

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:40 p.m. on March 13, 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: Representative Clay Aurand
Mark Tallman, Kansas Association of School Boards
Val DeFever, Schools for Quality Education

HB 2734 – An act concerning school districts; school finance; consolidation

Theresa Kiernan, Revisor of Statutes Office, explained that **HB 2734**, which was introduced by Representative Clay Aurand, amends a provision in the school finance law concerning consolidation of school districts. Under current law, if two or more districts consolidate, they get the combined state financial aid of the districts for three years. The amendment would provide a guaranteed combined general fund budget for two years for a school district desiring to consolidate with another district with fewer than 150 students. If a district has over 150 students but fewer than 200 students, the combined general budgets would be guaranteed for four years. For a district with more than 200 students, the combined general fund budgets would be guaranteed for five years. In all three situations, a consolidated district would receive either the guaranteed general fund budget or the actual computed amount under current law, whichever is higher. The bill also makes parallel changes to another provision in law relating to the disorganization of a district and the attachment of the territory of the disorganized district to another school district. As amended by the House Education Committee, the provisions would apply to districts consolidating or disorganizing on and after July 1, 2010.

Representative Aurand said that his thought process behind the introduction of **HB 2734**, was that, in order to encourage small school districts to consolidate rather than hanging on to the very end, there must be an incentive. With the bill, school districts would get more money if they consolidate sooner rather than later when there was no other choice. He then responded to questions from the committee as members discussed the effects of school consolidations in their senatorial district. Senator Vratil suggested that perhaps a better approach to the problem would be for the Legislature to mandate that a school district must consolidate with another school district if the district does not maintain a minimum curriculum for three years. Representative Aurand said that he felt that the best approach was not to mandate consolidation but to encourage consolidation by simply limiting a few of the extra dollars on the low enrollment.

Mark Tallman, Kansas Association of School Boards, testified in support of **HB 2734**. He noted that the bill does not force districts to consolidate but, rather, provides greater incentives for districts to act before their enrollment further declines. KASB believes that this approach has more appeal than a previous state package of incentives which has expired and which required districts to act by a certain date. (Attachment 1)

Val DeFever, Schools for Quality Education, presented testimony on **HB 2734** as a neutral conferee. She stated that she appreciated the fact that **HB 2734** is an incentive bill; however, it did not necessarily give a larger district the incentive to merge with a smaller district. In her opinion, it would make more sense to base the funding on the larger district or an average of the two districts. (Attachment 2)

There being no others wishing to testify, the hearing on **HB 2734** was closed.

CONTINUATION SHEET

MINUTES OF THE Senate Education Committee at 1:30 p.m. on March 13, 2008. in Room 123-S of the Capitol.

Senator Schodorf called the Committee's attention to the minutes of the March 12 meeting. Senator Teichman pointed out a typographical error on page two, paragraph 3, where "weightin" should be "weighting."

Senator Teichman moved to approve the minutes of the March 12 meeting as corrected, seconded by Senator Pine. The motion carried.

The meeting was adjourned at 2:20 p.m.

The next meeting is scheduled for March 18, 2008.

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Testimony before the
Senate Committee on Education

on

HB 2734 – School District Consolidation; State Aid

by

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

March 13, 2008

Madam Chair and Members of the Committee:

Thank you for the opportunity to offer comments today on **HB 2734**. KASB's position on school district consolidation is very simple. We support incentives to encourage school districts to consider consolidation when it makes educational and financial sense, and seek to remove barriers that discourage consolidation. However, we oppose measures that directly force districts to consolidate, or indirectly pressure districts to act through financial penalties.

As a result, we support passage of **HB 2734**, which provides financial incentives for consolidation by allowing the new district to maintain its budget for several years at the previous level. Specifically, this proposal provides greater incentives for districts to act before their enrollment further declines. In other words, as your enrollment continues to decline, the financial advantages under this bill would also decline. We think that might have more appeal than a previous state package of incentives, which has since expired, and which required districts to act by a certain date.

Thank you for your consideration.

*Senate Education Committee
3-13-08
Attachment 1*



Schools for Quality Education

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House Bill 2734 Consolidation Incentive March 13, 2008

Chairman Schodorf and Senate Education Committee members, thank you for allowing me to talk to you today about HB 2734. I appreciate that this bill provides incentives for small school districts that chose to consolidate. Five or six have taken advantage of the last such offering. That legislation gave districts greater funding the sooner they chose to pursue merging with one another.

House Bill 2734 pays district more if they choose to merge when they have more rather than fewer students. A few of my members asked me what happened when the two merging districts had differences in their student population. The bill as presently written gives the districts full funding for both districts with the number of years of this double funding being greater if the decision when they have a larger number of students. The number of years is determined by the FTE of the smaller district. Although this line of thinking would seem to push the smaller district to act faster, it doesn't necessarily give the larger district the incentive to merge with the smaller district.

If there is truly a desire to encourage earlier consolidations it would make more sense to base the funding on the larger district or an average of the two districts.

Respectfully submitted,
Val DeFever

Senate Education Committee

"Rural is Quality"

3-13-08
Attachment 2