

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:30 p.m. on February 15, 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
Dale Dennis, Deputy Commissioner, Kansas Department of Education

Conferees appearing before the Committee:

Others attending:

See attached list.

SB 358 - State aid for special education; catastrophic state aid; and SB 359 - Special education; catastrophic state aid

Theresa Kiernan, Office of the Revisor of Statutes, appeared before the committee and provided a brief review of the provisions in **SB 358** and **SB 359**. She stated both bills were introduced by Legislative Educational Planning Committee; **SB 359** at the request of the 2010 Commission. The first change addresses the current law whereby there is one class of special education money where catastrophic aid comes off the top and what is left is allocated based on the per teacher, transportation, and paras. New section 1 provides that appropriations for catastrophic aid and categorical aid would be made line items. The threshold is raised from \$25,000 to \$36,000 and would increase annually based on the Consumer Price Index. Districts would continue to receive 75% over the base amount; finally, if the district is reimbursed under categorical aid they could not also be reimbursed for catastrophic aid for the same services; i.e., “double dipping”.

Under **SB 359** the threshold is changed and tied to the prior year’s special education costs per teacher. This amount, determined by the State Board of Education, is multiplied by two, subtracting any categorical aid received, and applying the 75% to that amount.

Estimates under **SB 358** include 130 to 140 claims at a cost of \$1.2 to \$1.4 million; **SB 359** includes 10 to 40 claims at a cost \$420,000 to \$650,000.

Chair Schodorf stated there were two similar, yet different, bills before the committee which needed to develop one bill. She felt the committee needed to determine what catastrophic aid is and how to set it up, whether to have a separate account or to take it off the top and hopefully to eliminate “double dipping”.

Senator Abrams was recognized and stated he favored **SB 359** and offered a balloon. Senator Vratil stated he favored **SB 358**. A discussion of distribution of catastrophic aid followed. Dale Dennis verified that catastrophic aid per pupil would vary based on the cost of a student to the district. If the total amount available was insufficient for all claims, the total would be prorated among all.

Senator Vratil then suggested the committee begin work based on **SB 358**. A balloon amendment was offered by Senator Abrams. He stated his amendment was directed at removing opportunities for “double dipping”; he also recommended changing the school year dates to 2010-2011 in line 27 and 2011-2012 in line 28 in order to ‘hold harmless’ school districts this year since budgets are already set. A discussion was held regarding the estimated costs of changing the effective dates. It was pointed out by Theresa Kiernan that the amendment would prohibit “double dipping” not only from categorical aid but from any state aid or federal monies or from any source. It was also pointed out that school districts did not file claims until after the school year when costs were known and, therefore, there would be a substantial increase in the number of claims this year.

Senator Abrams moved for adoption of the amendment to SB 358. The motion was seconded by Senator Vratil. Following additional discussion, the motion failed on a voice vote.

CONTINUATION SHEET

Minutes of the Senate Education Committee at 1:30 p.m. on February 15, 2010, in Room 152-S of the Capitol.

Senator Umbarger moved the committee recommend **SB 359** favorable for passage. The motion was seconded by Senator Hensley.

Senator Teichman asked for a review of the differences between the two bills other than the funding. Theresa Kiernan stated **SB 359** would eliminate the \$25,000 threshold and have it determined by the State Board of Education based on two times the amount paid per special education teacher as categorical aid in the preceding school year, it would subtract out any categorical aid they received to eliminate the “double dipping”, catastrophic aid would be taken off the top. Dale Dennis stated the primary difference is the threshold in one is \$36,000, the other is twice the amount of categorical aid per teacher the prior year. **SB 358** would affect approximately 130 to 140 students; **SB 359** would affect approximately 10 to 40 students. Dale Dennis stated that because of the ‘back fill’ from Federal stimulus funds, the amount per teacher would be considerably less this year.

Senator Vratil moved for adoption of an amendment to **SB 359**. The motion was seconded by Senator Owens. The motion failed on a voice vote.

The amendment would direct the State Board of Education to determine the total amount of state aid for special education and related services and, based on the total amount, determine the total excess cost for the preceding school year, multiply the amount by 92%, with this amount being the total amount of state aid available for special education and related services for the current school year. Subsection (b) would direct the state board to determine the excess cost for the provision of special education and related services for each school district for the preceding school year. Each school year a school district is entitled to receive state aid for the provision of special education and related services in an amount which does not exceed 92% of the excess cost of special education and related services of the district. The balance of state aid remaining after determining the amount of state aid payable to districts shall be reallocated to districts which have not received state aid in an amount equal to 92% of the excess cost of special education and related services of the district. If the balance is insufficient to pay each such district 92% of the excess cost of special education and related services, the state board shall prorate the balance among such districts based upon the full-time equivalent enrollment of exceptional children provided special education and related services by such districts.

Senator Teichman then asked for time to look at the ramifications of this amendment. Senator Vratil stated the content of the amendment was not a new concept, that it was a matter of fairness and that the matter of excess cost reimbursement was a matter of equity, fairness and a double dipping issue. He stated several districts profit significantly from excess costs reimbursements at this time.

Senator Owens offered a substitute motion to table **SB 358** and **SB 359**. The motion was seconded by Senator Vratil. The motion failed on a voice vote.

Senator Abrams then offered an amendment to **SB 359**. Chair Schodorf stated that due to time constraints, discussion of the amendment would continue Tuesday, February 16, 2010.

The next meeting is scheduled for February 16, 2010.

The meeting was adjourned at 02:35 p.m.