

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:35 p.m. on January 10, 2007, in Room 123-S of the Capitol.

Committee members absent: Greta Goodwin- excused

Committee staff present: Sharon Wenger, Kansas Legislative Research Department
Ashley Holm, Kansas Legislative Research Department
Michele Alishahi, Kansas Legislative Research Department
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Katrin Osterhaus, Senior Auditor, Legislative Division of Post Audit

Senator Vratil requested the introduction of a bill which would repeal the one-year sunset on the non-proficient at-risk provision adopted during the 2006 Legislative Session. He also requested the introduction of a bill which would provide that school districts be required to have only a 25 percent local option budget in order to access cost of living and declining enrollment (Under current law, school districts must be at the maximum authorized local option budget in order to access cost of living adjustment and declining enrollment).

Senator Vratil moved to introduce both bills, seconded by Senator Pine. The motion carried.

Senator Schodorf turned the Committee's attention to the minutes of the January 9 meeting. Senator Teichman moved to approve the minutes of the January 9 meeting, seconded by Senator Vratil. The motion carried.

Sharon Wenger, Kansas Legislative Research Department, gave an overview of the conclusions and recommendations for elementary and secondary education made by the Legislative Educational Planning Committee (LEPC) in 2006. In addition to discussing the ten bills which the LEPC recommended for introduction in 2007, she outlined other LEPC recommendations as summarized on pages 12-3 and 12-4 of the December 2006 report on joint committees prepared by the Kansas Legislative Research Department. (Attachment 1)

Katrin Osterhaus, Senior Auditor, Legislative Division of Post Audit, reviewed a two-part performance audit report entitled, "K-12 Education: Reviewing Free-Lunch Student Counts Used as the Basis for At-Risk Funding." Copies of the report can be obtained from the office of the Legislative Division of Post Audit located at 800 SW Jackson, Suite 1200, Topeka, Kansas.

At the outset, Ms. Osterhaus explained the two ways students can become eligible for free lunches through the National School Lunch Program. She further explained that Kansas distributes at-risk funding based on the number of students eligible for free lunches in each district. She went on to discuss the following questions addressed in part one of the audit: (1) Does the count of free-lunch students used for at-risk funding accurately reflect the number of students who are eligible for the program? and (2) How does the number of free-lunch students reported by districts compare with poverty estimates compiled by the U.S. Census Bureau? With regard to question 1, she reported that about 17 percent of the free-lunch population is ineligible. In addition, she reported that about 6,900 students statewide may have been eligible for free lunches, but their families did not apply. She noted that the free-lunch counts used for at-risk funding also may include a number of students the Legislature did not intend to fully fund. She then identified additional problems with the Department of Education's free-lunch reviews that, if addressed, could produce a more accurate account.

With regard to question 2, she reported that, for 2003-04, Kansas had 54,000 more free-lunch students than adjusted U.S. Census estimates would suggest. She noted that the free-lunch count is significantly higher than the adjusted Census estimate primarily because the count includes many ineligible students. She explained that the Census Bureau's district-level poverty estimates have several limitations because of the way they are produced. She then discussed the following questions addressed in part two of the audit: (1) How does the

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number of free-lunch students in Kansas compare with the number of students who receive at-risk services? and (2) What is the basis for funding at-risk services in other states? She explained that free-lunch counts are used to determine the amount of state funding each district receives for at-risk services, but every Kansas school district develops its own criteria for identifying students who are at risk of failing academically and need additional services. With regard to question 1, she reported that the Kansas Department of Education does not have a reliable count of students receiving at-risk services. In addition, she reported that there is little relationship between the students used to fund at-risk services and the number of students who receive at-risk services. With regard to question 2, she reported that all states use some measure of poverty as the basis for distributing at-risk funding.

In conclusion, Ms. Osterhaus noted that both parts of the audit resulted in a series of recommendations to the Department of Education, basically to make the free-lunch count as accurate as possible, given the existing federal limitations. In addition, it was recommended that the Department collect consistent counts of students receiving and needing at-risk services simply because that information is currently not gathered. It was also recommended that the House and Senate Education Committees hear testimony on instituting an age limit for free-lunch students and moving to a free-lunch count by FTE. Committee discussion followed, and Ms. Osterhaus responded to questions raised by the Committee relating to the performance audit reports.

The meeting was adjourned at 2:30 p.m.

The next meeting is scheduled for January 16, 2007.