

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:30 p.m. on January 13, 2010, in Room 152-S of the Capitol.

All members were present.

Committee staff present:

Theresa Kiernan, Office of the Revisor of Statutes
Martha Dorsey, Kansas Legislative Research Department
Sharon Wenger, Kansas Legislative Research Department
Dorothy Gerhardt, Committee Assistant

Conferees appearing before the Committee:

Rochelle Chronister, Chairperson, 2010 Commission
Sharon Wenger, Legislative Educational Planning Committee Report to 2010 Legislature
Dale Dennis, Deputy Commissioner, Kansas Department of Education

Others attending:

See attached list.

Report of the 2010 Commission to the 2010 Kansas Legislature

Rochelle Chronister, Chairperson, 2010 Commission, presented a report on conclusions and recommendations of the Commission. (Attachment 1) The list of six recommendations, as well as a minority report, is attached. These recommendations include:

The Legislature should refocus its revenue and funding priorities to make education Priority Number One.

The Legislature should consider generating revenue from at least three specific revenue sources; specifically, reversing previous tax cuts, increasing the state school mill levy to its former level, and increasing the state sales tax.

In addition to the knowledge that the education of children is the most important function of state government, there are practices we know make a difference in assuring that every child receives the maximum benefit of his or her education.

The Legislature should continue the three-year funding cycle.

The Legislature should change the formula for determining special education catastrophic aid.

The Legislature should shift the *tiny-k* and Early Head Start programs' administration to the Kansas Department of Education.

Proposed legislation from the 2010 Commission includes a request for the introduction of two bills to include special education catastrophic aid and placement of *tiny-k* and Early Head Start programs.

Presentation of Interim Reports

Sharon Wenger, Principal Analyst, Kansas Legislative Research Department, presented a summary on the Report of the Joint Committee on Legislative Educational Planning Committee Report to 2010 Legislature (Attachment 2). The Committee approved introduction of eight bills to be considered during the 2010 Legislative Session.

The next meeting is scheduled for January 14, 2010.

The meeting was adjourned at 02:30 p.m.

SENATE EDUCATION COMMITTEE GUEST LIST

DATE: Wednesday, January 13

NAME	REPRESENTING
Rochelle Christman	2010 Comm
Dianna Gjerstad	USD 259
Rob Meyer	KEARNEY & Assoc.
Missy Taylor	Kansas Families for Education
KATHY Cook	KS FAMILIES FOR Education
Chris Glgstad	Federico Consulting
Doug Moecker	KASB
Doug Bowman	LCECOS
DK Peideaux	7HSU
Patrick Woods	SRS

2010 Commission REPORT

CONCLUSIONS AND RECOMMENDATIONS

- **The Legislature should refocus its revenue and funding priorities to make education Priority Number One.** Education is the single most important function provided by state government. It is at its essence how we prepare for the future. The Commission has heard repeatedly that education spending has a direct and positive impact on student performance, most recently in the 2006 Legislative Post Audit report entitled “Elementary and Secondary Education in Kansas: Estimating the Costs of K-12 Education Using Two Approaches.” That report stated, in part, “We found a strong association between the amounts districts spend and the outcomes they achieve....” The Commission also has received information regarding the state’s dire economic situation. However, we also know the Legislature has made tax policy decisions that have contributed to these dire circumstances. Tax cuts made by the Legislature from FY 2005 through FY 2010 have totaled \$180 million. By FY 2011, that total will rise to nearly \$209 million (See Attachment 1). In contrast to the philosophy that “low taxes contribute to economic growth and high taxes detract from it,” we believe instead the following:

- Kansas is not a “high tax” state, and the Kansas tax burden (taxes compared to personal income) has been stable for decades.
- Tax policy alone does not drive prosperity.
- Education attainment drives state income more than tax burden.
- Lower taxes will not help the economy in the long run if the State cannot support a strong public education system – and that takes a significant investment.
- In prosperous economic times, the Legislature has been eager to reduce revenues. Now, in these difficult times, the Legislature must face the fact that it needs to replace some of that revenue.

In summary, the Commission believes we cannot sacrifice a generation of Kansas students because the economy is weak. It is time for the Legislature to take steps to ensure that the revenue and funding policies of the Legislature allow every Kansas student to achieve his or her full potential.

- **The Legislature should consider generating revenue from at least three specific revenue sources.** These are: (1) reversing previous tax cuts, (2) increasing the state school mill levy back to its former level, and (3) increasing the state sales tax. It should be noted the Commission is not suggesting that all of these be implemented in full; rather, the Commission recommends the Legislature consider implementing one or a combination of these potential revenue sources. The Commission believes the revenue generated should equal the amount

needed to fund the statutorily mandated base state aid per pupil (BSAPP) for the 2009-2010 school year of \$4,492. This amount would have totaled approximately \$314 million for the 2009-2010 school year, given the recent enrollment growth.

- **In addition to the knowledge that the education of children is the most important function of state government, there are practices we know make a difference in assuring that every child receives the maximum benefit of his or her education.** These practices include the following:
 - Early childhood education.
 - Before- and after- school tutoring and support programs.
 - At-risk funding and programs.
 - Staff development.
 - Leadership academies, especially for principals who must be the educational leaders of their schools.
 - Highly qualified teachers. Nothing impacts the quality of education like the quality of the teaching staff.

The Commission recommends these items remain, or become, funding priorities.

- **The Legislature should continue the three-year funding cycle.** The Commission recommends public education funding in Kansas be implemented on a minimum of a three-year basis so school districts have the flexibility to plan for the future.
- **The Legislature should change the formula for determining special education catastrophic aid.** The Commission recommends a change in the calculation of the special education catastrophic aid. The threshold for qualifying for catastrophic aid should be based upon twice the previous year's categorical aid per teacher less any special education state aid.
- **The Legislature should shift the *tiny-k* and Early Head Start programs' administration to the Kansas Department of Education.** The Commission has made these recommendations in previous years and is making the same recommendations again.

Proposed Legislation: The Commission requests the introduction of two bills (special education catastrophic aid and placement of *tiny-k* and Early Head Start programs).

BACKGROUND

The 2006 Legislature created the 2010 Commission, which is composed of eleven members, nine voting and two serving as *ex*

officio nonvoting members. The statutory duties of the Commission include:

- Monitoring the implementation and operation of the School District Finance and Quality Performance Act and other

Joint Committee on Legislative Educational Planning

REPORT

CONCLUSIONS AND RECOMMENDATIONS

The Legislative Educational Planning Committee recognized the efforts of all school personnel who continue to provide quality education for Kansas children in the midst of difficult times. The Committee wishes to thank all who came forward to testify and offer information and advice during the 2009 Interim.

The Committee approved introduction of eight bills to be considered during the 2010 Legislative Session. Those items as well as other recommendations are described below.

CATASTROPHIC FUNDING FOR SPECIAL EDUCATION

At the request of 2010 Commission, the Committee agreed to introduce a bill raising the threshold for catastrophic aid claims to twice the previous year's teacher aid allocation. The bill would require districts to deduct any other categorical state aid already received.

The Committee also agreed to introduce a second bill raising the threshold for catastrophic aid claims to \$36,000 for the 2009-10 school year, with the threshold indexed to the Consumer Price Index-Urban (CPI-U). The bill would require districts to deduct any other categorical state aid already received. In addition, the bill would require the categorical state aid and catastrophic state aid be funded by separate appropriations and establish a new fund called the Catastrophic Aid Fund at the state level, which would be used to receive appropriations. The bill would include a proration provision if the appropriation proves insufficient to pay districts the full amount to which they are entitled.

STUDENTS IN YOUTH RESIDENTIAL CENTERS

The Committee agreed to recommend and support prefiled Senate Bill 340. This bill would eliminate on June 30, 2011, the "two for one student" funding currently in place for students in the custody of the Department of Social and Rehabilitation Services or the Juvenile Justice Authority enrolled in USD 259, Wichita, and USD 409, Atchison, and housed at the Judge James V. Riddel Boys Ranch and the youth residential center located on the grounds of the former Atchison Juvenile Correctional Facility. In SB 340, each student housed in the above facilities would be counted as one student, instead of two students.

HIGHER EDUCATION

The Committee agreed to recommend and introduce the following postsecondary education initiatives proposed by the State Board of Regents. Those initiatives would accomplish the

following:

- Amend statutes relating to private and out-of-state postsecondary educational institutions by:
 - Providing new definitions of regulated institutions;
 - Eliminating the exemptions for branch locations;
 - Changing the application and renewal process (for out-of-state postsecondary institutions wanting to do business in Kansas);
 - Clarifying the types of degrees requiring a certificate of approval;
 - Providing for greater penalties for violations of the Private and Out-of-State Postsecondary Educational Institution Act;
 - Revising the fee structure to establish new maximum amounts that may be charged to regulated entities;
 - Requiring data to be reported by regulated institutions; and
 - Requiring institutions to post their student complaint processes.
- Expand the exemption from state purchasing statutes currently held by Fort Hays State University and the University of Kansas, to all six Regents' institutions making the exemption permanent in nature.
- Exempt the six Regent's institutions from the State Surplus Property Act.
- Update and streamline statutory language regarding investments and add an additional investment option supported by the recent adoption of the Kansas Uniform Prudent Management of Institutional Funds Act.
- Authorize Fort Hays State University to sell two tracts of land to the City of Hays as part of the development of a community sports complex.

The Committee also agreed to introduce legislation to accomplish the following; however, the Committee chose to introduce the legislation without recommendation.

- Amend a statute relating to the Kansas Postsecondary Technical Education Authority which would require the State Board of Regents to "act upon recommendations of the Authority within 45 days of submission."

Proposed Legislation: The Committee will introduce eight bills; two related to K-12 education and six related to higher education.