

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:35 p.m. on February 5, 2008, in Room 123-S of the Capitol.

Committee members absent:

Committee staff present: Sharon Wenger, Kansas Legislative Research Department
 Carol Toland, Kansas Legislative Research Department
 Theresa Kiernan, Revisor of Statutes Office
 Matt Todd, Revisor of Statutes Office
 Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Senator Pat Apple
 Senator Dwayne Umbarger
 Darin Hedrick, Superintendent, U.S.D. 422, Greensburg
 Gary French, Superintendent, U.S.D. 367, Osawatomie
 Robert J. Morton, Superintendent, U.S.D. 445, Coffeyville
 Chuck Schmidt, Superintendent, U.S.D. 446, Independence

SB 426 – School districts; enrollment and general fund budget in certain districts affected by disasters

Theresa Kiernan, Revisor of Statutes Office, noted that **SB 426** applied to U.S.D. 101 (Erie), U.S.D. 257 (Iola), U.S.D. 367 (Osawatomie), U.S.D. 422 (Greensburg), U.S.D. 445 (Coffeyville), U.S.D. 446 (Independence), U.S.D. 461 (Neodesha), and U.S.D. 484 (Fredonia). She explained that the bill provides that in the second, third, and fourth years following a natural disaster, the adjusted enrollment of the school district would be based on the enrollment of the year prior to the year in which the disaster occurred. When computing the budget of a school district, the Department of Education would pull out the special education weighting, school facilities weighting, ancillary school facilities weighting, cost of living weighting, and preschool-aged at-risk weighting in the base year and then add the weightings back in at the rate they are in the current school year. This would apply to school districts wherein there has been a disaster which resulted in the loss of at least 25 pupils or 2 percent of the district's enrollment, and the loss is attributable to the loss of housing as a result of the disaster.

Senator Pat Apple, who requested the introduction of **SB 426** in collaboration with Senator Dwayne Umbarger, explained that, as he discussed the effect of flooding in school districts with Senator Umbarger and others, he learned that having a three-year average in the budget does not include the weighting factors. The intent of the bill was to give stability to the budget process so that school districts can keep their programs in place after a disaster until they can determine where their enrollment is going to go after a few years. He noted that a similar bill had been introduced; however, there was no way to know whether the bill would be successful. Therefore, **SB 426** was introduced to address specific areas in the state should the other bill not go forward.

Senator Umbarger commented that 2007 was a year for weather related disasters (floods and tornadoes) statewide, and even though a large amount of federal and state dollars have been dedicated to rebuilding the areas affected, there is still much to be done. He noted that, in visiting with district superintendents, they expressed their immediate concern about declining enrollment numbers and also their concern about what the next two years would most likely present. He pointed out that, in the current school funding formula, the three-year average component does not address the weighting factors. Therefore, those districts with high at-risk and bilingual weighting are not protected from a sudden decrease in enrollment numbers. **Senate Bill 426** addresses this issue by holding eligible districts harmless for three years. (Attachment 1)

Darin Hedrick, Superintendent for U.S.D. 422, Greensburg, testified in support of **SB 426**. He noted that over 960 homes, 125 business, several city and county buildings, and K-12 school facilities were destroyed when the city of Greensburg was struck by a tornado on May 4, 2007. As the clean-up efforts began, the Board of Education considered temporarily relocating students in surrounding towns, but ultimately the Board felt that it was in the best interest of their town to open school in Greensburg for the 2007-2008 school year. Temporary facilities were put in place, and school began as scheduled on August 15. Initially, Mr. Hedrick's

CONTINUATION SHEET

MINUTES OF THE Senate Education Committee at 1:35 p.m. on February 5, 2008, in Room 123-S of the Capitol.

biggest concern was that Greensburg's enrollment numbers would decline because many people would have no choice but to relocate. However, based on the current school funding formula, Greensburg could use the previous year's enrollment, which provided some financial stability for the 2007-2008 school year. At this point, his biggest concern is that he will be forced to cut both staff and programs in Greensburg schools if financial stability cannot be maintained over the next several years. In conclusion, he asked for help to temporarily fund the operation of Greensburg schools as the city rebuilds. (Attachment 2)

Gary French, Superintendent for U.S.D. 367, Osawatomie, testified in support of **SB 426**. He noted that a flood in Osawatomie on July 1, 2007, damaged 256 residential structures, and 126 school children (K-12) were affected. While some families found temporary shelter while repairs were made to their homes, others were forced to relocate out of the district. The student population declined from 1,173 in September 2006 to 1,137 in September 2007. Under current law, U.S.D. 367 is likely to publish a FY 2009 general fund budget based on a three-year FTE average. It is also likely that Osawatomie will drop below the 40 percent free lunch count used to determine high at-risk weighting. If this happens, there will be a loss of over \$250,000 in the general fund. The bill would provide the financial floor which would allow Osawatomie schools to adequately meet the educational needs of students through the next few years as the community recovers from the flood damage. (Attachment 3)

Robert J. Morton, Superintendent for U.S.D. 445, Coffeyville, testified in support of **SB 426**. He noted that, prior to the flood of 2007, the Coffeyville school district was experiencing an increase in student population for the first time in many years. Unless the population gains are realized in the near future, the school district will continue to struggle. Business losses due to the flood will have a fiscal impact on Coffeyville and the school district for years to come, and the school district would appreciate any help from the Legislature for the next two to three years to ensure that the school district can continue to provide the best education for students as the community looks for solutions to relieve the housing crisis and to retain businesses. (Attachment 4)

Chuck Schmidt, Superintendent for U.S.D. 446, Independence, testified in support of **SB 426**. He also spoke on behalf of Jim Porter, Superintendent for U.S.D. 484, Fredonia, and Daryl Pruter, Superintendent for U.S.D. 461, Neodesha. Mr. Schmidt noted that, as a result of heavy rains and flooding between June 30 and July 1, 2007, 38 homes and 8 businesses were damaged or destroyed in the Fredonia district, 190 homes in the Independence district were damaged, and 64 homes were substantially damaged in the Neodesha district. Enrollment did not drop significantly immediately following the flood. However, families lived with relatives, friends, or in FEMA trailers for a limited amount of time, and some districts are beginning to see signs of out-migration. He pointed out that, when hit with sudden drops in enrollment, a school district has no opportunity to soften the impact in the third and fourth years. A drop of 2 percent could cost over \$100,000 in Fredonia or Neodesha and over \$150,000 for Independence. The bill would allow the districts time to adjust to the impact of the decline in enrollment. (Attachment 5)

Senator Schodorf called attention to the minutes of the January 14, 16, 17, and 22 meetings.

Senator Teichmant moved to approve the minutes of the January 14, 16, 17, and 22 meetings, seconded by Senator Lee. The motion carried.

The meeting was adjourned at 2:30 p.m.

The next meeting is scheduled for February 6, 2007.

**SENATE EDUCATION COMMITTEE
GUEST LIST**

DATE: February 5, 2008

NAME	REPRESENTING
JARON HEADALICK	USD 422
Robert Morton	USD #445
Chuck Schmidt	Independence USD 446
PANSY MASSEN	USD 367 OSAWATOMIE
GARY FROD	USD 367 OSAWATOMIE
Deidre Grynski	ks. hispanic & latino affairs
Chris Koenigsmann	Sen. Fine
Val DeFever	School for Quality Ed.
Daryl Hunter	USD #461 Neodesha
Jim Porter	USD 484 FRANKLIN
Tom Kuba	KASB
Wiane Ligeratos	Wichita USD 259
TERRY FORSYTH	KNEA
Effic Sumner	Sen. Derek Schmidt
Shannon Bell	LGR
Bill Brady	SFFF
John Heilm	USD 253

State of Kansas
Senate Chamber

DWAYNE UMBARGER

SENATOR, FOURTEENTH DISTRICT
LABETTE & NEOSHO COUNTIES
AND PARTS OF CHEROKEE
AND MONTGOMERY COUNTIES

1585 70TH RD.
THAYER, KS 66776
(620) 839-5458



STATE CAPITOL—120-S
TOPEKA, KANSAS 66612-1504
785-296-7389
1-800-432-3924
(DURING SESSION)
(785) 296-8430
(TTY FOR HEARING/SPEECH IMPAIRED)

COMMITTEE ASSIGNMENTS
CHAIRMAN: WAYS & MEANS
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PENSIONS, INVESTMENTS
& BENEFITS

I want to express my appreciation to Chairwoman Schodorf and the Senate Education Committee for having a hearing on Senate Bill 426.

The year 2007 has been a year for weather related disasters in every county of our state. In eastern and southeastern Kansas, floods destroyed or damaged over 3,000 homes, hundreds of businesses and public infrastructures. The picture of Greensburg following the devastating tornadoes, still makes us pause and give thanks to those victims who have the resolve and courage to rebuild.

Even though a large amount of federal and state dollars have been dedicated to rebuilding these areas of the state, there is still much that needs to be done. Shortfalls in funding and the funding of programs remain, which could negatively impact future economic development and recovery in those disaster areas. Community leaders have spoken out about their concern for the school systems in the disaster areas, which remains a key aspect of their community. Providing a quality K-12 education environment serves as a cornerstone in defining a community's mission and commitment to future economic development and stability.

Senate Bill 426 was initiated by Senator Apple and myself to support those communities declared disaster areas in their time of rebuilding and transition. Senator Apple and I met with various school district superintendents and Dale Dennis in Greenbush to consider what challenges they might face now and in the future as it relates to declining enrollment numbers caused by the disasters. The main concern that was presented to us was not only the immediate concerns of declining enrollment numbers, but what the next two years would most likely present.

Currently in our school funding formula, the three year average component does not address the weighting factors, only the base state aid per pupil. Those districts that have high at-risk and bilingual weighting are not protected from a sudden decrease in enrollment numbers. Senate Bill 426 addresses this issue by holding those districts who are eligible by definition in statutes harmless for three years.

This gives those districts and the local community three years of committed education funding to address the challenges they will face caused by the disaster. This gives stability to those districts to ensure that programs they use to provide a quality education will stay in place.

I want to thank Senator Apple for his leadership in drafting this legislation and to the committee for its consideration.

*Senate Education Committee
2-5-08
Attachment 1*



Office of the Superintendent

To: Senate Education Committee
From: Darin Headrick, Supt. USD 422 Greensburg Schools
Date: February 6th, 2008
Subject: Senate Bill 426 (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.

*Senate Education Committee
2-5-08
Attachment 2*

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 SB No. 426
Before the
Senate Education Committee
By**

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

February 5, 2008

Madam Chair and Members of the Committee:

I thank you for the opportunity to appear in support of Senate Bill 426.

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 general fund 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 over \$250,000 in the general fund.

It would be difficult for USD 367 to reduce the general fund budget by that amount 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.

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

*Senate Education Committee
2-5-08
Attachment 3*

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.

Senate Bill 426 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 SB 426 as well as your consideration of this issue.



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Robert J. Morton
Superintendent

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

Testimony on SB 426: Senate 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.

2007 FLOOD:
COFFEYVILLE





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

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2-5-08
Attachment 5

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











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?