
244 - Burlington	$ 1,128,176	$ 1,276,841	113.2%	$ 1,007,461	89.3%	$ (269,380)
202 - Turner	$ 2,225,977	$ 2,264,698	101.7%	$ 1,987,797	89.3%	$ (276,901)
372 - Silver Lake	$ 238,197	$ 492,498	206.8%	$ 212,710	89.3%	$ (279,788)
480 - Liberal	$ 1,230,381	$ 1,411,963	114.8%	$ 1,098,731	89.3%	$ (313,232)
418 - McPherson	$ 3,146,655	$ 3,143,675	99.9%	$ 2,809,963	89.3%	$ (333,712)
407 - Russell	$ 300,044	$ 603,439	201.1%	$ 267,940	89.3%	$ (335,499)
320 - Wamego	$ 1,610,907	$ 1,784,622	110.8%	$ 1,438,540	89.3%	$ (346,082)
636 - North Central KS Special Ed Co-op	$ 3,283,633	$ 3,300,325	100.5%	$ 2,932,285	89.3%	$ (368,040)
442 - Nemaha Valley	$ 437,511	$ 793,838	181.4%	$ 390,697	89.3%	$ (403,141)
602 - Northwest Kansas Ed Center	$ 4,762,254	$ 4,657,065	97.8%	$ 4,252,693	89.3%	$ (404,372)
405 - Lyons	$ 1,183,759	$ 1,492,643	126.1%	$ 1,057,097	89.3%	$ (435,546)
290 - Ottawa	$ 928,963	$ 1,285,847	138.4%	$ 829,564	89.3%	$ (456,283)
282 - West Elk	$ 534,778	$ 934,442	174.7%	$ 477,556	89.3%	$ (456,886)
253 - Emporia	$ 4,401,295	$ 4,392,326	99.8%	$ 3,930,356	89.3%	$ (461,970)
617 - Marion County Spec Ed Co-op	$ 1,838,202	$ 2,137,753	116.3%	$ 1,641,515	89.3%	$ (496,238)
495 - Ft. Larned	$ 884,082	$ 1,288,640	145.8%	$ 789,485	89.3%	$ (499,155)
611 - High Plains Ed Co-op	$ 4,033,774	$ 4,103,465	101.7%	$ 3,602,160	89.3%	$ (501,305)
637 - Southeast Kansas Interlocal	$ 7,806,955	$ 7,498,724	96.1%	$ 6,971,611	89.3%	$ (527,113)
615 - Brown Co Spec Ed Interlocal	$ 1,047,657	$ 1,484,216	141.7%	$ 935,558	89.3%	$ (548,658)
379 - Clay Center	$ 1,566,854	$ 1,961,027	125.2%	$ 1,399,200	89.3%	$ (561,827)
603 - ANW Spec Ed Co-op	$ 5,055,688	$ 5,088,965	100.7%	$ 4,514,729	89.3%	$ (574,236)
616 - Doniphan Co Ed Co-op	$ 525,196	$ 1,071,992	204.1%	$ 469,000	89.3%	$ (602,992)
475 - Junction City	$ 4,052,608	$ 4,252,263	104.9%	$ 3,618,979	89.3%	$ (633,284)
620 - Three Lakes Co-op	$ 2,820,037	$ 3,165,452	112.2%	$ 2,518,293	89.3%	$ (647,159)
333 - Concordia	$ 1,403,746	$ 1,903,768	135.6%	$ 1,253,546	89.3%	$ (650,222)
305 - Salina	$ 8,774,985	$ 8,487,854	96.7%	$ 7,836,062	89.3%	$ (651,792)
608 - Northeast Kansas Ed Center	$ 2,796,818	$ 3,191,520	114.1%	$ 2,497,559	89.3%	$ (693,961)
353 - Wellington	$ 682,543	$ 1,324,164	194.0%	$ 609,511	89.3%	$ (714,653)
308 - Hutchinson	$ 1,689,900	$ 2,451,554	145.1%	$ 1,509,080	89.3%	$ (942,474)
605 - South Central Kansas Co-op	$ 4,129,801	$ 5,229,429	126.6%	$ 3,687,912	89.3%	$ (1,541,517)
465 - Winfield	$ 2,738,735	$ 4,273,591	156.0%	$ 2,445,690	89.3%	$ (1,827,901)
490 - El Dorado	$ 7,049,677	$ 8,202,555	116.4%	$ 6,295,361	89.3%	$ (1,907,194)
613 - Southwest Kansas Area Co-op	$ 4,742,508	$ 6,514,481	137.4%	$ 4,235,060	89.3%	$ (2,279,421)
Total	**$ 331,873,586**	**$ 287,509,780**	**86.6%**	**$ 296,363,113**	**89.3%**	**$ 8,853,332**

Attachment A
Percent Set @ 89.3%

Prepared by Legislative Post Audit
February 5, 2008

Attachment B
Summary of the Effect of Distributing Special Education Categorical Aid With an Equal Percent of Excess Costs Covered
Amount Set at $287.5 million
2005-06 School Year

School District or Cooperative	Total Excess Costs	Current Law		Equal Percent Covered (Amount Set @ $287.5 mil)		Change in Categorical Aid
		Categorical Aid	% of Excess Costs Covered	Categorical Aid	% of Excess Costs Covered	
259 - Wichita	$ 42,158,203	$ 30,496,167	72.3%	$ 36,522,628	86.6%	$ 6,026,461
512 - Shawnee Mission	$ 25,273,281	$ 16,347,309	64.7%	$ 21,894,829	86.6%	$ 5,547,520
233 - Olathe	$ 23,370,954	$ 16,259,367	69.6%	$ 20,246,799	86.6%	$ 3,987,432
229 - Blue Valley	$ 18,529,037	$ 12,157,760	65.6%	$ 16,052,134	86.6%	$ 3,894,374
501 - Topeka	$ 13,267,423	$ 10,147,424	76.5%	$ 11,493,876	86.6%	$ 1,346,452
368 - Paola	$ 7,673,030	$ 5,833,332	76.0%	$ 6,647,324	86.6%	$ 813,992
232 - DeSoto	$ 4,364,084	$ 2,995,833	68.6%	$ 3,780,707	86.6%	$ 784,874
457 - Garden City	$ 5,067,511	$ 3,645,230	71.9%	$ 4,390,102	86.6%	$ 744,872
263 - Mulvane	$ 1,371,415	$ 622,510	45.4%	$ 1,188,089	86.6%	$ 565,579
453 - Leavenworth	$ 8,436,700	$ 6,840,262	81.1%	$ 7,308,909	86.6%	$ 468,647
614 - East Central Kansas Co-op	$ 2,691,084	$ 1,971,026	73.2%	$ 2,331,348	86.6%	$ 360,322
437 - Auburn Washburn	$ 4,452,308	$ 3,579,877	80.4%	$ 3,857,137	86.6%	$ 277,260
230 - Spring Hill	$ 1,439,871	$ 974,238	67.7%	$ 1,247,394	86.6%	$ 273,156
610 - Reno County Co-op	$ 4,744,061	$ 3,845,195	81.1%	$ 4,109,890	86.6%	$ 264,695
607 - Tri-County Co-op	$ 6,046,099	$ 5,009,853	82.9%	$ 5,237,875	86.6%	$ 228,022
345 - Seaman	$ 2,978,417	$ 2,370,785	79.6%	$ 2,580,272	86.6%	$ 209,487
260 - Derby	$ 4,507,931	$ 3,725,262	82.6%	$ 3,905,325	86.6%	$ 180,063
428 - Great Bend	$ 3,325,856	$ 2,793,779	84.0%	$ 2,881,266	86.6%	$ 87,487
273 - Beloit	$ 1,807,237	$ 1,478,686	81.8%	$ 1,565,652	86.6%	$ 86,966
231 - Gardner-Edgerton	$ 3,006,667	$ 2,521,714	83.9%	$ 2,604,745	86.6%	$ 83,031
497 - Lawrence	$ 9,123,680	$ 7,868,877	86.2%	$ 7,904,055	86.6%	$ 35,178
450 - Shawnee Heights	$ 2,216,120	$ 1,908,021	86.1%	$ 1,919,876	86.6%	$ 11,855
409 - Atchison	$ 1,539,220	$ 1,323,545	86.0%	$ 1,333,462	86.6%	$ 9,917
373 - Newton	$ 3,390,887	$ 2,950,323	87.0%	$ 2,937,604	86.6%	$ (12,719)
234 - Ft. Scott	$ 968,688	$ 853,096	88.1%	$ 839,197	86.6%	$ (13,899)
364 - Marysville	$ 1,052,829	$ 928,277	88.2%	$ 912,090	86.6%	$ (16,187)
389 - Eureka	$ 507,788	$ 475,939	93.7%	$ 439,908	86.6%	$ (36,031)
489 - Hays	$ 3,179,327	$ 2,810,354	88.4%	$ 2,754,325	86.6%	$ (56,029)
321 - Kaw Valley	$ 1,077,896	$ 1,012,343	93.9%	$ 933,807	86.6%	$ (78,536)
330 - Wabaunsee East	$ 375,401	$ 440,119	117.2%	$ 325,219	86.6%	$ (114,900)
619 - Sumner Co Interlocal	$ 1,644,810	$ 1,608,795	97.8%	$ 1,424,937	86.6%	$ (183,858)
500 - Kansas City	$ 13,913,229	$ 12,278,129	88.2%	$ 12,053,353	86.6%	$ (224,776)
372 - Silver Lake	$ 238,197	$ 492,498	206.8%	$ 206,356	86.6%	$ (286,142)

Prepared by Legislative Post Audit
February 5, 2008

School District or Cooperative	Total Excess Costs	Current Law		Equal Percent Covered (Amount Set @ $287.5 mil)		Change in Categorical Aid
		Categorical Aid	% of Excess Costs Covered	Categorical Aid	% of Excess Costs Covered	
244 - Burlington	$ 1,128,176	$ 1,276,841	113.2%	$ 977,365	86.6%	$ (299,476)
336 - Holton	$ 2,137,969	$ 2,154,503	100.8%	$ 1,852,172	86.6%	$ (302,331)
618 - Sedgwick Co Interlocal	$ 10,429,958	$ 9,338,246	89.5%	$ 9,035,714	86.6%	$ (302,532)
261 - Haysville	$ 2,799,979	$ 2,735,532	97.7%	$ 2,425,687	86.6%	$ (309,845)
383 - Manhattan	$ 3,952,341	$ 3,742,438	94.7%	$ 3,424,004	86.6%	$ (318,434)
202 - Turner	$ 2,225,977	$ 2,264,698	101.7%	$ 1,928,415	86.6%	$ (336,283)
407 - Russell	$ 300,044	$ 603,439	201.1%	$ 259,935	86.6%	$ (343,504)
480 - Liberal	$ 1,230,381	$ 1,411,963	114.8%	$ 1,065,908	86.6%	$ (346,055)
320 - Wamego	$ 1,610,907	$ 1,784,622	110.8%	$ 1,395,566	86.6%	$ (389,056)
442 - Nemaha Valley	$ 437,511	$ 793,838	181.4%	$ 379,026	86.6%	$ (414,812)
418 - McPherson	$ 3,146,655	$ 3,143,675	99.9%	$ 2,726,020	86.6%	$ (417,655)
636 - North Central KS Special Ed Co-op	$ 3,283,633	$ 3,300,325	100.5%	$ 2,844,688	86.6%	$ (455,637)
405 - Lyons	$ 1,183,759	$ 1,492,643	126.1%	$ 1,025,518	86.6%	$ (467,125)
282 - West Elk	$ 534,778	$ 934,442	174.7%	$ 463,290	86.6%	$ (471,152)
290 - Ottawa	$ 928,963	$ 1,285,847	138.4%	$ 804,782	86.6%	$ (481,065)
495 - Ft. Larned	$ 884,082	$ 1,288,640	145.8%	$ 765,901	86.6%	$ (522,739)
602 - Northwest Kansas Ed Center	$ 4,762,254	$ 4,657,065	97.8%	$ 4,125,651	86.6%	$ (531,414)
617 - Marion County Spec Ed Co-op	$ 1,838,202	$ 2,137,753	116.3%	$ 1,592,477	86.6%	$ (545,276)
615 - Brown Co Spec Ed Interlocal	$ 1,047,657	$ 1,484,216	141.7%	$ 907,610	86.6%	$ (576,606)
253 - Emporia	$ 4,401,295	$ 4,392,326	99.8%	$ 3,812,944	86.6%	$ (579,382)
379 - Clay Center	$ 1,566,854	$ 1,961,027	125.2%	$ 1,357,402	86.6%	$ (603,625)
611 - High Plains Ed Co-op	$ 4,033,774	$ 4,103,465	101.7%	$ 3,494,552	86.6%	$ (608,913)
616 - Doniphan Co Ed Co-op	$ 525,196	$ 1,071,992	204.1%	$ 454,989	86.6%	$ (617,003)
333 - Concordia	$ 1,403,746	$ 1,903,768	135.6%	$ 1,216,098	86.6%	$ (687,670)
603 - ANW Spec Ed Co-op	$ 5,055,688	$ 5,088,965	100.7%	$ 4,379,859	86.6%	$ (709,106)
620 - Three Lakes Co-op	$ 2,820,037	$ 3,165,452	112.2%	$ 2,443,064	86.6%	$ (722,388)
353 - Wellington	$ 682,543	$ 1,324,164	194.0%	$ 591,303	86.6%	$ (732,861)
637 - Southeast Kansas Interlocal	$ 7,806,955	$ 7,498,724	96.1%	$ 6,763,346	86.6%	$ (735,378)
475 - Junction City	$ 4,052,608	$ 4,252,263	104.9%	$ 3,510,868	86.6%	$ (741,395)
608 - Northeast Kansas Ed Center	$ 2,796,818	$ 3,191,520	114.1%	$ 2,422,949	86.6%	$ (768,571)
305 - Salina	$ 8,774,985	$ 8,487,854	96.7%	$ 7,601,973	86.6%	$ (885,881)
308 - Hutchinson	$ 1,689,900	$ 2,451,554	145.1%	$ 1,463,999	86.6%	$ (987,555)
605 - South Central Kansas Co-op	$ 4,129,801	$ 5,229,429	126.6%	$ 3,577,742	86.6%	$ (1,651,687)
465 - Winfield	$ 2,738,735	$ 4,273,591	156.0%	$ 2,372,630	86.6%	$ (1,900,961)
490 - El Dorado	$ 7,049,677	$ 8,202,555	116.4%	$ 6,107,298	86.6%	$ (2,095,257)
613 - Southwest Kansas Area Co-op	$ 4,742,508	$ 6,514,481	137.4%	$ 4,108,545	86.6%	$ (2,405,936)
Total	**$ 331,873,586**	**$ 287,509,780**	**86.6%**	**$ 287,509,780**	**86.6%**	**$ 0**

Attachment B
Amount Set @ $287.5 million

Prepared by Legislative Post Audit
February 5, 2008

MEMORANDUM

To: Kansas House and Senate Education Committees
From: Larry Isaak, President, Midwestern Higher Education Compact
Date: January 24, 2008
RE: The Midwest Student Exchange Program

In response to the discussion surrounding Kansas' use of the Midwest Student Exchange Program (MSEP), the Midwestern Higher Education Compact has prepared a summary of the participation parameters in place at each of the Kansas institutions participating in MSEP. We hope that this information is helpful. Please contact us with any additional questions.

Guidelines for Emporia, Fort Hays, Pittsburg, and Wichita State Universities

All students participating in the Midwest Student Exchange Program:

1. Must complete the pre-college curriculum prescribed by the Board of Regents with a minimum grade point average of 2.5 on a 4.0 scale which includes four units of English and math and three units of social science and natural science; and
2. Must earn a composite American College Testing program (ACT) score of not less than 21 points or a SAT-1 re-centered score of not less than 990 points; and
3. Must enroll as full-time students, and make acceptable progress toward the degree as verified by the department chair.
4. Must reside in Michigan, Missouri, Minnesota, Nebraska, North Dakota or Wisconsin.

Only students declaring a major in specific degree programs will be considered.

Award: Tuition assessed at 150% of Kansas undergraduate rates.

All undergraduate students participating in the Midwest Student Exchange Program in Kansas must meet the admission requirements. However, specific academic programs may have higher or additional requirements that students must meet in order to be admitted. Graduate students will be admitted to MSEP academic programs according to the admissions requirement of the graduate school at the participating university.

Enrollment limits by campus and number of degree programs available to MSEP students:

Institution	MSEP Enrollment Limits	Number of Degree Programs Available to MSEP Students
Emporia State University	35	8
Fort Hays State University	35	6
Pittsburg State University	35	10
Wichita State University	50	12

House Education Committee
Date: 2-5-08
Attachment # 2

Guidelines for the University of Kansas

KU awards 35 exchanges each year to incoming freshman. Students must meet the minimum criteria for consideration:

1. Minimum of a high school GPA of a 3.25 on a 4.0 scale;
2. Must have an ACT score of 24 or higher, or a SAT score of 1090 or higher;
3. Must rank in the top 25% of your high school graduation class;
4. Must complete the thirteen-unit college preparatory curriculum as defined by ACT, including four units of English and three units each of social science, natural science and mathematics;
5. Must enroll as a full-time student at the University of Kansas, Lawrence campus and remain in good scholarship standing with the Office of Admission and Scholarships; and
6. Must reside in Michigan, Minnesota, Missouri, Nebraska, North Dakota or Wisconsin.

Only students declaring a major in designated fields will be considered.

Institution	MSEP Enrollment Limits	Number of Degree Programs Available to MSEP Students
The University of Kansas	35	22

Guidelines for Kansas State University

Requirements for participation in MSEP

1. Resident of one of the following states: Michigan, Minnesota, Missouri, Nebraska, North Dakota or Wisconsin
2. Meet the ACT and GPA criteria: at least a 3.5 high school GPA and least a 24 ACT
3. Enroll in one of the curriculums covered by the MSEP and maintain full-time student status.

Award: The MSEP serves to reduce student tuition by a significant amount (eligible students pay 150% of in-state tuition). For example, tuition and fees for a 14-hour semester in the fall of 2007 is $4,242. This is compared to non-resident tuition and fees of $7,473 per semester. retain this tuition reduction benefit, a student must maintain a cumulative K-State grade point average of at least 3.0 in one of the curriculums listed above, remain a resident in a participating state, and make acceptable progress toward the degree as verified by the department chair.

Institution	MSEP Enrollment Limits	Number of Degree Programs Available to MSEP Students
Kansas State University	None specified	23

Residence and Migration of All Freshman in Degree-Granting Institutions

State, 2004	Import/Export Ratio (1=Importer)	Net In Mirgration	In Migration	Out Migration	Freshmen Students Enrolled	In-State Students Attending Anywhere	In-State Students Attending In State
Alabama	2.10	4,071	7,766	3,695	41,840	37,769	34,074
Alaska	0.16	-1,585	298	1,883	2,728	4,313	2,430
Arizona	3.06	8,357	12,421	4,064	48,393	40,036	35,972
Arkansas	1.44	1,118	3,671	2,553	23,833	22,715	20,162
California	0.57	-10,033	13,087	23,120	243,441	253,474	230,354
Colorado	1.27	1,900	9,045	7,145	46,516	44,616	37,471
Connecticut	0.63	-5,086	8,780	13,866	27,563	32,649	18,783
Delaware	1.71	1,399	3,380	1,981	8,226	6,827	4,846
Florida	1.44	5,142	16,908	11,766	126,041	120,899	109,133
Georgia	1.22	2,401	13,350	10,949	82,778	80,377	69,428
Hawaii	0.78	-606	2,169	2,775	8,226	8,832	6,057
Idaho	1.11	317	3,131	2,814	11,656	11,339	8,525
Illinois	0.49	-11,819	11,515	23,334	102,466	114,285	90,951
Indiana	1.95	6,457	13,282	6,825	61,262	54,805	47,980
Iowa	2.54	6,185	10,209	4,024	41,337	35,152	31,128
Kansas	1.38	1,409	5,112	3,703	28,082	26,673	22,970
Kentucky	1.77	2,937	6,764	3,827	37,655	34,718	30,891
Louisiana	1.68	2,541	6,283	3,742	43,451	40,910	37,168
Maine	0.71	-1,174	2,840	4,014	10,686	11,860	7,846
Maryland	0.58	-6,954	9,731	16,685	46,382	53,336	36,651
Massachusetts	1.45	7,990	25,727	17,737	69,934	61,944	44,207
Michigan	0.94	-533	7,936	8,469	87,746	88,279	79,810
Minnesota	0.81	-2,329	10,114	12,443	60,469	62,798	50,355
Mississippi	2.08	2,187	4,214	2,027	32,873	30,686	28,659
Missouri	1.20	1,529	9,175	7,646	50,712	49,183	41,537
Montana	0.91	-196	1,969	2,165	8,397	8,593	6,428
Nebraska	0.94	-203	3,045	3,248	18,525	18,728	15,480
Nevada	0.81	-431	1,888	2,319	13,901	14,332	12,013
New Hampshire	1.07	387	5,720	5,333	12,215	11,828	6,495
New Jersey	0.13	-27,270	4,183	31,453	57,286	84,556	53,103
New Mexico	0.90	-295	2,742	3,037	16,655	16,950	13,913
New York	1.10	2,916	32,344	29,428	179,266	176,350	146,922
North Carolina	2.17	7,752	14,371	6,619	79,586	71,834	65,215
North Dakota	1.72	1,585	3,792	2,207	9,296	7,711	5,504
Ohio	0.84	-2,340	12,715	15,055	103,635	105,975	90,920
Oklahoma	1.90	2,762	5,843	3,081	34,699	31,937	28,856
Oregon	1.24	1,139	5,877	4,738	28,215	27,076	22,338
Pennsylvania	1.64	11,770	30,114	18,344	131,428	119,658	101,314
Rhode Island	3.07	6,140	9,103	2,963	15,349	9,209	6,246
South Carolina	1.92	3,415	7,114	3,699	37,755	34,340	30,641
South Dakota	1.00	1	2,234	2,233	8,921	8,920	6,687
Tennessee	1.30	2,185	9,431	7,246	47,633	45,448	38,202
Texas	0.70	-5,678	12,966	18,644	202,428	208,106	189,462
Utah	4.34	5,268	6,847	1,579	25,569	20,301	18,722
Vermont	1.56	1,542	4,279	2,737	6,292	4,750	2,013
Virginia	1.37	4,245	15,748	11,503	66,201	61,956	50,453
Washington	0.58	-3,506	4,807	8,313	37,098	40,604	32,291
West Virginia	2.31	2,576	4,539	1,963	16,565	13,989	12,026
Wisconsin	0.90	-953	8,403	9,356	55,212	56,165	46,809
Wyoming	2.37	1,883	3,258	1,375	6,489	4,606	3,231
Nation	1.09	37,541	440,123	402,582	2,573,850	2,536,309	2,133,727

Source: www.higheredinfo.org - The U.S. Department of Education, National Center for Education Statistics. Residence and Migration of All Freshmen in Degree-Granting Institutions. http://www.nces.ed.gov

The Midwest Student Exchange Program

State Participation Agreement

The Midwest Student Exchange Program (MSEP) is an arrangement among interested Midwestern Higher Education Compact (MHEC) member states through which states may list undergraduate and graduate programs (including professional programs) or institutions in which they are prepared to enroll students from other MHEC states, within specified numbers if desired, at a reduced proportion of the institution's regular tuition charge.

The program, involving reciprocal reduction of tuition by the participating states, expands educational opportunities for students and facilitates more efficient use of resources at the institution or the program level. At a time when conservation of resources and avoidance of needless duplication are of concern in all states, reciprocal arrangements provide a tool for use in both institutional and state-level academic planning.

For these reasons, the State of _____, acting through its _____, joins with other states through the Midwestern Higher Education Compact in creating the Midwest Student Exchange Program. This action attests to the State's interest in the creation of an agreement through which Midwestern states may maintain or expand the range of educational programs available to their residents and supplement enrollments in designated institutions or programs, as each state's needs, plans, and decisions indicate. This agreement does not commit the state to receive or to send students in the MSEP at any time; active exchange of students may occur when the state finds that to be advantageous. Bilateral agreements for exchange of students may exist.

The program will operate with reference to the following general conditions and responsibilities of the parties. It is to be expected that experience with the program will suggest modifications from time to time. Such modifications may become effective as agreed upon by the Council (see following section), except that the Council or MHEC staff will recommend to the Compact policies and procedures that in the judgment of either may have significant impact on the program. Notwithstanding any other review of MSEP that

may be undertaken, a thorough assessment of the program and its outcomes will be undertaken by MHEC and participating states each four years, with a report to the Compact.

General Conditions

1. MHEC will establish the Midwest Student Exchange Program Council, comprising one member designated by the appropriate postsecondary education authority in each state that elects to execute this Agreement, and four at-large members chosen by the Compact representing the doctoral research universities, regional universities and colleges, community and technical colleges, and the independent institutions. Each council member shall have one vote. The Council will be supported by a MHEC staff member designated by the President; this staff member will serve as Council chair. The Council will encourage and facilitate requests of participating states for the inclusion in MSEP of degree programs to which such states desire access for their students; prepare a listing of programs and institutions ready to receive MSEP students in the following year; assess the operation of the program; and recommend policies and procedures to support the administration of the agreements set forth herein.

2. Programs in public institutions designated by the participating states shall be open to MSEP students at 150 percent of the regular tuition* charged resident students in the same program/institutions. Independent institutions are encouraged to participate as well, and may do so my making programs available to MSEP students at a reduction from their regular tuition of at least 10 percent. In certain high cost professional fields, as approved by the Council, admission as an MSEP student may entail payment, by the student's home state or by the student, of an additional amount. These tuition policies for MSEP students may be changed by the Compact upon recommendation of the MSEP Council, for any academic year beginning at least one calendar year from the date of the Compact action.

3. MSEP tuition is to be available to admitted students while the student continues in the program in which admitted as a MSEP student. Change to another program (in the same or a different institution) may be made at the reduced tuition level only if the new program is also open to MSEP students and the change is approved by the institution.

4. MSEP programs in public institutions shall be available to students only at the degree level at which the student's home state agrees to receive MSEP students--i.e., a student may enroll in a public institution at the associate, baccalaureate, or graduate level only if his/her home state agrees to receive MSEP students from other participating states at the same level.

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* For purposes of this program, "tuition" is defined as the basic, comprehensive multipurpose educational charge all students are required to pay as a condition of enrollment. This charge may or may not be known as "tuition." Other designations may include educational fee, registration fee, incidental fee, or perhaps others. "Tuition" does not include special fee charges such as student activity and required insurance assessments.

Office of the Superintendent

To: House Education Committee
From: Darin Headrick, Supt. USD 422 Greensburg Schools
Date: February 6th, 2008
Subject: House Bill 2608 (Disaster Legislation)

On May 4, 2007, the city of Greensburg, Kansas was struck by an EF-5 tornado. That event has forever changed the face of our rural community. Over 960 homes, 125 businesses, several city and county buildings, and our K-12 school facilities were all destroyed in a matter of minutes. In addition to this damage, we also suffered a complete loss of our city's infrastructure. A few days later, the town was declared a federal disaster area and the rebuilding began.

As the clean-up efforts started, the USD 422 Board of Education began discussions on how to handle the 2007-2008 school year. We analyzed all viable options, including temporarily relocating our students to schools in surrounding towns. As we thought about not only what was in the best interest of our school, but also our town, it quickly became apparent to the Board of Education that we needed to have school open in Greensburg for the '07-'08 school year. Once that decision had been made, we needed to decide how to best meet the needs of our students and parents that had been displaced and were not able to live in Greensburg. We felt the most important thing we could do was to give people a reason to return—and that reason in the short term was school. We have, since then, worked tirelessly to put temporary facilities in place in Greensburg and we started school as scheduled on August 15. Our temporary facilities include 28 classrooms housed in 14 mobile trailers, 4 offices, an industrial arts building, and a multi-purpose facility that is used as a cafeteria, a gymnasium, an auditorium, and a public meeting facility.

As a superintendent, one of my biggest longer term concerns was that our enrollment numbers would decline as a result of the disaster. There was no way around that. The rebuilding efforts would be too much and take too long for some and we expected many would have no choice but to relocate. However, based on the current school funding formula, we knew that we could use our previous year's enrollment to have some financial stability for the 2007-2008 school year. Because of that, we were able to maintain our full staff—ensuring that our 32 certified employees and our 13 classified employees (along with their families) also had a reason to return to Greensburg. The school year hasn't been without its problems, but our students haven't missed a scheduled day of instruction due to delays in the rebuilding process, nor have they missed an athletic event, a concert, an academic competition, or any other extra-curricular activity.

At this point, our biggest concern is where we will be financially in years two, three, four and five after the tornado. We strongly believe that we will return, at the least, to pre-tornado numbers at school, but we are not so naïve to think that will happen overnight. It will take some time to replace housing and businesses to accommodate the growth we expect in the future.

House Education Committee
Date: 2-5-08
Attachment # 3

Before I get to the main reason I am here today, I would like to tell you a little bit about our school. We don't see ourselves as a typical rural school. Our students are consistently competitive on the athletic field, in speech and drama, in scholars bowl, and in music competitions, just to name a few; however, the accomplishment I am most proud of with regard to both students and staff is the fact that we consistently perform well academically. It isn't uncommon for classes to achieve the Standard of Excellence on state assessments in math, reading, and science. In fact, in the 2006-2007 school year, Greensburg High School was awarded the Governor's Achievement Award, making them one of only 19 high schools in the state of Kansas to earn recognition for their performance on state assessments. We have a model school at all levels with excellent students, staff, curriculum, and programs.

I'm here today asking for your help. If we cannot maintain financial stability over the next several years, I will be forced to cut both staff and programs in Greensburg Schools. Neither of these would be in the best interest of our students. One concept that has driven all decisions during the set-up of temporary facilities is that every student just has one opportunity to experience a particular year of school. Each student can only be a 1st grader once, a 6th grader once, a senior once. And so every decision that we have made has centered around our obligation to provide not just adequate but quality educational experiences for our students in the face of this disaster. We had a good school before the tornado, but I'm extremely comfortable with the academic and technological foundation that we are giving kids right now—even in temporary facilities when so many lives have been significantly disrupted.

As a citizen of Greensburg, as a school administrator, and as a member of several civic organizations, I have a good idea of the amount of money and materials that have been sent to aid the rebuilding efforts in Greensburg. What I am asking is that you help us temporarily fund the operation of our school so that the generosity we have experienced isn't in vain. It's no secret that the school is often the heartbeat of small communities and as we have spent eight months rebuilding, no one recognizes that more than we do. Help us recover, as we rebuild, by allowing us to maintain the normal operations that our students, staff, and community have worked so hard to establish.

Testimony on HB No. 2608
Before the
House Education Committee
By

Gary French, Superintendent of Schools
Unified School District 367 – Osawatomie

February 5, 2008

Chairman and Members of the Committee:

I thank you for the opportunity to appear in support of House Bill 2608.

On July 1, 2007 Osawatomie, Kansas, like several southeastern communities, was devastated by a flood. The flood damaged 256 residential structures, including multi-family complexes. One hundred twenty-six Osawatomie school children (K-12) were affected. Some students found temporary shelter while repairs were made to their homes or apartments, others lost their homes totally, and many were forced to relocate out of the district.

The flood had a financial impact on the general fund of the district. There was a decline in student population. Osawatomie Schools went from an adjusted student FTE count of 1173 on September 20, 2006 to a FTE of 1137 on September 20, 2007.

USD 367 was protected from the shortfall of students by the current finance formula in allowing our general fund budget to be based off of the previous year's FTE. An issue that current law does not address is FTE loss due to student-weighted factors. Forty-one percent of Osawatomie school children take advantage of the federal lunch program as free lunch students. This qualifies Osawatomie for high at-risk weighting. This necessary funding has been effectively used by USD 367 to implement research based reading and math programs, before and after school programs, and reduced class size.

Under current law, USD 367 is likely to publish a FY 2009 budget based on a three-year FTE average. It is also likely that Osawatomie will drop below the 40% free lunch count used to determine high at-risk weighting. If this happens, the financial impact would be a loss of over $250,000 in the general fund.

It would be difficult for USD 367 to reduce the general fund budget by that amount of money without substantially affecting the quality of education of students. Although these numbers are projections, it will be necessary to make budget decisions based on them.

House Education Committee
Date: 2-5-08
Attachment # 4

I believe the community of Osawatomie will recover. Remodeling is taking place and new construction is being planned. It is anticipated that the Osawatomie community will suffer in the short term. A diminished tax base and higher than usual tax delinquencies do not affect the general fund, but will affect the tax rate of the supplemental general and capital improvement funds. This comes at a time when many recovering taxpayers can least afford increases.

House Bill 2608 provides the financial floor that would allow Osawatomie Schools to adequately meet the educational needs of students through the next few years. It provides time for planning and decision-making.

Thank you for the opportunity to present testimony in support of HB 2608 as well as your consideration of this issue.

House Education Committee
Date: 2-5-08
Attachment # 5

5-2

5-3

5-4

5-4

Robert J. Morton
Superintendent

615 Ellis Street Coffeyville KS 67337
Phone: 620-252-6400 Fax: 620-252-6807
mortonr@cvilleschools.com www.cvilleschools.com

Testimony on HB 2608: House Education Committee February 5, 2008

Robert J. Morton
Superintendent of Schools
Coffeyville School District, USD #445
615 Ellis
Coffeyville, Kansas 67331
620-252-6400

Thank you for the opportunity to discuss with you the economic impact of the flood on Coffeyville and Unified School District #445. I am the Superintendent of the Coffeyville School District. The main point I would like to make is that Coffeyville School District was starting to experience an increase in student population for the first time in many years prior to the flood of 2007 and unless population gains are realized in the near future, our school district will continue to struggle. The economic impact in the near future may put a hardship on the school district if we continue to experience a declining enrollment.

I. THE FLOOD DESTROYED BUSINESSES

First, let me point out the impact of the flood on our school buildings was minimal but our business are still struggling in the rebuilding process. I have included in my testimony a PowerPoint presentation with pictures in this packet of information entitled "2007 Flood: Coffeyville". As of December 1, 2007, only 17 of the 73 impacted businesses in Coffeyville have reopened.

II. BUSINESS DAMAGE HURTS EDUCATION

The business losses due to the flood will have a negative fiscal impact on Coffeyville and the school district for years to come. The flood destroyed buildings, homes, machinery, and equipment thus reducing property tax revenue potential. Many of the families displaced by the flood are unable to relocate in the city because of the lack of housing, resulting in the loss of students and less state aid to our school district.

III. SUPPORT FOR MAINTAINING A FLOOR FOR FUNDING

The school districts in SE Kansas, and any school district facing devastation of this magnitude, would appreciate any form of support from the legislature that would help us to plan for the next two to three years. As our communities look for solutions for housing and business, school districts need to make sure that they can continue to provide the best education for students in our communities.

IV. CONCLUSION

Prior to the flood in Coffeyville, businesses struggled to fill open positions and the school district was experiencing growth. The flood destroyed more than 300 homes, turning our existing housing problem into a crisis. Housing is an integral component of a comprehensive educational and economic development strategy. In order for us to obtain the full benefit of our educational successes we need to capture the workforce. Unless new homes are built soon, our ability to attract new industry and retain the businesses and educational system we have will be severely compromised. Thank you.

Coffeyville Unified School District 445 does not discriminate on the basis of sex, race, col
or age in admission or access to, or treatment or employment, in its progra

House Education Committee
Date: 2-5-08
Attachment # 6

2007 FLOOD:

COFFEYVILLE

299
309
319
292

Testimony on HB2608 and SB426

Chuck Schmidt –
Supt. Independence USD 446

Jim Porter–
Supt. Fredonia USD 484

Daryl Pruter–
Supt. Neodesha USD 461

Flood Impact

June 30-July 1, 2007

Flash Flood – result of local heavy rains on saturated ground

Levee Overflow – result of heavy rain throughout SEK flooding Verdigris, Elk and Fall Rivers

House Education Committee
Date: 2-5-08
Attachment # 7

Fredonia District

- 38 homes with major damage or destroyed
- 8 businesses with major damage
  (two businesses have re-opened)

Independence District

- 190 homes in city damaged
  (100 of these beyond repair)

Neodesha District

- 54 city homes with substantial damage
- 14 rural homes with substantial damage

STOP

We are finding that enrollment has not dropped significantly immediately following the flood. However, some of us are starting to see signs of out-migration at later times.

We have families living with relatives, friends or in FEMA Trailers, but these are only possibilities for a limited amount of time.

Effect on Schools

- Loss of students = loss of revenue

20 less students does not mean:

-less busing
-less teachers
-less utilities
-less programs

Effect on Schools

Reduced FTE impact can be softened by previous year count or 3-year averaging,

however,

These do not help with weighted categories

Effect on Schools

When hit with sudden drops in enrollment, district has no opportunity to soften impact in 3rd and 4th years.

Effect on Schools

Drop of 2% can cost over $100,000 in Fredonia or Neodesha

- 2.3 teachers
- After school programs
- Para-educator support
- Technology upgrades

Effect on Schools

Drop of 2% can cost over $150,000 in Independence

- 3.5 teachers
- All after-school programs
- Para-educator support
- Technology upgrades

IMPACT ON SCHOOLS

The impact of these drops will not be felt until the 3rd and 4th years after the disaster

Why Support this Bill?

- This will place a floor on the district's revenue losses
- Allow for future planning to adjust to the enrollment decline
- Minimal affect on state budget

Conclusion

- Thank you for your attention
- Questions?