

MINUTES

LEGISLATIVE EDUCATIONAL PLANNING COMMITTEE

November 7-8, 2002
Room 514-S—Statehouse

Members Present

Representative Jo Ann Pottorff, Chair
Senator Christine Downey (November 7)
Senator Lana Oleen
Senator John Vratil
Representative Barbara Ballard
Representative Lisa Benlon
Representative Kathe Decker (November 7)
Representative Bill Reardon
Representative Ralph Tanner
Representative Jonathan Wells

Members Absent

Senator Dwayne Umbarger, Vice Chair
Senator Lynn Jenkins
Senator Bob Lyon

Staff Present

Ben Barrett, Kansas Legislative Research Department
Alan Conroy, Kansas Legislative Research Department
Carolyn Rampey, Kansas Legislative Research Department
Kathie Sparks, Kansas Legislative Research Department
Paul West, Kansas Legislative Research Department
Theresa Kiernan, Revisor of Statutes Office
Jill Wolters, Revisor of Statutes Office

State Department of Education Staff

Dale Dennis, Deputy Commissioner

Conferees

Reginald (Reggie) L. Robinson, President and Chief Executive Officer, Kansas Board of Regents

Dr. Edward E. Berger, President, Hutchinson Community College and Area Technical School; Chair, Council of Presidents Finance Committee of the Kansas Association of Community College Trustees

Diane Lindeman, Director of Student Financial Assistance, Kansas Board of Regents

Dr. Amanda Golbeck, Vice-President for Academic Affairs, Kansas Board of Regents

Dr. Joe Emmons, Director of Curricular Affairs, Kansas Board of Regents

Jerry Cullen, Superintendent of USD 220 (Ashland)

John Severin, Superintendent of USD 415 (Hiawatha)

Dr. Leo W. Pauls, Executive Director, Jones Institute for Educational Excellence, Emporia State University

Thursday, November 7

Introduction of President and Chief Executive Officer of the Kansas Board of Regents

Reginald (Reggie) L. Robinson, newly-appointed President and Chief Executive Officer of the Kansas Board of Regents, made introductory remarks to the Committee. Mr. Robinson said his main goal is to oversee the ongoing implementation of 1999 SB 345. He observed that a time of crisis also is a time of opportunity.

Mr. Robinson told the Committee that the Board of Regents' legislative requests for the 2003 Session will be presented at the joint meeting of the Board and the Committee in December. Senator Downey asked Mr. Robinson to be prepared to discuss with the Committee in December those projects and programs the Board believes must be continued and those that can safely be stopped or delayed until the state's revenue situation improves.

Report on Community College Funding

Dr. Ed Berger, President, Hutchinson Community College and Area Technical School, presented information about community colleges on behalf of the Kansas Association of Community College Trustees (Attachments 1 and 2). Dr. Berger reminded the Committee that community colleges are expected to receive increased state aid, on a phase-in basis, under 1999 SB 345. Under that legislation, county out-district tuition is to be phased out and replaced by state aid and state aid overall is to increase to 65 percent of state funding for

lower division courses at the regional universities. Because of the state's financial condition, not only has the expected increase for FY 2003 been delayed, but revenue cuts have resulted in an actual decrease in state aid compared to FY 2002.

Based on information Dr. Berger shared with the Committee, 16 of 19 community colleges have increased the amount of their budgets paid for from local property taxes and all have increased student tuition or fees. According to Dr. Berger, the inability of the state to provide adequate revenues accounts in large part for the increases in local tax support and student tuition.

Dr. Berger concluded his prepared remarks by noting that community college enrollments continue to grow, indicating that the institutions are a valuable resource to the state. In discussion following his presentation, several Committee members expressed concern about increases in local property taxes. When asked about the reaction at the local level to the delay in terminating county out-district tuition, Dr. Berger said most county officials understand that the state is facing a serious financial situation. They also know that counties experienced some property tax relief following the implementation of SB 345. However, Dr. Berger also said that, in general, disenchantment grows at the local level each year that the state fails to fulfill its commitment to fully fund SB 345. In response to a question about student fees, Dr. Berger said that all students pay the same tuition within their enrollment category (resident, nonresident, and international), regardless of the cost of the courses they take, although some courses charge higher fees for such things as laboratory sessions. He explained that most schools have a higher tuition for international students because of extra services these students usually require.

State Revenue Estimates

Alan Conroy, Kansas Legislative Research Department, presented information about state revenue estimates made on November 5, 2002, by the Consensus Revenue Estimating Group (Attachments 3, 4, and 5). Mr. Conroy told the Committee the estimate for FY 2003 made in March of 2002, had been decreased by \$363.5 million. He explained that the biggest component of the decrease is in individual income taxes and that the economy is weaker than expected. Further, the hoped-for rebound has not happened yet and recovery is expected to be slower and longer than originally assumed. A profile of the State General Fund (Attachment 5) shows that, based on the most recent revenue estimates and assuming that the ending balance as a percentage of expenditures will be 7.5 percent, there would have to be a decrease in expenditures in FY 2004, compared to FY 2003, of \$445.0 million.

Elementary-Secondary School Funding

Dale Dennis, State Department of Education, discussed the budget allotments, the State Board of Education's FY 2004 budget request, health insurance for school district employees, and teacher vacancies (Attachments 6 and 7). He also provided a list of school district funds that can be combined (Attachment 8).

Mr. Dennis presented information concerning the effects on school districts of the budget allotments imposed in August 2002. Reductions that have been made include positions being eliminated, programs cut, reductions in maintenance and supplies, purchases delayed, and at least one instance of two attendance centers merged.

Mr. Dennis reported to the Committee that the State Board of Education is in general support of the recommendations contained in the Augenblick and Myers suitability study and has incorporated them into the State Board's FY 2004 request, along with other items not part of the suitability study. Major components of the State Board's request are the following:

- Increase Base State Aid Per Pupil to \$4,238 and make adjustments for high-cost students;
- Increase teacher salaries to the national average over a three-year period;
- Adjust weightings for at-risk, bilingual education, and special education students;
- Decrease transportation mileage limits;
- Phase in all day kindergarten over three years, with a per pupil weighting of .67;
- Fund Parents and Teachers as a weighted program through the formula and eliminate the local match; and
- Provide health insurance for school employees, with the state paying 50 percent of single premium coverage and a dollar-for-dollar local match over a three-year period.

Mr. Dennis elaborated on the need for affordable school district health insurance and told the Committee that 11 districts currently do not provide health insurance benefits for their employees. According to a survey of school districts conducted early in 2002, the school district contribution for full costs of the most expensive family plan ranges from \$415.25 to \$1,075.00 per month.

Regarding teacher vacancies, Mr. Dennis reported that 89 school districts had a total of 402 teacher vacancies on August 1, 2002. This figure compares to 512.4 vacancies at the beginning of the 2001-02 school year and 530.1 vacancies at the beginning of the 2000-01 school year. For the current school year, 144 certified personnel positions are filled on a temporary (one year or less) basis. Mr. Dennis expressed concern about more positions becoming vacant if national security requires that members of the Kansas National Guard be called to duty.

In response to a Committee request at a prior meeting, Mr. Dennis provided a list of school district funds that could be consolidated in order to make budgets simpler to understand. In response to a question about whether it still would be possible to identify

specific expenditures if the bilingual education, vocational education, transportation, and technology education funds became part of school district general funds, Mr. Dennis agreed that it would be difficult for most of the smaller school districts to be able to identify bilingual and vocational education expenditures.

Tuition Increases at Regents Universities

The staff presented information on tuition increases at Regents universities, as well as nationwide trends (Attachment 9). Tuition increases for school year 2002-03 were approved by the Board of Regents based on recommendations by the institutions themselves and ranged from increases of 21.5 percent at Kansas State University to 5.0 percent at Fort Hays State University. Funding at each university was targeted toward support for base operations of the institutions, with technology funding being an area of key concern. Both the University of Kansas and Kansas State University targeted 20 percent of their increased tuition revenues to student financial aid.

In spite of the significant tuition increase, the increases, with the exception of Kansas State University and the University of Kansas, are below the national average increase for tuition and required fees at public four-year institutions. State university tuition in Kansas remains lower than the national average, as well as lower than most of the regions in the nations. While these increases have no doubt created a greater burden for some students, the increased costs appear not to have had a negative impact on enrollment.

Student Assistance Programs Administered by the State Board of Regents

Diane Lindeman, Kansas Board of Regents, reviewed student financial aid programs administered by the Kansas Board of Regents (Attachment 10). Programs reviewed included three that had been created by the 2002 Legislature:

- the National Guard Tuition Assistance Program (modified from an already-existing program);
- the Foster Care Tuition Waiver Program; and
- the Workforce Development Loan Program.

Ms. Lindeman expressed concern about funding for financial aid programs being cut in times of financial difficulties. In particular, she said she is worried that federal funding for the Kansas Comprehensive Grant program might be eliminated.

School District Budget Task Force

Representative Pottorff told the Committee that the Legislative Coordinating Council has approved the Committee's request that a task force be appointed to review school district budget formats and report back to the Committee. (The Committee's charge and composition and a list of Representative Pottorff's appointees are Attachments 11 and 12). Representative Pottorff informed the Committee that she has appointed Dale Dennis, State Department of Education, to chair the task force.

Friday, November 8

Implementation of Qualified Admissions

Dr. Amanda Golbeck and Dr. Joe Emmons, Kansas Board of Regents, discussed the qualified admissions policy which was implemented at the state universities for school year 2001-02 (Attachments 13 and 14). Dr. Golbeck explained that students are considered for admission first on the basis of their ACT or SAT-I Recentered test scores. A student who does not qualify for admission under that criterion is assessed next on the basis of class rank and finally, on the basis of successful completion of the Regents prescribed precollege curriculum. A student who does not meet one of these three requirements for admission is considered for admission under the 10 percent exception rule. (This assumes that the student does not fall into a category of student who is exempt from qualified admissions requirements altogether, such as students who are older than traditional students, are foreign nationals, or are students who have completed requirements for a GED).

Based on data reported for school year 2001-02, 10,421 resident students were admitted to state universities on the basis of test scores; 1,160 were admitted on the basis of class rank; 1,536 were admitted on the basis of successful completion of the Regents prescribed curriculum; and 857 were admitted as part of the 10 percent exception rule. An additional 1,864 resident students were admitted who were not subject to the qualified admissions requirement.

Dr. Golbeck also explained that two changes have been made in the mathematics requirement in the Regents prescribed curriculum. The first change is to require three units of mathematics at or above the level of Algebra I. The former requirement was one unit each of Algebra I, Algebra II, and Geometry. The second change is to require that the mathematics requirement be met with courses taken in high school and to not count toward the requirement courses taken in middle school. Dr. Golbeck explained that the new requirements will affect students prospectively and that no student will be required to repeat a mathematics course because he or she falls under two sets of requirements.

Dr. Joe Emmons told the Committee that the State Department of Education worked closely with the Kansas Board of Regents to ensure that Kansas high schools offer courses that constitute the Regents prescribed curriculum. He said that by the 1998-99 school year, more than 99 percent of eligible high schools in the state were able to offer the approved

curriculum. In September 2002, the Kansas Board of Education adopted the Regents prescribed curriculum as one of the performance criteria for Quality Performance Accreditation. Dr. Emmons said that the State Board's action ensures that the precollege curriculum is not ancillary to the high school experience, but an integral component of the curricular offering.

In response to a question, Dr. Golbeck said that only about 50 athletes were admitted under the 10 percent exception rule. When asked how the universities determine who will be admitted under the 10 percent rule, Dr. Golbeck said each university may develop its own policy. For example, Emporia State University considers test scores, grade point average, activities, references from counselors, and student "letters of intent." At Fort Hays State University, consideration is given to test scores, grade point average, and courses taken. Kansas State University admits students who come within 10 percent of qualifying on the basis of one of the three qualified admissions requirements.

Representative Reardon and Senator Vratil expressed concern that admittance under the 10 percent exception rule, in most cases, is based on simply lowering the initial qualified admissions requirements. Their understanding of the policy was that it would permit students to be admitted who had genuine extenuating circumstances or who could not otherwise be admitted on the basis of test scores, class rank, and grade point average. At the Committee's request, Dr. Golbeck was asked to prepare for the December meeting a complete description of criteria used by each of the state universities to administer the 10 percent exception rule.

Responding to other questions, Dr. Golbeck said it is too early to know the effect of qualified admissions on retention rates or the need for remedial programs. Dr. Alexa Pochowski, Assistant Commissioner, State Department of Education, responded to a question about the ability of Kansas schools to meet the new math requirement by saying that some schools may need to add additional math teachers. She added that more math and science teachers also may have to be hired in order to meet new high school graduation requirements that are being contemplated by the State Board.

Ability of Small Schools to Offer Quality Programs

Jerry Cullen, Superintendent of USD 220 (Ashland), addressed the issue of how small schools are affected by the requirement to offer the Regents prescribed curriculum and how they maintain quality in general (Attachment 15). Mr. Cullen said small schools have to stress quality and not variety. Many small districts have been forced to increase their local option budgets in order to attract and retain good teachers. Cost-saving measures include sharing administrators, sharing teachers and other support staff, and requiring teachers who are certified in multiple areas to teach more courses.

Mr. Cullen said every effort is made to generate revenues, such as applying for grants, soliciting donations for special events and for capital improvements projects, and charging user or participation fees for activities. Areas of increasing costs include technology, utilities, insurance, and state and federal mandates for which no or only partial

funding is provided. In response to a question, he said that his school district obtains some of its courses via interactive television.

John Severin, Superintendent of USD 415 (Hiawatha), told the Committee that budget cuts have made it difficult for small districts to be able to offer required courses (Attachment 16). Distance learning courses augment classes offered on site, but the high cost of technology limits the ability of some schools to take advantage of opportunities that are available. Furthermore, the necessity of schools to offer the required curriculum for college-bound students could limit programs that are available for those students who want to pursue vocational training or who do not otherwise plan to go to college. He also noted that his district is getting more special education students from other districts.

In discussion with Committee members, the superintendents expressed concerns about their ability to maintain a high quality of offerings in the face of ongoing budget reductions. They agreed that the State Board of Education does not consider a lowering of standards an option.

Activities of the Jones Institute for Educational Excellence

At the Committee's request, Dr. Leo Pauls, Executive Director, Jones Institute, presented the FY 2004 request for funding for specific projects and activities of the Institute (Attachment 17). The request is as follows:

General Operating Expenditures	\$	32,500
Kansas Future Teacher Academy		75,000
National Board Teacher Certification		110,000
Reading Recovery		45,000
TOTAL	\$	<u>262,500</u>

Dr. Pauls told the Committee that, in some cases, private funding also is available for programs and activities. He specifically mentioned funding for the National Board Certification Program from State Farm Insurance and funding for the Reading Recovery Program from the Hubbard Foundation.

Instructions to Staff

The Committee reviewed a staff memorandum that highlighted topics considered by the Committee during the interim and made preliminary recommendations for bill drafts and the final report (Attachment 18). Specific recommendations are as follows:

- **Teacher Professional Development.** Recommend that legislation be drafted for review at the December meeting which would amend KSA 72-

9601 *et. seq.*, by deleting the word “inservice” wherever it appears and replacing it with the words “professional development.” In addition, in the Committee’s report, stress the importance of teacher professional development and support the continuation of the policy of transferring unanticipated savings from the general state aid program to the inservice education program.

- **Jones Institute for Educational Excellence.** In the Committee report, indicate that the Committee is supportive of all of the activities of the Institute and recognizes that the Institute has a statewide constituency for its programs and services. The Committee makes no recommendation regarding specific levels of funding for the Institute, except to say that the Legislature should fund the programs at an appropriate level. The report should note, especially, the importance of the Reading Recovery Program, particularly because of the emphasis in the No Child Left Behind Act on early reading programs and research that supports early intervention programs in general. Further, if additional budget cuts become necessary, the Reading Recovery Program should be cut last.
- **School Finance Suitability Study.** The Committee generally supports the comments and findings of the suitability study conducted by Augenblick and Myers (A&M) and supports the recommendation of the Governor’s Vision 21st Century School Finance Task Force, which is to commend the study to the incoming Governor, and the 2003 Legislature to use the study to increase state funding for schools over three years and to implement needed reforms in the school finance formula. The Committee specifically calls attention to the fact that what constitutes a suitable education is defined statutorily and the Legislature either should affirm that definition or take action to change it. In addition, the Committee expresses its support for a review of the definition of “at-risk,” with the view that other factors, in addition to low income, should be considered in determining eligibility for state aid under the at-risk weighting.
- **Carry Forward Balances.** Upon a motion by Representative Benlon, seconded by Representative Wells, the Committee voted to request a bill draft to amend KSA 79-2927 to remove the requirement that school districts have to budget to spend all the revenue available to them in certain funds, even if they do not intend to spend the money.
- **Consolidated Funds.** A motion was made by Representative Reardon, seconded by Representative Ballard, to combine certain school district funds, based on suggestions made by Dale Dennis (see Attachment 8). Concern was expressed regarding one of the suggestions, which was that the bilingual education, vocational education, transportation, and technology education funds be made part of the school district general fund. The concern was that, if the funds are combined, it would be difficult to track expenditures for bilingual and vocational education. Representative Reardon and Representative Ballard agreed to modify the motion to accept the suggestions of Mr. Dennis as contained in Attachment 8, with the

exception that the bilingual education and vocational education funds will continue to be separate funds and will not be combined with the general fund. The revised motion was approved.

- **Technical Clean-Ups.** Staff from the Revisor of Statutes Office identified two sets of sections that are duplicative or were amended by more than one bill during the 2002 Session (KSA 72-7108 and 72-7108a and KSA 72-6407 and 72-6407a). *Upon a motion by Senator Vratil, seconded by Representative Tanner, the Committee instructed the Revisors to draft corrective legislation. In addition, the Committee asked the Revisors to identify any obsolete statutes that ought to be repealed.*

Committee Minutes

Upon a motion by Representative Ballard, seconded by Representative Wells, the Committee approved the minutes of the October meeting.

Other Business

In response to a question raised earlier in the meeting, the staff supplied additional information about student tuition at the state universities. The specific information provided includes the ratio of tuition revenues to educational costs (Attachment 19).

Commendation

The Committee congratulated Ben Barrett, Director of the Kansas Legislative Research Department, upon the occasion of his pending retirement and recognized him for his years of dedicated service to the Legislature.

The meeting was adjourned.

Prepared by Carolyn Rampey

Approved by Committee on:

December 19, 2002