

MINUTES OF THE SENATE COMMITTEE ON EDUCATION.

The meeting was called to order by Chairperson Dwayne Umbarger at 1:30 p.m. on February 7, 2002 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Ben Barrett, Legislative Research  
Carolyn Rampey, Legislative Research  
Theresa Kiernan, Revisor of Statutes  
Dale Dennis, Deputy Commissioner of Education  
Judy Steinlicht, Secretary

Conferees appearing before the committee: Ben Barrett, Legislative Research  
Dale Dennis, State Board of Education  
Kent Hurn, Superintendent, Seaman USD 345  
Mark Tallman, KASB  
Diane Gjerstad, Wichita School District  
Diane Lindeman, Board of Regents

Others attending: See Attached List

**SB409 – School district contingency reserve fund and local option budget amendments and issuance of no-fund warrant issuance**

Ben Barrett, Director of Legislative Research, appeared before the Committee to explain **SB409**. This bill was introduced as a companion to **SB385**, known as the rescission bill, consequently some of the bill is no longer pertinent. The part of the bill in which there is still an interest is the section giving school districts greater latitude in the use of the contingency reserve fund. Mr. Barrett prepared for the Committee an amendment that would only contain the portion of the original bill concerning the contingency reserve fund. (Attachment 1) This amended bill would allow school districts to use their contingency reserve fund as the board sees fit.

Dale Dennis, Deputy Commission of Education, explained the different funds the school districts have and which funds could be carried over. Senator Downey requested the board put together bullet sheets on the different funds and how the schools are allowed to spend them. She feels this information would be very helpful.

Mark Tallman, KASB, supports the portion of **SB409** regarding the contingency reserve fund allowing school boards to use the money when needed. KASB supports this change because it gives the boards more flexibility in managing their budget. (Attachment 2)

Kent Hurn, Superintendent, Seaman USD 345, testified for United School Administrators, in support of the contingency reserve fund portion of **SB409**. This portion of the bill would provide appropriate flexibility at the local level. The local board is accountable for these funds and should have the budget authority to make this decision. (Attachment 3)

Diane Gjerstad, Wichita School Districts, spoke in opposition of **SB409**. In case of a rescission, this bill would require districts to first spend down their contingency reserve fund. Wichita's reserve fund is only one-third of one payroll period. Wichita School District's main concern is the impact eliminating the contingency reserve funds would have on school bond rating. Bond raters want to see the cash in the school district accounts, not the state's. Forcing the districts to spend down cash reserves with little hope of rebuilding in the next few years is not sound financial management, therefore, Wichita School Districts oppose **SB409**. School districts should be given the appropriate financial tools to make budget decisions appropriate for their individual situation. (Attachment 4)

**Senator Corbin made a motion to amend SB409 to include only the section pertaining to the contingency reserve fund as described by Ben Barrett in attachment one above and to pass SB409 as amended**

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON EDUCATION at on February 7, 2002 in Room 123-S of the Capitol.

favorably out of Committee. Seconded by Senator Teichman. Motion carried.

**SB 393 – Teacher Service Scholarship Program cap removal**

Mark Desetti offered written testimony in support of **SB393**. (Attachment 5) Lifting the cap on the teacher scholarship program would certainly help to bring more students into the educational field, particularly those with great financial need. Unfortunately, the success of the teachers' scholarship program is dependent upon an appropriation of funds that will allow the program to expand.

Diane Lindeman, Director of Student Financial Assistance for the Kansas Board of Regents, provided the Committee with information on the Teacher Service Scholarship Program. The program requires the recipient to complete a teacher preparation program in a designated hard-to-fill discipline. During the 2001 Legislative session, this program was amended to include underserved geographic areas as well. This change goes into effect for the current 2002-03 application year so they do not know what impact this amendment will have on the program. (Attachment 6) The Kansas Board of Regents position is that they are not opposed to **SB393**.

Senator Oleen made a motion to pass **SB393** favorably out of the Committee. Seconded by Senator Schodorf. Motion carried.

Senator Schodorf made a motion to approve the Committee minutes for January 29, January 31 and February 4, 2002. Seconded by Senator Teichman. Motion carried.

Meeting adjourned 2:25 p.m.