

MINUTES OF THE HOUSE EDUCATION COMMITTEE

The meeting was called to order by Chairman Clay Aurand at 9:00 a.m. on February 3, 2010, in Room 711 of the Docking State Office Building.

All members were present except:  
Representative Judy Loganbill- excused

Committee staff present:  
Theresa Kiernan, Office of the Revisor of Statutes  
Reagan Cussimano, Kansas Legislative Research Department  
Sharon Wenger, Kansas Legislative Research Department  
Amanda Nguyen, Kansas Legislative Research Department  
Dale Dennis, Kansas State Department of Education  
Janet Henning, Committee Assistant

Conferees appearing before the Committee:  
Scott Frank, Performance Audit Manager, Legislative Division of Post Audit  
Diane Gjerstad, Wichita Public Schools

Chairman Aurand requested Sharon Wenger introduce to Committee members, an intern for the Kansas Legislative Research Department. Mrs. Wenger advised Amanda Nguyen, a student at Wichita State University, will be working in their department until August, 2010.

**HB 2410 - School districts; recalculating adjusted enrollment if it is determined pupils are ineligible for free meals.**

Chairman Aurand opened the hearing on **HB 2410**. Chairman Aurand told Committee members the bill has some moving parts so he wanted to take some time to discuss this issue.

Theresa Kiernan, Senior Assistant Revisor, Office of the Revisor of Statutes, gave an overview of **HB 2410** to Committee members.

A question and answer session followed the presentation.

Scott Frank, Performance Audit Manager, Legislative Division of Post Audit, told Committee members this bill was introduced by the Legislative Post Audit Committee to address an issue which had been identified in a November, 2006 performance audit looking at the use of free-lunch counts as a basis for distributing at-risk funds to school districts.

Mr. Frank told Committee members that the audit found there were more than 1,800 students who had been determined to be ineligible for free lunches, but were still counted for at-risk funding. To correct the problem, Legislative Post Audit recommended that the Department ensure that its child nutrition team share any information regarding ineligible students - whether identified through its consultants' reviews or the school districts' reviews - with the fiscal auditors so they could adjust the at-risk counts accordingly.

Mr. Frank told Committee members that **HB 2410** would address the issue which has been identified in their audit. It would require the State Board of Education to remove a student from a district's at-risk count when it is notified that the student was determined to be ineligible for free lunches through the district's verification work. (Attachment 1)

A question and answer session followed the presentation.

Diane Gjerstad, Wichita Public Schools, spoke to Committee members in opposition of **HB 2410**. Ms. Gjerstad told Committee members their district had several concerns with **HB 2410** which would eliminate weightings for any student who is found ineligible for free meals under the School Nutrition Program.

Ms. Gjerstad told Committee members that family applications for free or reduced lunch diminish for students in higher grade levels because older students self-enroll. She stated there is unease that some students receiving benefits are not eligible. The difference between elementary and high school free lunch is not as a result of sudden prosperity of families but rather as a result of families or students not completing the application. Ms. Gjerstad advised that many of these families eventually complete the application but after the deadlines for reporting under this bill. Districts would lose funding for these families even when they become eligible later in the year. **HB 2410** takes away but does not credit when families are found to be in compliance later in the year. (Attachment 2)

A question and answer session followed the presentation.

Chairman Aurand closed the hearing on **HB 2410**.

**HB 2433 - State educational institutions; exemption from state purchasing law.**

CONTINUATION SHEET

Minutes of the House Education Committee at 9:00 a.m. on February 3, 2010, in Room 711 of the Docking State Office Building.

Chairman Aurand asked Committee members for discussion of **HB 2433** as to whether to work the bill.

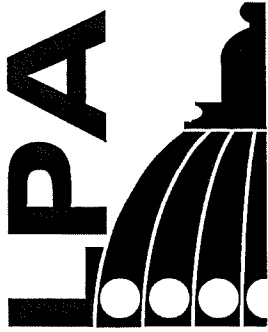
Representative Otto moved to insert in Section 7 of **HB 2433** that the Department of Corrections may sell, to the general public, items made by inmates of Department of Corrections and not currently available to Kansas residents. The motion died for lack of a second.

Representative Crow moved to amend **HB 2433** and accept the balloon amendment as prepared by the Kansas Department of Corrections. The motion was seconded by Representative Roth. The motion carried.

Theresa Kiernan, Senior Assistant Revisor, Office of the Revisor of Statutes, requested the Committee allow for some technical clean-up language in **HB 2433**. Representative Horst moved to add the clean-up language in **HB 2433** as requested. The motion was seconded by Representative Hill. The motion carried.

Representative Brookens made the motion to move out **HB 2433** as amended. The motion was seconded by Representative Winn. The motion carried.

The meeting was adjourned at 10:00 a.m. The next meeting is scheduled for February 9, 2010.



# MEMORANDUM

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TO: Members, House Education Committee  
FROM: Scott Frank, Manager, School Audits  
DATE: February 3, 2010  
SUBJECT: Background Testimony on House Bill 2410

Thank you for the opportunity to provide neutral background testimony on House Bill 2410. This bill was introduced by the Legislative Post Audit Committee to address an issue we identified in a November 2006 performance audit looking at the use of free-lunch counts as a basis for distributing at-risk funds to school districts.

**In our November 2006 audit, we found that for the 2005-06 school year, there were more than 1,800 students who had been determined to be ineligible for free lunches, but were still counted for at-risk funding.** Here's how that happened:

- Federal law requires school district officials to accept applications for free lunches at face value, but it also requires them to verify the financial information for a small sample of those applications.
- In 2005-06, school districts identified 1,839 students whose eligibility couldn't be verified, and reported them to the Department of Education's child nutrition team. As part of other work they were doing, the team's consultants also identified 17 ineligible students through their own reviews in 2005-06.
- The Department's child nutrition team didn't pass information about the 1,839 students on to the Department's fiscal auditors. The fiscal auditors could have removed these ineligible students from the at-risk count, saving the State about \$1.5 million in at-risk funding that year. *[Because the State pays more per student for at-risk funding now, the same number of students would cost at least \$3.6 million in 2009-10.]*

To correct this problem, we recommended that the Department ensure that its child nutrition team shares any information regarding ineligible students—whether identified through its consultants' reviews or the school districts' reviews—with the fiscal auditors so they could adjust the at-risk counts accordingly.

**Department officials recently told us its child nutrition team still doesn't share the results of the school districts' verification reviews with the Department's fiscal auditors.** Those reviews identify about 1,800 ineligible students a year. Here's why:

- Districts don't complete their reviews until November each year, and students whose eligibility can't be verified are formally declared to be ineligible for the free-lunch program shortly thereafter.
- Department officials contend that because these students don't officially become ineligible until after September 20 (the date on which most funding counts occur), the students technically were eligible for free lunches on September 20, and therefore still should be counted for at-risk funding.

**House Bill 2410 would address the issue that we identified in our audit.** It would require the State Board of Education to remove a student from a district's at-risk count when it is notified that the student was determined to be ineligible for free lunches through the district's verification work.

House Education Committee  
Date 2-3-10  
Attachment # 1



**House Education Committee  
Representative Aurand , Chair**

**H.B. 2410 – At risk pupil count**

*Presented by: Diane Gjerstad  
Wichita Public Schools*

February 3, 2010

Mr. Chairman, members of the Committee:

We have several concerns with HB 2410 which would eliminate weightings for any student who is found ineligible for free meals under the School Nutrition Program.

First, family applications for free or reduced lunch diminish for students in higher grade levels because older students self-enroll. Beginning in middle school some students enroll themselves, a practice which expands greatly at the high school level. As a result high school free or reduced lunch applications are less than lower grades. Wichita's percentage shows the drop off by level. Wichita free lunch percentage by level:

Elementary	65.4%
Middle	59.7%
High	50.6%

We understand there is unease that some students receiving benefits are not eligible. The 15% difference between elementary and high school free lunch is not as a result of sudden prosperity of families but rather as a result of families or students not completing the application.

Secondly, food service programs are heavily audited: a) KSDE auditors, b) by the Child Nutrition and Wellness division of KSDE; and c) in January Wichita Public Schools had a Coordinated Review Effort (federal review process) which reviewed 4000 applications.

Under school nutrition guidelines applications for verification selection are made on October 15<sup>th</sup>. The district makes multiple efforts to notify families whose applications are incomplete. For reporting purposes our efforts must conclude by November 15<sup>th</sup>. Some families are intimidated by the process or have difficulty getting appropriate information from their former employer. Many of these families eventually complete the application but after the deadlines for reporting under this bill. Districts would lose funding for these families even when they become eligible later in the year. HB 2410 takes away but does not credit when families are found to be in compliance later in the year.

Thank you, Mr. Chairman, I would stand for questions.

House Education Committee  
Date 2-3-10  
Attachment # 2