

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:35 p.m. on February 25, 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
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Senator Chris Steineger
Mark Tallman, Kansas Association of School Boards
Bill Reardon, Kansas City, Kansas Public Schools
Nancy Keel, Kansas Parents as Teachers Association
Senator Jim Barnett
Bill Halvorsen, Chase County U.S.D. 284 Board of Education
Greg Markowitz, Superintendent, U.S.D. 284

SB 527 – An act concerning early childhood education; Parents as Teachers and Early Head Start; expansion of eligibility

Senator Chris Steinger testified in support of **SB 527**. He explained that he requested the introduction of the bill as a means to better fund and better organize early childhood development programs. He noted that current state statute provides that Parents as Teachers can be offered to children up to the end of their second year. After that, there is a program gap for Head Start until a child is eligible for admission to school. To address this issue, he believes the statute which cuts off Parents as Teachers at the end of the second year should be stricken and, instead, allow Parents as Teachers to be offered in all the years that a child is in school and also allow the local school boards to decide how they want to offer their Parents as Teachers program. He commented that, personally, he did not see any reason why the Legislature should cut off and dictate how local school boards offer Parents as Teachers. He went on to say that New Section 2 was symbolic in nature because it applies only to Early Head Start, which is a federal program. He explained that New Section 2 provides that any child not eligible for school attendance would be eligible to receive services under the Early Head Start Program, regardless of the income level of the child's family. He then called attention to balloon amendments for New Section 2. (Attachment 1)

Senator Vratil commented that, as he understood the bill, it would expand the infant and toddler program to age 6, which is the age for admission to school, and it would also expand Early Head Start. Senator Steineger reiterated that expanding the program would be up to the local school board rather than the Legislature, and he confirmed that the bill would also expand early head start to age 6, subject to appropriation. He said the intent of the bill was to create a seamless system between the birth of a child and the year the child starts to school. He noted that Section 1 (Parents as Teachers) was permissive, not mandatory. He explained that, if the balloon amendments for New Section 2 were adopted, there would be no fiscal note on the bill.

Mark Tallman, Kansas Association of School Boards, testified in support of **SB 527**. He commented that the bill would provide local school districts with more flexibility in providing parent education services; however, the additional flexibility would have limited impact without increased funding. He was uncertain if the phrase "notwithstanding any state or federal law to the contrary" in New Section 2 would jeopardize federal funding by failing to comply with federal laws or regulations. (Attachment 2)

Bill Reardon, Kansas City, Kansas Public Schools, testified in support of **SB 527**. He said that the district is supportive of the bill because it would provide flexibility; however, if additional funding was not provided, the authority for more flexibility would be hollow. Many of the children in the Kansas City, Kansas, public schools receive some services up to age 3, and there are a number of children in the four-year-old at-risk program; therefore, any increased funding would be concentrated on children between age 3 and 4.

CONTINUATION SHEET

MINUTES OF THE Senate Education Committee at 1:35 p.m. on February 25, 2008, in Room 123-S of the Capitol.

Nancy Keel, Kansas Parents as Teachers Association (KPATA), explained that Parents as Teachers (PAT) and programs using the PAT curriculum primarily address parenting, family support, and child development from prenatal to 3 years of age. Currently, there over 4,500 families on the PAT waiting list, and over 70 school districts still do not have PAT prenatal to 3 years of age. She noted that, while there is a gap of services for children aged 3 to 4, the 4 to 5 year old children are currently served by the 4-year-old at-risk program, pre-K programs, and Head Start. KPATA would like to see services expanded to cover the 3 to 4 year old gap, but their primary support continues to focus on the prenatal to 3 year old waiting list and the 70 underserved districts. Ms. Keel informed the Committee that, last year, PAT programs across Kansas served over 18,000 children. The fiscal note for the 4,500 families on the waiting list is approximately \$2.6 million. She urged the Committee to continue to support current programs and to expand funding for the waiting list and/or the underserved districts. (Attachment 3)

There being no others wishing to testify, the hearing on **SB 527** was closed.

SB 627 – School districts; school finance; supplemental general aid

Theresa Kiernan, Revisor of Statutes Office, noted that **SB 627** was introduced at the request of Senator Jim Barnett. She explained that, as drafted, the bill would provide that, when computing the amount of the supplemental general state aid for the Local Option Budget (LOB) for U.S.D. 284, located in Chase County, the assessed valuation of that district would be deemed to be equal to the assessed valuation of the school district located at the 50th percentile in the amounts paid to other districts.

Ms. Kiernan distributed a copy of a proposed amendment which would strike the original proposed language in the bill (page 2, lines 32 through 36) and insert, “Any school district with an enrollment of at least 350 pupils and not more than 500 pupils shall receive supplemental general state aid in an amount which shall not be less than 25% of the supplemental general fund budget of such district.” (Attachment 4)

Senator Barnett testified in support of **SB 627**. He explained that Representative Dahl and the U.S.D 284 school board contacted him last year about Chase County being one of the counties facing the dilemma of being ranked as a high-wealth district when, in fact, the county is not wealthy. As a result, the district receives no supplemental general aid for their LOB. Chase County has a declining enrollment, and U.S.D. 284 cannot reasonably consolidate any further. The bill would help U.S.D. 284 by providing access to supplemental general fund moneys. (Attachment 5) Senator Barnett also explained that he requested the proposed amendment upon the advice of Dale Dennis, Deputy Commissioner, Kansas Department of Education, and Senator Hensley.

Bill Halvorsen, a member of the Chase County U.S.D. 284 Board of Education, testified in support of **SB 627**. In the past 15 years, U.S.D 284, has come to depend upon the LOB to finance basic operations, including salaries. Without the locally funded LOB, U.S.D. 284 would no longer be able to conduct operations. Mr. Halvorsen observed that, with approximately 435 students and an assessed valuation of \$40 million, the district is not wealthy by any reasonable calculation. Like most non-urban districts, Chase County has experienced a decline in enrollment, yet, until the current school year, the district received no state assistance with their LOB. He noted that, under current law, 82 percent of the districts receive supplemental general state aid on their LOB, but 18 percent of the “wealthy districts” like Chase County receive nothing. He pointed out that the current calculation of supplemental state aid, in effect, puts more pressure on local taxpayers. Therefore, at some point, the cost will become unbearable, and closing schools will become the only option. He noted that the district has already consolidated to a county unit, and it would not be reasonable to have an entire county without a school district. In his opinion, the bill would provide a fiscally neutral method to address this inequity by allowing an “escape hatch” for districts such as U.S.D 284. He stated that, because Chase County is a small district, the actual amount of money appropriated would be small in relation to the total appropriation. In conclusion, he said that he did not believe that the authors of the current law intended to create a situation which punishes a district. (Attachment 6)

Greg Markowitz, Superintendent of Schools for U.S.D. 284, testified in support of **SB 627**. As chief financial officer for the school district, he discussed the inequity that current law has created in Chase County. U.S.D. 284 has been a declining enrollment district for eight of the past ten budget years, and the current enrollment

CONTINUATION SHEET

MINUTES OF THE Senate Education Committee at 1:35 p.m. on February 25, 2008, in Room 123-S of the Capitol.

decline amounts to an 18.9 percent decrease over a ten-year period. U.S.D. 284 has been in an increasing assessed valuation district for nine of the past ten budget years, and by FY 2008, the general fund assessed valuation increased by 48.2 percent. The combined assessment and enrollment figures have had a drastic and increasingly “double negative” impact on the financial status of U.S.D. 284 and its ability to provide a free and appropriate public education. The taxpayers of U.S.D. 284 have increased the LOB mill levy from 8.763 mills in FY 2001-2002 up to the current mill levy of 23.160 mills. During the same time period, both federal and state mandates have increased dramatically. U.S.D. 284 has made several cuts in services and employees and has delayed repairs on rapidly aging buildings for another year. In conclusion, he stated that the patrons of U.S.D. 284 were not seeking special status, but they would appreciate any relief the Committee could grant. (Attachment 7)

Mark Tallman, Kansas Association of School Boards, submitted written testimony opposition to **SB 627**. He expressed KASB’s concern that **SB 627** is a warning sign the Kansas is headed back into a school funding crisis. He urged the Committee to begin to address the fact that school finance is linked to the broader issue of state tax policy. (Attachment 8)

The hearing on **SB 627** was closed.

Senator Schodorf called the Committee’s attention to the minutes of the February 13, 14, and 18 meetings.

Senator Pine moved to approve the minutes of the February 13, 14, and 18 meetings, seconded by Senator Teichman. The motion carried.

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

The next meeting is scheduled for February 26, 2008.

SENATE EDUCATION COMMITTEE
GUEST LIST

DATE: February 25, 2008

NAME	REPRESENTING
Kari Presley	Hearney & Associates
MIKE REECH	K-12 Inc.
GREG MARKOWITZ	Supt. USD 284
Wm - R. Dorman	BOE USD 284
Mike Spindler	BOE USD 284
Clayton Fauer	BOE USD 284
Ellen Dorman	Sen. D. Schmidt
Alan Bygones	Gov's office
BILL Brody	SFFF
Jennifer Crow	Kansas Coalition for School Readiness
Pat Woods	SRS
Juni Rose	KCSL
Dodie Wellshar	USA/Kansas
Mark Tallman	KASB

SENATE BILL No. 527

By Committee on Education

1-31

9 AN ACT concerning early childhood education; relating to parent edu-
10 cation programs and early head start; amending K.S.A. 72-3603 and
11 repealing the existing section.
12

13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 72-3603 is hereby amended to read as follows: 72-
15 3603. As used in this act:

16 (a) "Board" means the board of education of any school district.
17 (b) "School district" means any public school district organized and
18 operating under the laws of this state.

19 (c) "Parent education program" means a program developed and op-
20 erated by a board for the purpose of providing expectant parents and
21 parents of infants or toddlers or both with information, advice, assistance,
22 resource materials, guidance and learning experiences regarding such
23 measures as parenting skills and the various styles of parenting, the proc-
24 esses and principles of growth and development of children, home learn-
25 ing activities designed for infants and toddlers, techniques emphasizing a
26 positive approach to discipline, effective methods of communicating and
27 interacting with children so as to foster the development of self-esteem,
28 strategies for structuring behavioral limits and increasing mutual positive
29 regard, and other elements of effective parenting that are conducive to
30 the structuring of a home environment in which children are encouraged
31 to be successful and productive learners.

32 (d) "Infant" and "toddler" ~~mean a child who has not attained the age~~
33 ~~of three years~~ means any child under the age of eligibility for school
34 attendance.

35 (e) "State board" means the state board of education.

36 New Sec. 2. (a) Notwithstanding any state or federal law to the con-
37 trary, any child under the age of ~~three years~~ eligibility for school attendance regardless of the income-
38 level of the child's family shall be eligible to receive services under the
39 early head start program.

40 (b) Notwithstanding any state or federal law to the contrary, any preg-
41 nant woman shall be eligible to receive services which promote healthy
42 prenatal outcomes under the early head start program regardless of the
43 income-level of the woman's family. as determined by the school district in which the early head start services are provided

(c) The provisions of this section shall be subject to the limitations of the provisions of appropriations therefor.

Senate Education Committee
2-25-08
Attachment 1

KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS

1420 SW Arrowhead Road • Topeka, Kansas 66604-4024
785-273-3600

Testimony before the
Senate Committee on Education

on
SB 527 – Eligibility for Early Childhood Programs

by

Mark Tallman, Assistant Executive Director/Advocacy
Kansas Association of School Boards

February 25, 2008

Madam Chair and Members of the Committee:

Thank you for the opportunity to comment on **SB 527**, which would do two things. First, it would expand the eligibility for services under the Parent Education or Parents as Teacher Programs from children under age three to children under the age of eligibility for school attendance. Second, it would allow children under the age of three and pregnant women to receive services through the early Head Start program, regardless of income.

The first change would provide local school districts with more flexibility in providing parent education services. As we have previously testified, KASB strongly supports expanding early education services and providing maximum flexibility in designing programs to meet local needs. We would therefore support section one of the bill, but would stress that additional flexibility will have limited impact without increased funding.

Early Head Start programs are currently not supervised by the Kansas State Department of Education, but we encourage closer coordination between these programs and local school districts. However, we are concerned about the provisions of this bill that refer to “notwithstanding any state or *federal* law to the contrary.” While we support additional flexibility, we would not want to jeopardize federal funding by failing to comply with federal laws or regulations.

Thank you for your consideration.

Senate Education Committee
2-25-08
Attachment 2

KPATA

Kansas Parents As Teachers Association



15020 Metcalf

Overland Park, KS 66223

913-239-4402

www.kpata.org

February 25, 2008

Mr. Chairman and Committee Members:

Thank you for allowing me to present to you today.

My Name is Nancy Keel, and I am the Executive Director of the Kansas Parents as Teachers Association. KPATA is a not-for-profit association representing programs and families from across Kansas. The Executive Director position is new to KPATA and meant to provide a consistent message about successful PAT programs in Kansas.

Our mission is: "All Kansas families will have access to quality programs using the Parents as Teachers curriculum".

We represent over 100 members and the families they serve in 223 programs in Kansas State Department of Education, and programs in Early Head Start (EHS)/Head Start, Kansas Child Care Association and Referral Agencies (KCCARA), Healthy Families, Healthy Steps, and Tiny k.

Parents as Teachers and programs using the PAT curriculum primarily address parenting, family support and child development from prenatal to 3 years of age. There are currently over 4,500 families on the KSDE PAT waiting list and over 70 school districts that still do not have PAT prenatal to 3 years of age. It has been a goal to serve the waiting list and underserved districts. In this bill you are increasing PAT services beyond the prenatal to 3 year age range to include 3-5 year olds. While there is a gap of services for children in Kansas ages 3-4, the 4-5 year old children are currently served by 4 year old at risk program, Pre-K programs, and Head Start. While KPATA would like to see services expanded especially to cover the 3-4 year old gap, our primary support continues to address the prenatal – 3 waiting list of 4,500 families and the 70 underserved districts. If the funds are provided for the KSDE PAT programs to serve ages prenatal to 5, we would want flexibility to use the funds to serve the age group with greatest need as determined by the school district.

The Parents as Teachers model and curriculum is an evidenced-based home visiting program. A range of research studies conducted and supported through state governments (including Kansas), independent school districts, private foundations, universities and research organizations, demonstrate that Parents as Teachers makes a measurable difference in the lives of parents and their children. Parents as Teachers helps all children enter school ready to learn. I have a copy of our latest research attached to my statement.

To duplicate these results in all Parents as Teachers programs, the PAT National Center has developed Quality Standards to ensure fidelity to the model. Kansas State Department of Education (KSDE) now requires all of

*Senate Education Committee
2-25-08
Attachment 3*

its Parents as Teachers programs to complete the self assessment, have the results confirmed by a Quality Consultant, and develop a three year continuous improvement plan in their PAT Grant application. This complete process must be accomplished every three years to ensure high quality programs.

Providing services to families during pregnancy and after birth is a critical protective factor for a healthy family and for the child's emotional and cognitive development. One of the major content areas of Parents as Teachers is social and emotional development concentrating on the parent-child relationship which leads to bonding/attachment.

The components of Parents as Teachers include personal visits, group meetings, screenings, and linking with community resources. Screenings are provided to make sure all children are developing at age level and, if not, are referred for evaluation and possible treatment. We link with many community resources for parent and child referrals. Since Parents as Teachers is an education and support program, it is important to connect to other community and school services. The voluntary KSDE PAT Programs are gateway programs helping all parents access additional services as needed. For example, after developmental screening by Parents as Teachers, if a child needs an evaluation, the parents are referred to Tiny k. Through evaluation, if the child needs treatment, this is provided by Tiny k or a private service. Seventeen years ago it was legislated that, by offering PAT as a voluntary public education program, parents would be more apt to join, receive the PAT educational information, and learn about other services for their family and children in the community.

Last year all PAT programs across Kansas served over 18,000 children.

The fiscal note for the over 4,000 families on the waiting list is approximately \$2.6 million.

You have been providing funding for this very effective program for 17 years and for that we thank you. Parents as Teachers is a proven program and KPATA and KSDE are providing oversight through the Quality Standards. Please continue your support for current programs and expansion. We are asking to expand funding for the waiting list and/or the underserved districts.

Respectively submitted,

Nancy Keel
Executive Director
Kansas Parent as Teachers Association
315 N. Lindenwood
Olathe Kansas 66062
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Parents as Teachers An Evidence-Based Home Visiting Program

A range of research studies conducted and supported through state governments, independent school districts, private foundations, universities and research organizations, demonstrate that Parents as Teachers makes a measurable difference in the lives of parents and their children. The following summary lists some of Parents as Teachers' evidence-based research outcomes from across the United States:

Parents as Teachers Helps All Children Enter School Ready to Learn

- 7,710 public school children from a stratified random sample of Missouri districts and schools were examined at kindergarten entry and at the end of third grade. Results showed that participation in Parents as Teachers, together with preschool, not only positively impacts children's school readiness and school achievement scores, but also narrows the achievement gap between children in poverty and those from non-poverty households. With at least 2 years of Parents as Teachers combined with a year of preschool, 82% of poor children were ready for school at kindergarten entry -- a level identical to nonpoverty children with no Parents as Teachers or preschool.ⁱ
- Parents as Teachers children showed better school readiness at the start of kindergarten, higher reading and math readiness at the end of kindergarten, higher kindergarten grades, and fewer remedial education placements in first grade.ⁱⁱ
- Children in high poverty schools who participated in Parents as Teachers were equivalent to those of children at low poverty schools with no preschool enrichment (Parents as Teachers or preschool). In addition, when children attending high poverty schools participated in both Parents as Teachers and preschool, their scores were significantly higher than those of children in low poverty schools with no preschool enrichment (Parents as Teachers or preschool).ⁱⁱⁱ
- 87% of Native American children served by Parents as Teachers through its Baby FACE program were ready for preschool by age 3.^{iv}

Parents as Teachers Supports Later School Achievement

- The aforementioned 2007 study of 7,710 Missouri public school children also showed that length of participation in PAT was a significant predictor of children's third grade achievement on the Missouri Assessment Program Communication Arts test.^v
- PAT children scored significantly higher on standardized measures of reading and math at the end of first grade than did comparison children. In addition, teachers rated PAT children's achievement progress higher than control group children's progress in all areas.^{vi}
- PAT children continued to perform better than non-PAT children on standardized tests of reading and math achievement in second grade. Compared to non-PAT children, PAT children required half the rate of remedial and special education placements in third grade.^{vii}

Parents as Teachers Prevents Child Abuse

- The U.S. Advisory Board on Child Abuse and Neglect states, "home visiting and center-based programs with a parental focus can help prevent child abuse and neglect."^{viii} The Task Force on Community Preventive Services recommends early childhood home visitation as an effective method for preventing child abuse and neglect.^{ix}
- In a randomized trial, adolescent mothers who received case management and Parents as Teachers were significantly less likely to be subjected to child abuse investigations than control group mothers who received neither case management nor Parents as Teachers.^x
- In another randomized trial, adolescent mothers in an urban community who participated in Parents as Teachers scored lower on a child maltreatment precursor scale than mothers in the control group. These adolescent mothers showed greater improvement in knowledge of discipline, showed more positive involvement with children, and organized their home environment in a way more conducive to child development.^{xi}

- Parents as Teachers families had fewer documented cases of abuse and neglect in comparison to the Missouri state average.^{xii}

Parents as Teachers Increases Parental Involvement

- Results of a multi-site randomized trial showed that for families with very low income, those who participated in Parents as Teachers were more likely to read aloud to their child and to tell stories, say nursery rhymes, and sing with their child.^{xiii}
- A significantly higher proportion of Parents as Teachers parents initiated contacts with teachers and took an active role in their child's schooling. For example, 63% of parents of Parents as Teachers children versus 37% of parents of comparison children requested parent-teacher conferences.^{xiv}
- Parents as Teachers parents demonstrated high levels of school involvement, which they frequently initiated, and supported their children's learning in the home.^{xv}
- Parents as Teachers parents read more to their children, use more techniques to support book/print concepts, and have more children's books in the home.^{xvi}

Parents as Teachers Improves Children's Health and Development Outcomes

- Annual health and developmental screenings is a core component of Parents as Teachers. Of the 200,000 plus children screened in the most recent program year, 13% were identified with possible health/developmental delays and were referred on for additional follow up services. 70% of those referred received follow-up services.^{xvii}
- Children participating in Parents as Teachers were much more likely to be fully immunized for their given age, and were less likely to be treated for an injury in the previous year.^{xviii}
- At age 3, Parents as Teachers children performed significantly above national norms on a measure of school-related achievement, despite the fact that the sample was over-represented on all traditional characteristics of risk. More than one-half of the children with observed developmental delays overcame these delays by age 3.^{xix}

ⁱ Pfannenstiel, J.C. & Zigler, E. (2007). Prekindergarten experiences, school readiness and early elementary achievement. Unpublished report prepared for Parents as Teachers National Center.

ⁱⁱ Drazen, S., & Haust, M. (1995). The effects of the Parents and Children Together (PACT) program on school achievement. Binghamton, NY.; Drazen, S. & Haust, M. (1996). Lasting academic gains from an early home visitation program. Paper presented at the annual meeting of the American Psychological Association, August 1996.

ⁱⁱⁱ Pfannenstiel, J. C., Seitz, V., & Zigler, E. (2002). Promoting school readiness: The role of the Parents as Teachers program. *NHSA Dialog: A Research-to-Practice Journal for the Early Intervention Field*, 6, 71-86.

^{iv} Research and Training Associates, Inc. (2006). *BIA Baby Family and Child Education Program: 2005 Report. Executive Summary*.

^v Zigler, E. & Pfannenstiel, J.C., (2007).

^{vi} Pfannenstiel, J. (1989). New Parents as Teachers project: A follow-up investigation. Overland Park, KS: Research & Training Associates.

^{vii} Drazen, S., & Haust, M. (1995).

^{viii} Panel on Research on Child Abuse and Neglect (1993), p. 169.

^{ix} Hahn, R.A., Bilukha, O.O., Crosby, A., Fullilove, M.T., Liberman, A., Moscicki, E.K., et al. (2003). First reports evaluating the effectiveness of strategies for preventing violence: Early childhood home visitation. *Center for Disease Control, Morbidity and Mortality Weekly Report*, 52, 109.

^x Wagner, M.M. & Clayton, S.L. (1999). The Parents as Teachers Program: Results from Two Demonstrations. *The Future of Children: Home Visiting: Recent Program Evaluations*, 9(1), 91-115.

^{xi} Wagner, M., Iida, E. & Spiker, D. (2001). The multisite evaluation of the Parents as Teachers home visiting program: Three-year findings from one community. Menlo Park, CA: SRI International.

^{xii} Pfannenstiel, J., Lambson, T., & Yarnell, V. (1991). Second wave study of the Parents as Teachers program. Overland Park, KS: Research & Training Associates.

^{xiii} Wagner, M. & Spiker, D. (2001). Multisite Parents as Teachers Evaluation: Experience and outcomes for children and families. Menlo Park, CA: SRI, Int'l www.sri.com/policy/cehs/early/pat.html

^{xiv} Pfannenstiel, J. (1998). New Parents as Teachers project: A follow-up investigation. Overland Park, KS: Research & Training Associates.

^{xv} Pfannenstiel, J., Lambson, T., & Yarnell, V. (1996). The Parents as Teachers program: Longitudinal follow-up to the second wave study. Overland Park, KS: Research & Training Associates.

^{xvi} Research and Training Associates, Inc. (2006); Albritton, S., Klotz, J., & Roberson, T. (2004). The effects of participating in a Parents as Teachers program on parental involvement in the learning process at school and home. *E-Journal of Teaching and Learning in Diverse Settings*, 1, 188-208.

^{xvii} 2005-2006 Parents as Teachers Annual Program Report.

^{xviii} Wagner, M., Iida, E. & Spiker, D. (2001).

^{xix} Pfannenstiel, J., Lambson, T., & Yarnell, V. (1991).

1 uted to districts on the dates prescribed by the state board. The state
 2 board shall certify to the director of accounts and reports the amount due
 3 each district, and the director of accounts and reports shall draw a warrant
 4 on the state treasurer payable to the treasurer of the district. Upon receipt
 5 of the warrant, the treasurer of the district shall credit the amount thereof
 6 to the supplemental general fund of the district to be used for the pur-
 7 poses of such fund.

8 (d) If any amount of supplemental general state aid that is due to be
 9 paid during the month of June of a school year pursuant to the other
 10 provisions of this section is not paid on or before June 30 of such school
 11 year, then such payment shall be paid on or after the ensuing July 1, as
 12 soon as moneys are available therefor. Any payment of supplemental gen-
 13 eral state aid that is due to be paid during the month of June of a school
 14 year and that is paid to school districts on or after the ensuing July 1 shall
 15 be recorded and accounted for by school districts as a receipt for the
 16 school year ending on the preceding June 30.

17 (e) (1) Except as provided by paragraph (2), moneys received as sup-
 18 plemental general state aid shall be used to meet the requirements under
 19 the school performance accreditation system adopted by the state board,
 20 to provide programs and services required by law and to improve student
 21 performance.

22 (2) Amounts of supplemental general state aid attributable to any
 23 percentage over 25% of state financial aid determined for the current
 24 school year may be transferred to the capital improvements fund of the
 25 district and the capital outlay fund of the district if such transfers are
 26 specified in the resolution authorizing the adoption of a local option
 27 budget in excess of 25%.

28 (f) For the purposes of determining the total amount of state moneys
 29 paid to school districts, all moneys appropriated as supplemental general
 30 state aid shall be deemed to be state moneys for educational and support
 31 services for school districts.

32 (g) ~~For the purposes of determining the amount of supplemental gen-
 33 eral state aid for U.S.D. No. 284, Chase county, the assessed valuation
 34 per pupil of such district shall be deemed to be equal to the assessed
 35 valuation of the school district located at the 50th percentile of the
 36 amounts ranked under paragraph (2) of subsection (a).~~

37 Sec. 2. K.S.A. 2007 Supp. 72-6434 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its
 publication in the statute book.

Any school district with an enrollment of at least 350 pupils
 and not more than 500 pupils shall receive supplemental
 general state aid in an amount which shall not be less than
 25% of the supplemental general fund budget of such
 district.

Senate Education Committee
 2-25-08
 Attachment 4

STATE OF KANSAS

JIM BARNETT
SENATOR, 17TH DISTRICT
CHASE, COFFEY, GREENWOOD
LYON, MARION, MORRIS, AND OSAGE
COUNTIES



TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS
CHAIR: SENATE PRESIDENTS TASK FORCE ON
HEALTH CARE
CHAIR: PUBLIC HEALTH AND WELFARE
CHAIR: KANSAS HEALTH POLICY AUTHORITY
OVERSIGHT COMMITTEE
MEMBER: FINANCIAL INSTITUTIONS AND
INSURANCE
HEALTH CARE STABILIZATION FUND
ORGANIZATION, CALENDAR AND RULES
FEDERAL AND STATE AFFAIRS

Testimony to
Senate Education Committee
SB 627 - School finance; calculation of LOB state aid for U.S.D. 284.
Monday, February 25, 2008
1:30pm – Room 123-S

Madam Chair and other distinguished members of the Senate Education Committee, thank you for the opportunity to speak in support of Senate Bill 627.

Chase County School District USD 284 is among a number of counties in our State that face the delimma of being ranked as a high-wealth district when, in fact, their county is not wealthy These school districts already have undergone the difficult process of consolidation on a county, or nearly county-wide basis. In the case of USD 284, they can not reasonably consolidate any further.

This legislation would help their school district have access to supplemental general fund monies. At this time, they only have been able to obtain LOB Funds and as a result, struggle to provide an equitabe education to their students. Thank you for your consideration of this legislation.

Senator Jim Barnett

*Senate Education Committee
2-25-08
Attachment 5*

February 25, 2008

Chairwoman and Members
Senate Committee on Education
State Capitol
Topeka, Kansas

Re: Summary of Testimony,
Senate Bill 627,
Local Option Budget Wealth Formula

Madame Chairwoman and Members:

My name is Bill Halvorsen. I am a member of the Chase County Unified School District No. 284 Board of Education. I appear as a proponent of Senate Bill 627 concerning School Finance.

This Bill amends the current formula for calculating a district's entitlement to supplemental state aid for the Local Option Budget (LOB). The bill is fiscally neutral.

The Chase County School District was formed in 1966 by way of consolidation of all of the school districts in Chase County. We are one of a handful of county wide districts. We have about 435 pupils in grades kindergarten through 12. Our district's assessed valuation is \$40 Million. We have a population of about 3,300 people, two banks, several small businesses and some farm land. Most of our land area is bluestem covered Flint Hills used for grazing. Our Agricultural land is assessed on "use value", which is an income based approach rather than a fair market value approach, as provided by a Constitutional Amendment adopted by Kansas voters at the 1976 General Election.

In the past fifteen years, our district, like most in the state, has come to depend upon the LOB to finance operations. Originally, the LOB provided funds for educational opportunities because the base aid funded essential needs. However, as time past, the LOB became necessary to maintain basic operations, including salaries, as the base aid became inadequate. Our taxpayers have been generous and have allowed us an LOB funded entirely from local taxes. The stark and unmistakable reality is that without our locally funded LOB, we would no longer be able to conduct operations.

We fully recognize that the Legislature was forced to make very difficult decisions regarding school finance, especially after the Kansas Supreme Court decision in Montoy v. State. We further recognize that the state budget is stressed and that funding state government operations has been difficult. We can even understand that, as a matter of policy, legislators may believe that eventually consolidating some of the 300 school districts in the state would make the cost of education more affordable for all, a policy that many in Chase County agree with. On the other hand, we believe that it is

*Senate Education Committee
2-25-08
Attachment 6*

unnecessary to make the argument that consolidation beyond a county unit is unreasonable inasmuch as those arguments are self evident.

With about 435 students and an assessed valuation of \$40 Million, we are not wealthy by any reasonable calculation. We have very little industry or other capital intense businesses. Additionally, we, like most non-urban districts, have experienced declining enrollment and, unfortunately, will continue to do so in the foreseeable future. Yet, until this school year when we received \$12 Thousand, we have received no state assistance with our LOB.

Of course, when enrollment declines, the district suffers a “double whammy” because not only does it get wealthier and farther from LOB assistance, it also loses base aid.

Under the current version of K.S.A. 72-6434, 82% of the districts receive supplemental general state aid on their LOB. 18% (the “wealthy districts” like Chase County), receive nothing. Of the 82% of the districts who do receive assistance, the amount paid to them is based upon a sliding scale.

K.S.A. 72-6434(a)(1) – (5) specifies how the state determines what districts get supplemental assistance and in what percent of the district’s LOB the amount will be. Essentially, it provides that the district’s assessed valuation will be divided by the actual number of students (“Wealth Formula”), and then ranked from low to high until reaching the 82nd percentile. Obviously, there are two ways that a district’s wealth fraction determined under this formula can change – either increase or decrease the assessed valuation (the fraction’s numerator) or the number of students in the district (the denominator). Clearly, though, if the numerator (assessed valuation) remains constant, but the denominator (number of students) declines, the wealth fraction increases and the district gets “wealthier”. In other words, in a district like Chase County’s where our assessed valuation is stable, every time that we lose a student, we get “wealthier”. As we get “wealthier”, we get farther from LOB assistance. The unfortunate truth is that our enrollment has been declining, and will continue to do so in the future, especially in light of the severe economic decline by our nearest neighbor, Lyon County and Emporia.

Clearly, the net effect of this method of calculation is to put more pressure on local taxpayers. At some point, the cost will become unbearable, and closing the doors will become the only option. In most districts, when the wolf comes to the door, there is always the option of consolidation with a neighboring district. However, in our district where we have already consolidated to a county unit, we believe that it would not be reasonable to expect us to have an entire county without a school district. We trust that as a matter of policy, the state does not expect any district to be larger than a county unit in order that it can maintain its local governance and culture.

We submit that Senate Bill 627 provides a fiscally neutral method to address this obvious inequity by amending K.S.A. 72-6434, specifically by adding New Section (g) by providing an “escape hatch” for districts such as ours. It does not require that the

legislature put forth more money into the formula; it just allows us to share in the money that is appropriated. Additionally, because we are a small district, the actual amount of money would be small in relation to the total appropriation.

Even though the amount is small, it would be a life saver for us by providing relief and equity to our taxpayers, and hopefully our taxpayers could afford to continue their generosity in allowing us funds for capital outlay. We have aging facilities that have been neglected for so many years, due to lack of funding, that we have reached the point that we must give these facilities attention. We are in the process of appointing a district facilities committee made up of a cross section of the district with the goal of determining our priorities, resources and facilities needs for the future. We desperately need your help through the relief provided for by this Bill.

About two years ago, I had the good fortune of spending several hours with former Governor Bill Avery at his home in Clay County. He lives alone in his country residence now that his wife has passed and his children gone from home. He is the second oldest living former Governor in the United States. He was hospitable and, as I asked of him, he told me stories of the "old days" when he was Governor of Kansas. He told me that he lost his bid for re-election in 1966 because of mandated school consolidation and school finance. He told me that even though it cost him re-election to the state's highest office that, as a former school board member in Wakefield, he felt that what he did was right for the children. However, he said that it would have caused less angst if he and the legislature had tried to accommodate the needs of individual districts instead of a "one size fits all" approach. We ask that of you here.

We believe that the authors of the current law never intended the current situation that punishes a district that suffered the pain of consolidation to a county level those many years ago. Unfortunately, in legislating there are often unintended consequences, and this is undoubtedly one of those. Fortunately, Senate Bill 627 provides a course correction that we believe does not alter legislative policy under current law or the intent of its authors, and best of all, is fiscally neutral.

In the end, this is about our state, our communities and, especially, our children. They should not be bussed to out-of-county schools, which clearly would not be reasonable. We know that you agree at least with our premises, and we thank you for your assistance in helping us.

I would be happy to take your questions.

Very truly yours,

Bill Halvorsen,
Member, USD 284
Board of Education

Chase County Unified School District #284

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Office-(620) 273-6303 Fax-(620) 273-6717
Greg Markowitz, Superintendent

February 25, 2008

Chairwoman and Members
Senate Committee on Education
State Capital Building
Topeka, Kansas

RE: Summary of Testimony
Senate Bill 627
Local Option Budget Wealth Formula

Madame Chairwoman and Committee Members:

My name is **Greg Markowitz**. I serve as the Superintendent of Schools for USD 284, Chase County Schools, Chase County, Kansas. I appear as a proponent of Senate Bill 627.

As stated in the previous testimony of **Bill Halvorsen**, a member of the USD 284 Board of Education and the Chief Negotiator for USD 284, the taxpayers and children of our school district are at a real and growing disadvantage under the current state formula that sets relative district wealth for purposes of determining state support for the Supplemental General Fund or as it is more commonly referred to the Local Option Budget (LOB). Bill did an excellent job of highlighting the rationale for and perceived inequities of the current formula as it pertains to USD 284. As chief financial officer for the school district, I would like to share the financial realities that this inequity has created in Chase County, Kansas.

As stated by Mr. Halvorsen, the LOB was originally intended to provide additional opportunities for the children of Kansas and in addition to the funding provided by the state General fund for essential and appropriate student learning needs. Irregardless of good intentions or situation, the LOB in USD 284 is no longer an option. There is no longer any question that USD 284 could not function without the funds provided annually by the LOB. The fact that the USD 284 LOB is no longer an option for the children and taxpayers of USD 284 is exactly why this funding formula inequity has been brought to the attention of this committee.

USD 284 is a **declining enrollment district** and has been so for eight (8) of the last ten (10) budget years. In FY98 our audited enrollment was **528.0**. In the current fiscal year (FY08) that audited enrollment figure had fallen to **434.0**. The projected enrollment for FY09 is currently projected at **428.0** but could go even lower given the great uncertainty in our local employment market including Tyson Foods and Interstate Bakery in Emporia. Our enrollment decline amounts to an **18.9%** decrease over a 10-year period. ✓

USD 284 is an **increasing assessed valuation district** and has been for nine (9) of the last ten (10) budget years. In FY98 our General Fund Assessed Valuation was **\$25,124,230**. By FY08 that figure had risen to **\$37,219,232** or an increase of **48.2%**.

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Senate Education Committee
2-25-08 Attachment 7

Chase County Unified School District #284

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Greg Markowitz, Superintendent

The combined assessment and enrollment figures indicated above have had a drastic and increasingly “double-negative” impact on the financial status of USD 284 and its ability to provide a free and appropriate public education to the students of our district. The declining enrollment has caused a significant decrease in General Fund funding on a per student basis even with increased state funding levels. The declining enrollment coupled with increased assessed valuation has caused the state to consider USD 284 to be classified as even wealthier and thereby ineligible per the current state wealth formula for state assistance for our LOB at a time when the local LOB became both required and increasingly expensive to fund at a solely local level.

The taxpayers of USD 284 are **not** abdicating their **civic responsibilities** in regards to funding public education in Chase County, KS. In fiscal year 2001-2002, the USD 284 **LOB mill levy** was **8.763** mills. Comparing that mill levy with the current (FY08) LOB mill levy of **23.160** mills shows that in six (6) fiscal years, the taxpayers of USD 284 have increased their support of the local LOB by 14.397 mills or 164.29%.

As you know and during the time spans indicated above what is now being **mandated** of USD 284 at both the state and federal levels has increased dramatically. No Child Left Behind, QPA, State Assessments, Wellness Programs, Bullying Programs, All-Day Kindergarten with 50% funding, increased Special Education requirements and numbers, continued and required local effort to fund Special Education that was supposed to be fully funded and drastically reduced numbers of available teachers to name a few have all become expected of school districts with little or no additional funding being provided to support these worthwhile but nonetheless very expensive initiatives.

USD 284 is using its funding in a planned, responsible and accountable manner. In 2007-08 alone a student bus route was eliminated, activity routes were combined and reduced, a retired Food Service worker was not replaced, departmental reorganization was completed in food service, custodial-maintenance and transportation departments and much needed repairs on rapidly aging buildings were delayed for still another year. The Board of Education is currently working on the 2008-09 budget and has already decided to eliminate one teacher at the elementary school, a 0.4 teaching position at the high school, district support for the Parents as Teacher Program, district funding for a new vocational agriculture position and elimination of the noon transportation for our half-day KG students next year. These are real cuts that are having real impact on real children. Unfortunately, they are necessary because the USD 284 BOE no longer has any viable options in regards to funding the educational programs of the district based on the current LOB funding formula.

USD 284 is not seeking special status and understands and appreciates the fact that many school districts in Kansas face similar situations. We do believe, however, that USD 284 needs to be treated fairly and in an equitable manner when it comes to state assistance for our now mandatory LOB funding. Any relief that this committee could see fit to grant would be much appreciated by the parents, children and patrons of USD 284. Thank you.

KANSAS
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Testimony before the
Senate Committee on Education

on
SB 627 – Assessed Valuation for Chase County USD 284

by

Mark Tallman, Assistant Executive Director/Advocacy
Kansas Association of School Boards

February 25, 2008

Madam Chair and Members of the Committee:

Thank you for the opportunity to comment on **SB 627**. As we understand the basic purpose of this bill is to change the treatment of the school districts' assessed valuation per pupil in order to provide additional supplemental state aid for the local option budget.

In developing KASB's policy position, no requests for information have been presented to KASB to justify different treatment of school districts regarding the calculation of assessed valuation per pupil. Therefore, we appear in opposition to this bill. At the same time, we share many of the concerns expressed by the proponents of this bill.

The policies and resolutions adopted by our members express a deep concern about the reliance on the local option budget and its impact on local property taxes. Rather than begin a process of adjusting valuation to increase state aid, we believe the state should increase the base budget per pupil and school district general funds, and significantly reduce reliance on local option budgets.

Quite frankly, **SB 627** is a warning sign that Kansas is headed back into a school funding crisis.

The Kansas Supreme Court ruled the "three-year-plan" adopted by the Legislature complied with its order to address deficiencies the court had found under the previous law. It specifically did NOT rule the new law was constitutional – it pointed out the new law must be presumed constitutional until challenged and reviewed by the courts.

Kansas continues to rely on local option budgets to fund educational costs that are clearly not "optional." The portion of operating budgets funded by the LOB has increased, not decreased, since the *Montoy* case. This means an increasing portion of budgets are funded by unequal local tax rates on vastly

Senate Education Committee
2-25-08
Attachment 8

different measures of local wealth. The Legislature has also made accessing LOB authority more difficult and unequal by imposing an election requirement on use of the LOB over 30 percent.

Even under the "three-year-plan," base budgets increases averaged around \$59 per year – less than half of the rate of inflation and far less than projections for future costs by the Legislative Post Audit Outcomes study. Yet this same rate of increase has been passed by the Senate for the "fourth" year.

KASB understands the current financial pressures on the state budget. Part of these pressures result from the actual and perceived economic slowdown. They partly result from federal actions. But the budget situation also results from the erosion of the state tax base by tax cuts, exemptions and transfers.

For most legislators, raising taxes is nearly unthinkable. But most local school boards have had to raise taxes to keep up with educational costs. Unfortunately, most boards have only one real option for raising revenue: the property tax. Yet this tax has increasingly shifted to residential property, and property taxes account for a growing share of combined state and local taxes. Tax experts warn that this trend is prescription for a tax revolt.

We understand this issue will not be solved today, or during this session. But we urge the Senate Education Committee to begin to address the fact that our members have come to understand: school finance is linked to the broader issue of state tax policy. KASB and the Kansas National Education Association have been arguing for several years that Kansas needs a comprehensive look at the entire tax system. The question is whether that will be before or after the next crisis.

Thank you for your consideration.