

MINUTES OF THE SENATE COMMITTEE ON EDUCATION.

The meeting was called to order by Chairperson Dwayne Umbarger at 1:30 p.m. on February 12, 2002 in Room 123-S of the Capitol.

All members were present except: Senators Hensley, Jenkins & Lee (excused)

Committee staff present: Ben Barrett, Legislative Research
Carolyn Rampey, Legislative Research
Theresa Kiernan, Revisor of Statutes
Dale Dennis, Deputy Commissioner of Education
Judy Steinlicht, Secretary

Conferees appearing before the committee: Mark Desetti, KNEA
Christy Levings, KNEA
Deloyce McKee, Director of Special Services, USD 383, Manhattan
Gary Norris, Superintendent, Salina Public Schools

Others attending: See Attached List

Mark Desetti and Christy Levings presented the Read Across American program sponsored by KNEA. KNEA provided each Senator with a children's book and asked that they take the book home to one of their schools, read the book to a group of kids and donate the book to the school library. KNEA publishes a book, Kansas State Reading Circle which lists recommended books to read for each age group. These books are distributed to all of the school libraries, school principals, public libraries, State Board of Education and Legislators.

SB483–School finance; reimbursement of special education and related services

Dee McKee, Director of Special Services, USD 383, Manhattan presented her views on the funding of special education in Kansas. She believes that the Legislature made an operational error when moving special education money into the general fund of the single districts and the cooperative districts last session. She believes that one must understand the three governance structures that exist in Kansas for service to special education to discuss the finance of special education. School districts were allowed to collaborate and to co-develop programs so that children could receive the required service in the least restrictive environment with the least amount of investment of money. This resulted in the three governance structures; the first is a single district service provider, the second a cooperative service provider and the third an interlocal service provider. Each group is set up differently, receives and distributes their funds differently. Dee explained how each structure is set up and how funds are received and distributed. Dee then explained the background of school funding that was to establish equity in all schools for the educational services of all children. Her recommendation would be to continue to send the special education dollars directly to the entity that is legally responsible for the management accounting and auditing of the funds. ([Attachment 1](#))

Gary Norris, Superintendent of Salina Public Schools, testified on **SB483** stating that he supported distribution of the funds provided for in the bill, but stated that it would have a devastating effect on the children in Salina Public Schools and a number of other school districts in Kansas if implemented as currently written. Dr. Norris asked that the Legislature amend **SB483** to include some sort of "hold harmless" language for those school districts that are home to the state's 23 special education cooperatives. Many of these districts have already accessed the additional dollars by using the state's required calculation during the current budget year (FY2002) and could be left with no additional budget authority to compensate for this loss. ([Attachment 2](#))

Mark Tallman, KASB, provided written testimony supporting the intent of **SB483**. This bill makes the system more equitable, but some districts that sponsor special education coops might be disadvantaged by this change. KASB believes that whenever districts lose budget authority due to a change in the school

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finance system, there should be some mechanism to hold those districts harmless or provide for a reduction in that authority over time. (Attachment 3)

Jacque Oakes, Schools for Quality Education, offered written testimony in favor of **SB483**. This bill would allow special education money to flow through the general fund of all school districts in a special education cooperative rather than just one host district. SQE appreciates that the flaw in the bill is being corrected, because in the order of fairness each district should receive the extra funding due particularly to them rather than just the acting entity of the cooperative. (Attachment 4)

Hearings were closed on **SB483**.

SB 403—Postsecondary education savings program, elimination of two-year waiting period for withdrawal, elimination of the state penalty on nonqualified withdrawal and exemption from creditors

John Peterson proposed an amendment to **SB403**. The amendment would eliminate the two year waiting period from the time the account is open until a qualified withdrawal can be made and eliminate the 10% state penalty for tax on non-qualified withdrawals. (Attachment 5)

Senator Emler proposed an amendment that would make an account subject to the claims of creditors and judgements for a 12 month period. After a lengthy discussion by the Committee, Chairman Umbarger asked that the amendment be put on hold for 24 hours to think about the discussion and determine an amendment that would work out all of the concerns.

Senator Oleen made a motion to amend **SB403** reducing the waiting period for withdrawal from 2 years to one year. Seconded by Senator Schodorf. Motion carried.

Adjourned 2:30 p.m.