

## MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 1:37 p.m. on February 4, 2004 in Room 123-S of the Capitol.

All members were present except:  
Senator Anthony Hensley (excused)

Committee staff present:  
Kathie Sparks, Legislative Research  
Debra Hollon, Legislative Research  
Theresa Kiernan, Office of the Revisor of Statutes  
Judy Steinlicht, Committee Secretary

Conferees appearing before the Committee:  
Kathie Sparks, Legislative Research  
Theresa Kiernan, Office of the Revisor  
Jeff Wagamon, Assistant State Treasurer

Others attending:  
See Attached List

Minutes from January 27, 28 and 29, 2004 were presented for approval. A motion to approve the minutes was made by Senator Schodorf, seconded by Senator Teichman. Motion carried.

Senator Oleen requested introduction of a conceptual bill concerning refinement of policies concerning military dependents. Senator Schodorf made a motion to introduce the conceptual bill, seconded by Senator Teichman. Motion carried.

### **Overview of the Arkansas School Finance Lawsuit**

Kathie Sparks, Legislative Research, has been following the Arkansas law suit (known as the Lake View Case) for over two years. To show that Kansas is not alone in our law suit, Kathie gave the Committee a computer print-out that showed 25 states with law suits in process, 20 states with no current law suits and 5 that have never had a law suit challenging the constitutionality of K-12 funding. (Attachment 1)

Kathie advised that in 1983, the Arkansas Supreme Court found the state's school funding system unconstitutional under the equal protection clause of the state's constitution. The original finding was that the court found "no legitimate state purpose" and "no rational relationship to educational needs" in the state's method of financing public schools. Since 1983, the state has twice enacted major revisions to its funding statutes, however, the plaintiffs have continued to challenge the revised system. In 2001, the district court continued to find that the system was "inequitable" and "inadequate" and ordered that a constitutional finance system must be based on the amount of money needed to provide an adequate educational system and they ordered that a adequacy study must be conducted.

Kathie reported that the court adopted the definition of an "efficient" system of education from Kentucky's Supreme Court decision in *Rose vs Council for Better Education* as the standard for a "general, suitable and efficient system of free public schools" as required by the Arkansas Constitution. This decision established seven learning goals for every child. The Governor appealed the decision in January 2002. In November 2002, the Arkansas Supreme Court affirmed the lower court's finding that the state's education finance system is unconstitutional and gave the state until January 1, 2004 to correct the inadequate and inequitable funding system. The Arkansas Supreme Court on January 22, 2004 issued a new order to appoint a special master because of the failure of the Legislature and the Executive Branch to act. On January 26, 2004, the Governor requested his own attorney to represent the executive branch because it was evident the executive and legislative branch has far different views on how to address the mandate of the Supreme Court.

Kathie included a comparison of Kansas and Arkansas for the 2002-03 school year. The number of school districts, state population, number of students, per student expenditures and total K-12 expenditures are very similar. (Attachment 2)

CONTINUATION SHEET

MINUTES OF THE SENATE EDUCATION COMMITTEE at 1:37 p.m. on February 4, 2004 in Room 123-S of the Capitol.

**Hearing on SB303--Learning Quest; family postsecondary education savings accounts; maximum account balance; tax exemption**

Theresa Kiernan, Revisor of Statutes, gave the committee a briefing on **SB303**. The bill was introduced by Legislative Educational Planning Committee (LEPC) at the request of the State Treasurer's Office. The bill amends the Learning Quest program; 1) changes the way the maximum account balance is determined; 2) adds a reference to the statute under which the funds are exempt from garnishment, attachment or execution; and 3) increases the amount of the income tax deduction from \$2000 to \$4000 for a single tax filer and from \$4000 to \$8000 for married couple filing joint.

Jeff Wagamon, Assistant State Treasurer testified in support of **SB303**. Mr. Wagamon told the Committee that this program has been State Treasurer, Lynn Jenkins, top priority and this bill was introduced to improve and enhance the program. State Treasurer Jenkins wants to help parents and grandparents of all income levels to save for higher education. Mr. Wagamon gave the Committee a history of the Learning Quest program and explained the amendments requested in the bill. (Attachment 3 3) Discussion followed.

Written testimony was provided in support of **SB303** by Reginald Robinson, President and CEO of the Kansas Board of Regents. (Attachment 4)

The meeting was adjourned at 2:30 p.m. The next meeting is scheduled for February 5, 2004.