

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:40 p.m. on March 5, 2008, in Room 123-S of the Capitol.

Committee members absent: Carolyn McGinn- excused
Ralph Ostmeier- 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: Scott Frank, Legislative Division of Post Audit
Diane Gjerstad, Wichita Public Schools
Robert Vancrum, Blue Valley U.S.D. 229
Linda Aldridge, Northeast Kansas Education Service Center

Scott Frank, Legislative Division of Post Audit, presented a summary of the findings in a Post Audit study entitled, "K-12 Education: Reviewing Issues Related to Special Education Funding." He gave a brief overview of the answers to the following questions which the study addressed: "What percent of the excess costs of special education are districts and cooperatives reimbursed for, and why do those percentages vary?" and "How will districts and cooperatives be affected by changes to school-based Medicaid funding?". (Attachment 1) For the Committee's information, he distributed copies of a memorandum, prepared at the request of the Chairman of the House Education Committee, and a chart attached to the memorandum which compared excess costs and special education categorical aid per FTE student received by school districts and cooperatives for the 2005-2006 school year. (Attachment 2)

SB 646 – School districts; special education and the distribution of moneys therefor

Theresa Kiernan, Revisor of Statutes Office, noted that **SB 646** concerned a change in the current formula for distribution of excess costs for special education funding. She then briefly explained the new language on page 3, lines 28 through 43.

Diane Gjerstad, Wichita Public Schools, testified in support of **SB 646**. Noting that the structural problem with allocating categorical state aid is not new, she referred to the findings in Legislative Post Audit studies on this topic conducted in 1998 and 2007. In her opinion, **SB 646** takes a moderate approach by simply targeting future new money to those districts below the state policy target of 92 percent. She contended that this approach would not create "losers" but would assist the districts who have historically been under-compensated for serving high need, high cost students as mandated by law. Because recent changes to the federal rules for Medicaid reimbursement for school-based services has significantly reduced the amount districts are reimbursed by Medicaid, she encouraged the Committee to endorse a Medicaid replacement fund for districts who are serving Medicaid eligible students. (Attachment 3)

Robert Vancrum, Blue Valley U.S.D. 229, testified in support of **SB 646**. In summary, he said that **SB 646** would establish long-term equalization by freezing the amount received by districts which were above the statewide mandated average of 92 percent of excess costs last year and distributing all new amounts necessary to keep the average at that level only to those that were below 92 percent last year. Thus, no district would have funding taken away, and the disparity would be corrected over time. (Attachment 4)

Senator Schodorf called attention to written testimony in support of **SB 646** submitted by Dr. Gary George on behalf of the Olathe School District (Attachment 5), Mark Tallman on behalf of the Kansas Association of School Boards (Attachment 6), and Stuart Little on behalf of Shawnee Mission School District 512 (Attachment 7).

CONTINUATION SHEET

MINUTES OF THE Senate Education Committee at 1:40 p.m. on March 5, 2008, in Room 123-S of the Capitol.

Linda Aldridge, Northeast Kansas Education Service Center, testified in opposition to **SB 646**. In her opinion, any plan to redistribute limited special education funds will produce winners and losers. She suggested that, instead, the current method could be improved. She maintained that the bill does not reflect a commitment to improvement of services for all Kansas children, regardless of their geographic location. In conclusion, she called attention to a letter attached to her written testimony from Nancy Sapp, Kansas Association of Special Education Administration, requesting that the Department of Education appoint a task force to conduct a study to determine if there is a more effective way to fund special education services and report their findings in 2009. In addition to the letter, Ms. Aldridge attached a position paper in opposition to **SB 646** entitled, "The Reverse Robin Hood Effect," which was drafted by several school superintendents and the Director of Special Education for Cowley County. (Attachment 8)

There being no others wishing to testify, the hearing on **SB 646** was closed.

Senator Schodorf called the Committee's attention to the minutes of the February 25, 26, and 27 meetings.

Senator Vratil moved to approve the minutes of the February 25, 26, and 27 meetings, seconded by Senator Teichman. The motion carried.

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

The next meeting is scheduled for March, 6, 2008.