

## MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:40 P.M. on March 12, 2008, in Room 123-S of the Capitol.

Committee members absent: Ruth Teichman- excused

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  
Gary French, Superintendent, U.S.D. 367, Osawatomie  
Mark Tallman, Kansas Association of School Boards  
Bill Brady, Schools For Fair Funding  
Cheryl Semmel, United School Administrators of Kansas

**SB 623 – School finance; high density at-risk formula; linear transition calculation**

Matt Todd, Revisor of Statutes Office, explained that **SB 623** would implement a linear transition for the high density at-risk weighting for school districts with a free lunch student percentage between 35 percent and 50 percent. It would cap the maximum high density at-risk weighting at 9.66 percent for all school districts with at-risk students between 35 percent and 50 percent. He noted that, under current law, there is a cap of 10 percent for districts with 50 percent or more students receiving free lunch. According to the fiscal note, passage of **SB 623** would have no fiscal effect on the state; however, individual school districts may experience either increases or decreases to amounts received under the current formula for high density at-risk weighting.

Senator Pat Apple testified in support of **SB 623**. He said that the bill relates to the problem created under current law wherein school districts that are close to 50 percent or close to 40 percent free lunch count experience a “cliff effect.” He explained that, once a district has been evaluated for the certified number of at-risk students, the district can lose a significant amount of money if the district has dropped off the 40 or 50 percent “cliff” on the December certification date for the number of at-risk students.

Gary French, Superintendent of Schools for U.S.D. 367 (Osawatomie), testified in support of **SB 623**. He explained that U.S.D. 367 has an at-risk population of 40.76 percent free lunch count, which narrowly kept U.S.D. 367 on the high density at-risk funding ledge and resulted in an additional \$104,976 for at-risk programs. He further explained that the difficulty the district has with the current formula for funding high density at-risk weighting is that it is unknown if the district will qualify next year. General fund budgets are published in August based on an estimate of the September 20 enrollment count; therefore, it would be unwise for a school district that has a free lunch count within a few percentage points of the 40 percent to 50 percent ledge to budget high density at-risk dollars. Thus, Osawatomie and other districts with similar populations must wait until the September 20 count date, and this is not an effective way to meet the needs of the district’s at-risk children. With the linear transition provision in **SB 623**, financial decisions could be made based on priorities and student achievement data, and successful programs would be sustainable. (Attachment 1)

Mark Tallman, Kansas Association of School Boards, testified in support of **SB 623** with a qualification. KASB supports the concept of a linear transition for the high density at-risk weighting; however, it opposes the provision in the bill that, in effect, funds the linear transition by reducing aid to the districts with the highest percentage of low income children. He reasoned that funding a linear transition makes sense for the formula, but increasing funding for programs that help low income students succeed in school makes sense for the economic future of Kansas. (Attachment 2)

## CONTINUATION SHEET

MINUTES OF THE Senate Education Committee at 1:40 p.m. on March 12, 2008, in Room 123-S of the Capitol.

Bill Brady, Schools For Fair Funding, testified in opposition to **SB 623** in its current form on behalf of the Kansas National Education Association, U.S.D. 500 (Kansas City, Kansas), U.S.D. 259 (Wichita), U.S.D. 501 (Topeka), and Kansas Families For Education. Mr. Brady said Schools For Fair Funding supports a linear transition but does not believe that the districts currently receiving high density weighting should suffer a loss in their percentage allocation in order to provide a solution to a problem that nearly everyone agrees should be solved. He asked the Committee to consider an amendment to existing law that would tie high density at-risk weighting to the declining enrollment weighting. He explained that, by allowing any districts receiving this weighting to use their current year, prior year, or a three year average for the sole purpose of qualifying for the high density at-risk weighting, districts would avoid the effect of a sudden loss in enrollment. He noted that a memorandum from the Kansas Department of Education concerning the proposed amendment indicated that the fiscal impact would be insignificant. (Attachment 3)

Cheryl Semmel, United School Administrators of Kansas, presented testimony on **SB 623** as a neutral conferee. She stated that USA/Kansas supports implementing a linear transition formula for high density at-risk students, but at the same time is concerned that the bill in its current form sets the cap at 9.7 percent and will reduce funding for many school districts and negatively impact programs that serve students with the greatest need. Therefore, she strongly encouraged the Committee to amend the bill to ensure that all districts are able to continue funding at-risk programs which have been effective. (Attachment 4)

Theresa Kiernan, Revisor of Statutes Office, distributed copies of a proposed amendment to **SB 623**. (Attachment 5) She explained that subsections (a) through (d) in Section 1 were rewritten to return to current law. Those subsections would be subject to new subsection (e) which would provide that, if the enrollment of at-risk pupils decreased in any school year, the high density at-risk pupil weighting of the district in the current school year would be the greater of the weight in the current year, the high density at-risk pupil weighting in the prior school year, or the average of the high density at-risk weighting in the current year and the two preceding school years.

Committee discussion concerning the effect of the proposed amendment followed, and it was the consensus of the Committee to authorize Mr. Brady to work with Ms. Kiernan to draft an amendment which accurately reflects the concepts which he presented. Mr. Brady agreed to do so. With this, the hearing on **SB 623** was closed.

Senator Schodorf called the Committee's attention to the minutes of the March 10 meeting.

Senator Allen moved to approve the minutes of the March 10 meeting, seconded by Senator McGinn. The motion carried.

The meeting was adjourned at 2:15 p.m.

The next meeting is scheduled for March 13, 2008.



**Testimony on SB No. 623  
Before the  
Senate Education Committee  
By**

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

**March 12, 2008**

Madam Chair and Members of the Committee:

I thank you for the opportunity to appear in support of Senate Bill 623.

Funding provided by the high-density at-risk weighting provides school districts with opportunities to close the achievement gap between at-risk and general student subgroups. The Osawatomie School District uses at-risk funds to support all day kindergarten, provide secondary level math and reading labs, provide an alternative placement high school, provide for a credit recovery program, fund elementary academic monitors, provide district wide before and after school programs, and allows for lower class size in the primary grades.

These programs have proven to be successful in Osawatomie. The Osawatomie High School math lab is an example. The lab permits at-risk students enrolled in algebra I, algebra II, or geometry the benefit of doubling the instruction time. This allows students to take higher-level math classes at a pace in which they can be successful. Prior to this concept the percent of at-risk students scoring proficient or higher on the Kansas Math Assessment was 52.5 percent. Two years after implementing the math lab concept, 84.3 percent of at-risk students now score at the proficient level or higher.

Similar results have occurred at Osawatomie Middle School. The at-risk student subgroup improved from 64.8 percent to 77.1 percent proficient or higher on the Kansas reading assessment after implementing an after school program and reading lab.

All school districts have success stories and can testify to positive results linked to additional at-risk funding. Funding has allowed districts to establish high expectations for all students and provide a means for success.

Osawatomie School District has a 2007-2008 adjusted FTE of 1177.5 and has 480 students that qualified under the federal free lunch guidelines. That equates to an at-risk population (for funding purposes) of 40.76 percent. This narrowly kept USD 367 on the high-density at-risk funding ledge, which resulted in an additional 104,976 dollars for at-risk programs. Had 10 fewer students qualified for the federal program, additional dollars under the high-density formula would have been zero.

*Senate Education Committee  
3-12-08  
Attachment 1*

The difficulty we find with the current formula for funding high-density at-risk weighting is that we simply do not know if we will qualify from year to year. General fund budgets are published in August based on an estimate of a September 20<sup>th</sup> enrollment count. It would be unwise for a school district that has a free lunch count within a few percentage points of the 40% or 50% ledge to budget high-density at-risk dollars. This means Osawatomie, and districts with similar at-risk populations must wait until the September 20<sup>th</sup> count date, or possibly until the KSDE audit is complete before implementing at-risk programs. This is not an effective way to meet the needs of our at-risk children.

By creating a linear transition as provided in SB 623, and or, providing a current year, previous year, or three year average safeguard for at-risk FTE, programs designed to help children could be planned, implemented, and evaluated effectively. Financial decisions could be made based on priorities and student achievement data. Successful programs would be sustainable.

Thank you for the opportunity to present testimony in support of SB 623 as well as your consideration.

KANSAS  
ASSOCIATION



OF  
SCHOOL  
BOARDS

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Testimony on **SB 623**  
before the  
**Senate Committee on Education**

by

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

**March 12, 2008**

Madam Chair and Members of the Committee;

Thank you for the opportunity to appear today as a proponent of **SB 623**, but with an important qualification. We support the concept of a “linear transition” for the high density at-risk weighting because we believe districts experiencing a loss in budget authority should have that loss phased-out or cushioned by some mechanism. Requiring a district to lose all of its high density weighting as a result of a small change in the enrollment of students eligible for at-risk funding would require a significant reduction in services for at-risk children.

However, we oppose the provision in this bill that, in effect, funds the linear transition by reducing aid to the districts with the highest percentage of low income children. The school finance resolution adopted this year by our members expressly supports additional at-risk funding. We have taken that position based on the clear evidence that increased at-risk funding has dramatically increased achievement for all students.

Over the past decade, the biggest change in the school finance formula has been the increase in funding targeted at students who are “at-risk” of failure in school. Funding for at-risk, bilingual and special education programs has tripled, and have increased from less than 10 percent of district general fund budgets to over 20 percent. As funding has increased, achievement on state assessments has increased significantly for at-risk students – and for other students as well.

The same is true on the National Assessment of Education Progress (NAEP). Scores of all Kansas students improved both compared to previous years and other states. For each subgroup, Kansas scores improved significantly, and the national ranking among low income students held steady, increased for African Americans and declined only for Hispanics.

<sup>1</sup> Senate Education Committee  
3-12-08  
Attachment 2

Increasing student achievement, especially for at-risk students who have tended to have low educational attainment, is critical to both individual and societal economic success. The difference between success and failure in school has major consequences on an individual's future earnings. According to the U.S. Census Bureau, the average high school drop-out will earn \$1 million over their working life in 1999 dollars, while a high school graduate will earn \$1.2 million; working with a two-year degree \$1.6 million; a bachelor's degree \$2.1 million; and advanced degree results in earnings of \$2.5 to \$4.4 million. Therefore, every dollar we invest in a student's educational success is truly an investment in future earnings, future tax revenues, higher productivity and reduced social welfare costs.

Therefore, KASB opposes the idea that we should reduce at-risk funding for some districts to help others. Funding a linear transition makes sense for the formula, but increasing funding for programs that help students succeed in school makes sense for the future of Kansas.

Thank you for your consideration.

**TESTIMONY IN OPPOSITION TO SB 623  
IN ITS CURRENT FORM**

March 12, 2008

Bill Brady

Schools For Fair Funding is pleased to present testimony regarding SB 623 on behalf of the following organizations:

Kansas National Education Association  
Kansas City Kansas Public Schools, USD 500  
Wichita, USD 259  
Topeka Public Schools, USD 501  
Kansas Families for Education

Schools For Fair Funding supports a linear transition for the high risk density weighting. The current system has the potential to cause huge shifts in dollars to districts that might suffer a slight enrollment decline. Districts budget based on the availability of the dollars and a slight variance for districts on the border of 40% or 50% could cause serious financial ramifications.

While we support a linear transition, we do not believe the districts currently receiving the high density weighting should suffer a loss in their percentage allocation in order to solve this problem. SFFF believes a transition policy is good state policy and should be viewed as an improvement to the existing school finance formula.

We are also realistic in understanding that this issue has been discussed for a couple of years and obviously remains unsettled based primarily on its cost. At a time when state resources are extremely tight lawmakers have been hesitant to put more state resources into the plan. Understanding that there has not been a majority in the Kansas House of Representatives for either plan, the state paying or the districts, we would ask the Committee to consider an alternative. We propose an amendment to existing law that would tie the high density at risk weighting to the same provision we call declining enrollment. By allowing any districts receiving this weighting to use their current year, prior year, or three year average for the sole purpose of qualifying for the high density at risk weighting, it would allow districts to avoid the effect of a sudden loss in enrollment. If the loss remained over a few years the district would eventually lose the funding but not before the provision would have served as a buffer against a sudden one year loss. In a memo to Senator Hensley, Dale Dennis indicates the cost of such a provision to be minimal.

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3-12-08  
Attachment 3*



The cost of a linear transition derives from the additional schools that fall below the current 40% and 50% marks that are brought into the funding with a transition. By allowing only districts currently within the range receiving the weighting more enrollment flexibility, the cost is minimal and the potential exposure to the state is minimal as well since only a few districts on the border of 40% and 50% would benefit from the declining enrollment provision. SFFF thinks this amendment is a practical solution to a problem nearly everyone agrees should be solved.

We ask the Committee to not advance SB 623 in its current form and consider an amendment as we have outlined.



February 5, 2008

TO: Senator Anthony Hensley

FROM: Dale M. Dennis, Deputy  
Commissioner of Education

SUBJECT: High-Density At-Risk

This memorandum is written in response to your inquiry concerning what the effects would be if the high-density at-risk was amended to allow school districts to use the current year, prior year, or three-year average percentage for high-density at-risk. This change would have the effect of eliminating sudden decreases in high-density at-risk funding that is not known until after the beginning of the school year.

It is my opinion the fiscal impact would be insignificant since the school districts are already receiving the funding. The proposed change would result in a two or three-year phase-out rather than reducing the funding all at once for school districts that drop below 40 or 50 percent.

We hope this information will be of assistance to you.

**Testimony on  
S.B. 623**

**Senate Education Committee**

**Presented by: Cheryl L. Semmel, Executive Director**

**March 12, 2008**

The mission of United School Administrators of Kansas (USA|Kansas\*), through collaboration of member associations, is to serve, support, and develop educational leaders and to establish USA|Kansas as a significant force to improve education.

Education administrators remain committed to ensuring that each and every child in Kansas receives a quality education that will help them reach their potential and become successful, productive adults. There are 465,000 students in our public schools that we strive to impact positively every single day. As you know, Kansas students are making unprecedented academic achievement and we are on a path of continuous improvement. In many areas, Kansas students are performing **above** the national average and for that you should all be proud.

S.B. 623, a bill relating to school finance, is intended to modify K.S.A. 72-6455 and replace the 40 percent and 50 percent benchmarks for determining At-risk funding with a linear transition that increases funding as the percentage of students eligible for free meals increases. **This morning, I would like to express our support for implementing a linear transition formula for high-density At-risk students, while at the same time expressing concerns about the technical aspects of S.B. 623.**

First and foremost, thank you for the increases—and flexibility—in At-Risk funding. In conjunction with those increases, student performance on state assessments has continued to improve. Districts have utilized At-risk funds to implement programs that support students requiring additional assistance to achieve academic proficiency and success.

Administrators have consistently supported the implementation of a linear transition formula that protects districts from significant funding losses. The linear transition resolves sharp delineations and allows for planning and implementing effective services for At-risk students.

Unfortunately, S.B. 623, as currently written, sets the cap at 9.7 percent and will reduce funding for many school districts and negatively impact programs that serve those students with the greatest need. USA|Kansas strongly encourages the committee to amend S.B. 623 and maintain the current ten (10) percent cap to ensure that all districts are able to continue funding

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Attachment 4*

those At-risk programs that have proven effective. We recognize that this change would result in an additional cost of approximately \$2 million, but we also believe that funding At-risk programs is an investment in our students.

In closing, on behalf of education administrators, I would like to thank you for your continued support of education, for increased education funding and for realizing the importance of investing in education. Preparing our children requires a shared commitment, collaboration, and open dialogue among all stakeholders. Thank you for being partners in education.

\*USA|Kansas represents more than 2,000 individual members and ten member associations:

Kansas Association of Elementary School Principals (KAESP)  
Kansas Association of Middle School Administrators (KAMSA)  
Kansas Association of School Administrators (KASA)  
Kansas Association of School Business Officials (KASBO)  
Kansas Association of School Personnel Administrators (KASPA)  
Kansas Assoc for Supervision and Curriculum Development (KASCD)  
Kansas Association of Special Education Administrators (KASEA)  
Kansas Association of Secondary School Principals (KASSP)  
Kansas Council of Career and Technical Education Administrators (KCCTEA)  
Kansas School Public Relations Association (KanSPRA)

Section 1. K.S.A. 2007 Supp. 72-6455 is hereby amended to read as follows: 72-6455. The high density at-risk pupil weighting of each school district shall be determined by the state board as follows:

(a) Except as provided by ~~subsection (d)~~ subsections (d) and (e), if the district has an enrollment of less than 40% at-risk pupils, the state board shall multiply the number of at-risk pupils by 0. The product is the high density at-risk pupil weighting of the district.

(b) Except as provided by ~~subsection (d)~~ (d) and (e), if the district has an enrollment of at least 40% but less than 50% at-risk pupils, the state board shall multiply the number of at-risk pupils by ~~.04 in school year 2006-2007, by .05 in school year 2007-2008 and by .06 in school year 2008-2009~~ and each school year thereafter. The product is the high density at-risk pupil weighting of the district.

(c) Except as provided by subsection (e), if the district has an enrollment of 50% or more at-risk pupils, the state board shall multiply the number of at-risk pupils by ~~.08 in school year 2006-2007, by .09 in school year 2007-2008 and by .10 in school year 2008-2009~~ and each school year thereafter. The product is the high density at-risk pupil weighting of the district.

(d) Except as provided by subsection (e), if the district has an enrollment of at least 35.1% at-risk pupils and an enrollment density of at least 212.1 pupils per square mile, the state board shall multiply the number of at-risk pupils by ~~.08 in school year 2006-2007, by .09 in school year 2007-2008 and by .10 in school year 2008-2009~~ and each school year thereafter. The product is the high density at-risk pupil weighting of the district.

(e) If enrollment of at-risk pupils in a district in any school year has decreased from enrollment of at-risk pupils in the preceding school year, the high density at-risk pupil weighting of the district in the current school year shall be the greater of: (1) The high density at-risk pupil weighting in the current school year; (2) the high density at-risk pupil weighting in the prior school year; or (3) the average of the high density at-risk pupil weighting in the current school year and the preceding two school years.

Revisor of Statutes

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Attachment 5