

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Ty Masterson at 10:30 am on Thursday, March 12, 2015, 548-S of the Capitol.

All members were present

Committee staff present:

Daniel Yoza, Office of Revisor of Statutes
David Wiese, Office of Revisor of Statutes
Nick Myers, Office of Revisor of Statutes
J G Scott, Legislative Research
Bobbi Mariani., Legislative Research
Ben Wilhelm, Legislative Research
Dee Heideman, Committee Assistant

Conferees appearing before the Committee:

No conferees present

Others in attendance:

[See Attached List](#)

Point of personal privilege

Senator Francisco introduced her page, Emily Myers from Central Middle School, and her Shadow, Maley Black from Fairfield High School.

Bill introductions

Senator Denning made a motion to introduce proposed legislation concerning licensees of the Board of Healing Arts. Senator Kerschen seconded the motion and the motion passed on a voice vote.

Senator Kelly made a motion to introduce proposed legislation on behalf of Legislative Post Audit concerning STAR bonds. Senator Powell seconded the motion and the motion was adopted on a voice vote.

Final action on: SB273 — Creating the classroom learning assuring student success act; making and concerning appropriations for fiscal years ending June 30, 2015, June 30, 2016, and June 30, 2017, for the department of education.

Senator Arpke said the Governor initiated a fund for a reading program four years ago, and there is now \$5 million in this fund. The contract for this reading program was awarded to just one company, Lexia. He said he had an amendment that would open-up the program for a Request for Proposal to solicit quotes from other companies ([Attachment 1](#)).

Senator Arpke made a motion to adopt the Balloon Amendment, #4. Senator Melcher seconded the motion.

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Senator Francisco asked if this program is available to all students in the State of Kansas. Senator Arpke said at this time, Lexia is the only provider and all students from the State have the opportunity to receive services. Senator Arpke said by opening up the bidding process to other providers, it would create competition among the contractors.

Senator Tyson wanted to know if the RFP was for one provider statewide or multiple providers for the entire State of Kansas. Senator Arpke said it will be opened up to anyone, statewide, that would like to provide the reading service to our Kansas elementary schools. Senator Arpke said there would be a list of providers for the reading service when contracts with other providers are negotiated.

The motion to adopt the Balloon Amendment #4 was renewed and the amendment was adopted by voice vote.

Senator Kelly explained to the committee she was introducing Proposed Amendment #9, which would sunset the provisions of the CLASS Act and reinstate the provisions of the school finance formula that are currently in effect for SY2014/2015 ([Attachment 2](#)).

Senator Kelly made a motion for Proposed Amendment # 9. Senator Francisco seconded the motion and the amendment motion failed on a voice vote.

Senator Francisco voiced her concern regarding the definition of full and part time students for virtual schools ([Attachment 3](#)).

Senator Francisco made a motion to adopt the Balloon Amendment #10. Senator Arpke seconded the motion and the motion to amend was adopted on a voice vote.

J G Scott explained amendment #1, which was an amendment passed in the House. He said, according to the bill, the new facility weighting includes facilities being built in 2016 if the bonds were approved before July 2013. He said there would be \$3.5 million in the fund for 2016 and 3.5 million for 2017 because the House amendment added 2017 to the new facility weighting, if the bond were passed before July 2013. He said, therefore, this amendment continues the new facility weighting from 2016 into 2017 with an added \$3.5 million.

Senator Tyson asked if bonds passed in 2014 qualified. Mr Scott answered that the new facility weighting applies only to bonds passed on or before July 2013.

Senator O'Donnell said it was his understanding 6 school districts fit the 2017 new facility weighting criteria, and are slated to start new facilities. Mr Scott said that was correct and the amount is capped at \$3.5 million.

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Senator O'Donnell made a motion to adopt amendment #1, to match the language in the House bill and set the estimated cap at \$3.5 million. The motion to amend was seconded by Senator Powell and the motion to amend passed.

J G Scott explained technical amendment #3, clarifying transfers of money from an existing fund to SGF for operating expenses.

Senator Denning made a motion to adopt the technical amendment #3, which clarifies the transfer of funds that pass through as general operating expenses. Senator Francisco seconded the motion, and the motion to amend passed on a voice vote.

J G Scott explained another technical amendment #2, that was added to identify these bonds approved for issuance as general obligation bonds. He said this amendment clarifies that language, that is normally added to a bill such as **SB273**.

Senator Denning made a motion to adopt the technical amendment #2 concerning general obligation bonds. Senator Powell seconded the motion and the motion to amend passed on a voice vote.

J G Scott explained another technical amendment #4, on Page 1 of the bill. He said it listed the extraordinary needs as a SGF account and for consistency, this should be a special revenue fund and money is transferred from SGF into this special revenue fund.

Senator Denning made motion to adopt the technical amendment #4, concerning special revenue funds. Senator Powell seconded the motion and the motion to amend passed on a voice vote.

J G Scott explained in last year's bill, **HB2506**, there was some inconsistency in the language concerning the annual tax levy, whether it was for a 5 year period or it was ongoing. He said it was intended to be an ongoing program and this amendment, #5, strikes "for a period not to exceed 5 years".

Senator Denning made a motion to accept the capital outlay technical fix, amendment #5. Senator Kelly seconded the motion and the motion to amend passed on a voice vote.

J G Scott explained the Balloon Amendment #5, to change the virtual school weighting in the bill from \$5,600 to \$5000, and he said the student had to be full time equivalent over 18 years of age ([Attachment 4](#)).

Senator Tyson made a motion to adopt the Balloon Amendment #5, changing the virtual base weighting from \$5,600 to \$5,000. Senator Powell seconded the motion.

Senator Francisco stated she was concerned that there was no reduction in virtual school weighting for

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part time students.

Senator Kelly said she understood virtual schools would not get paid for students over 18 years of age unless the student passed the course. She asked how that would be monitored, because the school would have a huge incentive just to pass the student. She said the language should be changed to read "pass the completed course."

Senator Tyson asked if part time students received the same incentive as full time students.

Senator Francisco made a substitute motion to SY2015 and SY2016, to multiply the total number in line 25, instead of by 5,000, but by 5,200. Then on line 29, reduce the amount from 4,045 to 3,845. She said then add \$200 in line 25, and reduce the \$4045 by \$200. She said that would reduce the full-time enrollment by \$400 and part-time by \$200. Senator Kelly seconded the motion.

Senator Tyson stated this change was too drastic and she would not support the substitute amendment.

Senator Francisco made another substitute motion to increase the funding for full time students enrolled in virtual schools from \$5,000 to \$5,200, per H Sub for SB7, Line 25. Senator Kelly seconded the motion, and the substitute motion failed on a voice vote.

Senator Kelly made a substitute motion to adopt the Balloon Amendment to change the word "past" in line 3 on Page 51 and in Line 13 change "past" to completed. Senator Francisco seconded the motion.

Senator Fitzgerald said he feels this amendment would have unintended consequences by questioning the integrity of the virtual school administrators at the local level and feels the motion is inappropriate.

The Kelly substitute motion was renewed and the substitute motion failed on a voice vote.

The Chairperson recalled the original motion and it passed on a voice vote.

J G Scott explained there was language in the proposed amendment #8, that places the sunset provision in the CLASS Act with a expiration date in two years. He said the date would be June 30, 2017; however, this amendment would not reinstate the original formula ([Attachment 5](#)).

Senator Kelly made a motion to adopt the Proposed Amendment #8. The motion was seconded by Senator Denning and the motion to amend passed on a voice vote.

Senator Francisco explained Balloon Amendment #7, which states if the student is not a resident of Kansas they will not be counted in virtual school enrollment ([Attachment 6](#)).

Senator Francisco made a motion for Balloon #7, with one slight change, to strike full time equivalent.

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out of this amendment. She said it should say for the purposes of this section, if a pupil is enrolled in a virtual school who is not a resident of the State of Kansas, that pupil shall not be counted in the enrollment of the virtual school. This includes both full and part time students. She pointed out each virtual school student would have to provide his permanent address. Senator Arpke seconded the motion.

Senator Tyson stated that current law allows some out-of- state students to attend Kansas schools. She wanted to know if they would be excluded from attending a virtual school and if there would be no funding if a student was not a resident of Kansas.

Senator Francisco said a student cannot receive the funding for attending a virtual school if they are not a resident of the State of Kansas.

Senator Powell asked how this affected a student if they were not a United States citizen. Senator Francisco said if they are not a US Citizen, they are not a resident of Kansas.

Senator Francisco's motion was renewed and the motion to amend passed on a voice vote.

Chairperson Masterson said **SB273** would be held in committee as amended for future action.

The next Ways and Means Committee meeting is scheduled for Tuesday, March 17, 2015, at 10:30 am, in Room 548-S at the Capitol.

Chairperson Masterson adjourned the meeting at 11:35 am.